MF035430

INut 9783
PSA# 00673
INUT 14328
INUT 14329

Lease Type	Control	Basefile	County
RAL	07-108934	091638	REEVES

Survey	T & P Ry Co		
Block	57		
Block Name			
Township	2-S		
Section/Tract	26		
Land Part			
Acres	Net: 640.000000	Gross: 640.000000	
Depth Below	Depth Above	Depth Other	Allow All Depths
Name	WAHLENNAIER, L C		
Lease Date	2/3/1950		
Primary Term	10 years		
Bonus	$1,600.00		
Lease Royalty	0.06250000		
Paid Up	Yes		

Leasing:_____

Maps: RL

GIS: VJ

Scanlab:_____

CAUTION

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

Thank you for your assistance.

Archives and Records Staff

-M-
F
0
3
5
4
3
0
F270032
WAHLENMAIER, L C

Unit Acres 640.00

5
195

Mineral File 35430 A File

COUNTY: Reeves
TRACT :
PART : Sec 26 Blk 57 Tsp 2 T & P
ACRES : 640

LESSEE : ~~L. C. Wahlenmaier~~ ARCO
DATE : 2-3-50
TERM :
BONUS :
RENTAL:
FILE : 91638 07-10893-4

GLO VAULT
MF 035430

RELINQUISHMENT ACT LEASE

PRODUCING

A-FILE

For Title Papers and and Rental Payments

35430

File 35430

Reeves County

MINERAL LAND

L. C. Wahlenmaier

640 Acres

Section 26

Block 57

T & P Tsp. 2

Cert.

File: 91638

Lease dated 2-3-50 10 years

Name of Claim

Cash bonus $1,600.00
Rental payable 25¢ per acre

$1600.00

24. RENTAL PAYMENT 1-11-69

25. RENTAL PAYMENT 1-23-70

26. RENTAL PAYMENT 1-12-71

27. RENTAL PAYMENT 1/18/72

28. RENTAL PAYMENT 1-20-73

29. RENTAL PAYMENT 1-19-74

VOL.

File 35430

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3. Assignment 8-25-50 dt
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5- RENTAL PAYMENT JAN 25 1952
6- RENTAL PAYMENT JAN 27 1953
7 RENTAL PAYMENT JAN 26 1954
8 RENTAL PAYMENT Jan 1955
9 RENTAL PAYMENT JAN 23 1956
10 RENTAL PAYMENT JAN 21 1957
11 RENTAL PAYMENT JAN 23 1958
12. ~~APPLICATION TO DRILL WELL #1~~ See W Rec PLAT and JUN 12 1958
12. Division Order OCT 24 1958
13 RENTAL PAYMENT JAN 14 1959
14. DIVISION ORDER 11-20-59
15 RENTAL PAYMENT JAN 22 1960
16 RENTAL PAYMENT JAN 12 1961
17. RENTAL PAYMENT JAN 22 1962
18 RENTAL PAYMENT JAN 24 1963
19 RENTAL PAYMENT JAN 16 1964
20 RENTAL PAYMENT JAN 18 1965
21 RENTAL PAYMENT JAN 15 1966
22 RENTAL PAYMENT JAN 20 1967
23 RENTAL PAYMENT 1-12-68 ~~JAN 10 1968~~

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6. Rental Payment	1-27-1953	39. Rental Payment	1-25-83
7. Rental Payment	1-26-1954	40. Rental Payment	1-5-84
8. Rental Payment	1---1955	41. Rental Payment	1-19-85
9. Rental payment	1-23-1956	42. Rental Payment	1-11-86
10. Rental payment	1-21-1957	(43) Pooling Agreement	6-10-86
11. Rental payment	1-23-1958	44. Letter dated 7/29/86 from ARCO(Snyder) to GLO (Morelle) re. Cert.of Effect.	
12. Division Order	10-24-1958	45. Certificate of Effectiveness 7/24/86	
13. Rental payment	1-14-1959	46. Ltr. to Arco	7.10.87 Sg
14. Division Order	11-20-1959	47. Ltr. to Arco	8.13.87 Sg
15. Rental Payment	1-22-1960	48. Deeded to Lr	9-4-87 DB
16. Rental Payment	1-12-1961	49. See MF-18878 Item 73 dtd 04-01-93	
17. Rental Payment	1-22-1962	54. Memorandum Assignment #8918 Walsh & Watts to	
18. Rental payment	1-24-1963	~~53~~ BHP Billiton	11.18.13
19. Rental payment	1-16-1964	55. 52. Assignment #8919 Walsh & Watts to	
20. Rental Payment	1-18-1956	~~53.~~ BHP Billiton	11.18.13
21. Rental payment	1-15-1966	56 ~~54.~~ Assignment #9114, K.C. Wahlenmaier	
22. Rental Payment	1-20-1967	~~55.~~ to Sinclair Oil & Gas	8.8.14
23. Rental payment	1-12-1968	57 ~~56.~~ Assignment #9115, Atlantic Richfield	
24. " "	1-11-1969	~~57.~~ to Walsh & Watts	8.8.14
25. " "	1-23-1970	58 ~~58.~~ Assignment #9116, Atlantic Richfield	
26. Rental Payment	1-12-1971	~~59.~~ to Walsh & Watts	8.8.14
27. " "	1-18-1972	59 ~~60.~~ Assignment #9118, BHP Billiton	
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Scanned 9-1-2020

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21.	Rental payment	1-15-1966	
22.	Rental Payment	1-20-1967	
23.	Rental payment	1-12-1968	
24.	" "	1-11-1969	
25.	" "	1-23-1970	
26.	Rental Payment	1-12-1971	
27.	" "	1-18-1972	
28.	" "	1-20-1973	
29.	Rental Payment	1-19-74	
30.	Rental Payment	1-18-75	
31.	Rental Payment	1-16-76	
32.	Rental Payment	1-21-77	
33.	DIVISION ORDER	9-28-77	
34.	Rental Payment	1-13-78	
35.	Rental Payment	1-12-79	
36.	Rental Payment	1-10-80	
37.	Rental Payment	1-14-81	
38.	Rental Payment	1-15-82	
39.	Rental Payment	1-25-83	
40.	Rental Payment	1-5-84	
41.	Rental Payment	1-19-85	
42.	Rental Payment	1-11-86	
43.	Pooling Agreement	6-10-86	
44.	Letter dated 7/29/86 from ARCO (Snyder) to GLO (Morelle) re. Cert. of Effect.		RKA 8-4-86
45.	Certificate of Effectiveness 7/24/86		RKA 8-4-86
46.	Ltr. to Arco	7.10.87 Sg	
47.	Ltr. to Arco	8.13.87 Sg	
48.	Decision Ltr - 9-4-87 DB		
49.	See MF-18878 Item 73 Ltd 04-01-93		
54.	Memorandum Assignment #8918 Walsh & Watts to		
55.	BHP Billiton	11.18.13	
52.	Assignment #8919 Walsh & Watts to		
53.	BHP Billiton	11.18.13	
56 54.	Assignment #9114, L.C. Wahlenmaier		
55.	to Sinclair Oil & Gas	8.8.14	
57 56.	Assignment #9115, Atlantic Richfield		
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60 62.	Ltr. From BHP	4/6/15	
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Scanned 9-1-2020

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70. permit 389-34347	6-25-14	95. CC PSA#00673 12-11-24
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74. permit 389-34797	3-9-15	97. iNut 14328 - API 42.389.41442 4/22/2025
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77 completion report 389-34363	7-8-15	99. Division Order 6/2/2025
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91. Division Order	3-28-19	
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No. 5367—General Land Office Lease Form Under Relinquishment Act.

M-35430

21652

RECEIVED
MAY 24 1950
GENERAL LAND OFFICE

W-218

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 3rd day of February, 1950, by and between Guy Caldwell and wife, Jeannette Caldwell; L. H. Beckham and wife, Agnes C. Beckham, all of Abilene, Taylor County, Texas; Mildred C. Touchstone (formerly Mildred F. Caldwell) joined by her husband Claude T. Touchstone of Fort Worth, Tarrant County, Texas
(Give Permanent Address)
individually and as agent for the State of Texas, party of the first part, herein referred to as Lessor (whether one or more) and L. C. Wahlenmaier of Midland, Texas
(Give Permanent Address)
party of the second part, hereinafter called Lessee.

WITNESSETH: That the Lessor in the capacities aforesaid, for and in consideration of $1,600.00 - - - - Sixteen Hundred and No/100 - - - - - - - Dollars, cash in hand paid, as his individual property and estate, receipt of which is hereby acknowledged, (SEE NOTE BELOW) and a like amount paid to the STATE OF TEXAS, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed have this day granted, demised, leased and let, and by these presents do grant, demise, lease and let unto the said Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care, treat and transport said products of the lease the following land situated in Reeves County, State of Texas, to-wit:

Section No. 26, Block 57, Township No. 2,
Texas and Pacific Ry. Co.

(Doc.Stamps $2.20 properly Attached & Cancelled)

containing 640 acres, more or less.

Subject to the other provisions herein contained, this lease shall remain in force for a term of 10 years from this date, (herein called primary term) and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the land hereby leased.

In consideration of the premises the said Lessee covenants and agrees:

1. To pay to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, free of cost in the pipe line with which the well or wells may be connected, 1/16th of the value of all oil and gas produced and saved from said leased premises as required by Article 5368 of the General Laws of the State of Texas, 1925, revised.

2. To deliver to the credit of the Lessor as the owner of the soil, free of cost, in the tanks or pipe lines to which wells may be connected an additional equal 1/16th part of all oil and gas produced and saved from said leased premises or at the option of Lessor 1/16th of the value of all oil and gas produced and saved from said leased premises.

3. If no well be commenced on said land, hereby leased, on or before the 3rd day of February, 1951, this lease shall terminate as to both parties, unless the Lessee on or before that date shall pay or tender to the Lessor as the owner of the soil or to his credit in the Citizens National Bank, at Abilene, Texas or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of 160.00 - - Dollars, per annum and in addition shall pay to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, A LIKE SUM on or before said date; which shall operate as a rental and cover the privilege of deferring the commencement

of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively.

4. All payments or tenders of rental to Lessor as owner of the soil may be made by check or draft of Lessee, or any assignee hereof, mailed and delivered on or before the rental paying date. If said bank (or any successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payment or tender of rental until thirty (30) days after Lessor shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

5. If at the expiration of the primary term of this lease neither oil nor gas is being produced on the leased premises, but Lessee is then engaged in operation for drilling for oil or gas, then this lease shall continue in force so long as operations for drilling are being continuously prosecuted in good faith on the leased premises; and operations for drilling shall be considered to be continuously prosecuted in good faith if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If oil and/or gas shall be discovered and produced from any such well or wells drilled at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil and/or gas shall be produced in paying quantities from the leased premises.

6. The Lessee shall adequately protect the oil and gas under the above described land from drainage from the adjacent lands or leases. Neither the bonus, delay rentals, nor royalties paid or to be paid hereunder shall relieve Lessee from the obligations herein expressed, and for such purpose Lessee shall be required to drill as many wells as the facts may justify and to the depth or depths necessary for effective protection against undue drainage by other wells on adjacent lands or leases.

7. Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve (12) months from the expiration of the last rental period for which rental due hereunder has been paid, this lease shall terminate as to both parties, unless the Lessee on or before the expiration of said twelve (12) months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payments of rentals, as above provided, that the preceding paragraph hereof, governing the payment of rentals and the drilling of wells and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

8. However, it is understood and agreed that notwithstanding the fact that development may be in progress or production secured and royalty being paid hereunder the owner or operator of the leased premises shall continue to make annual rental payments to the State which, under such conditions and in the absence of any rentals being paid to the land owner, shall be the minimum of ten cents (10c) per acre as provided by said Article 5368.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil, gas or other minerals therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God, or any valid 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 for 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 drilling, reworking operations or producing oil, gas or other minerals from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of delay rentals in order to maintain this lease in effect during the primary or extended term in the absence of such drilling or reworking operations or production of oil, gas or other minerals.

10. If the Lessor as the owner of the soil owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rental herein provided to be paid to Lessor in his capacity as the owner of the soil shall be paid to him only in the proportion which his interest bears to the whole and undivided fee.

11. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for all operations thereon, except water from wells or tanks of Lessor, and with the exception that the State must be paid its above specified royalty on production of oil and/or gas regardless of how used or disposed of.

12. When requested by Lessor, Lessee shall bury his pipe lines below plow depth.

13. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of the Lessor.

14. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving waste oil that flows down the creeks, ravines and across the land embraced in the lease, whether said oil is produced from said land covered by this lease or other lands, provided the royalties herein specified are paid on said oil at the same rate under the same conditions as provided for oil regularly produced.

15. Lessee shall pay for damages caused by his operations to growing crops on said land.

16. The Lessee shall have the right to remove all machinery and fixtures placed on said premises, including the right to draw and remove the casing, provided however that the casing shall not be drawn and removed until after thirty (30) days' written notice to the Commissioner of the General Land Office and to the Lessor as the owner of the soil.

17. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rentals due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers the part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payment of said rentals.

18. Lessee may, at any time, and from time to time, execute and deliver to the Lessor, or place of record, a release or releases covering any portion or portions of the above described premises, and thereby surrender this lease as to such portion or portions, and be relieved of all obligations as to the acreage surrendered. In the event any part of this lease is surrendered, as above provided, the delay rental then payable hereunder shall thereupon be reduced in the proportion that the acreage surrendered bears to the acreage which was covered by this lease immediately prior to such surrender. Provided such release shall not thereby relieve the Lessee of any liabilities which may have accrued in connection with the lease prior to the surrender of such acreage.

19. Provided further that in the event all or any part of this lease is assigned or released such assignment or release shall be recorded in the county where the land is situated and a copy of such recorded instrument certified by the county clerk, shall be filed in the GENERAL LAND OFFICE by the owner of that part of the lease so assigned or released accompanied by filing fee of one dollar ($1.00) thereon.

STATE OF TEXAS }
COUNTY OF TARRANT }

Before me, the undersigned authority, on this day personally appeared Claude T. Touchstone and Mildred C. Touchstone, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purpose and consideration therein expressed, and in the capacity therein stated, and the aforesaid wife, having been examined by me privily and apart from her husband, and having the same fully explained to her, she acknowledged said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 1st day of March, A. D. 1950.

(Katherine M. Allred) Katherine M. Allred
Notary Public in and for
Tarrant County, Texas

STATE OF TEXAS }
COUNTY OF TAYLOR }

Before me, the undersigned authority, on this day personally appeared L. H. Beckham and Agnes C. Beckham, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purpose and consideration therein expressed, and in the capacity therein stated, and the aforesaid wife, having been examined by me privily and apart from her husband, and having the same fully explained to her, she acknowledged said instrument to be her act and deed, and declared that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 7th day of April, A. D. 1950.

Lula C. Jones, Lula C. Jones
Notary public in and for Taylor
County, Texas

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. Texas Standard Form. THE CLEGG CO. SAN ANTONIO

THE STATE OF TEXAS,
COUNTY OF Reeves }

I, Estelle Clinton, Clerk of the County Court of Reeves County, Texas, do hereby certify that the foregoing is a true and correct copy of the original Oil & Gas Lease from Guy Caldwell, et al to L.C.Wahlenmaier, covering Sec.26, Blk.57, T 2, T&P, as the same was filed for record in my office on May 19, 1950 at 2:50 o'clock P M under File No. 2152.

~~as the same appears of record in my office in book~~ ~~page~~.

Given under my Hand and Seal of said Court, at office in Pecos, Texas, this 19th day of May, 1950.

Estelle Clinton Clerk,

By ....., Deputy.

10

20. It is further recognized that before this lease is effective a certified copy thereof shall be filed in the General Land Office in accordance with House Bill No. 9, Act approved June 19, 1939, which is construed as meaning certified copy made by the County Clerk from his records.

21. It is further agreed that the bonus due the state hereunder shall accompany such certified copy to the General Land Office.

22. The Lessor as the owner of the soil hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for said Lessor, by payment, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by said Lessor, and be subrogated to the rights of the holder thereof, to the extent that Lessee may apply any rental or royalty due Lessor from Lessee until any obligation thus incurred by Lessor is discharged.

23. This lease is issued under provisions of Subdivision 3, Chapter 4, Title 86, of the Revised Statutes of the State of Texas, 1925, and amendments thereto, commonly known as the Relinquishment Act, and should there be any provisions herein not in conformity with said Act, the law is recognized and understood to prevail notwithstanding anything in this lease to the contrary.

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

Guy Caldwell
Individually and as Agent for the State of Texas

Jeannette Caldwell
Individually and as Agent for the State of Texas

L. H. Beckham
Individually and as agent for the State of Texas

Agnes C. Beckham
Individually and as agent for the State of Texas

Mildred L. Touchstone
Individually and as agent for the State of Texas

Claude F. Touchstone
Individually and as agent for the State of Texas

WITNESSES:

NOTE: Section 4a, House Bill No. 9, Act of June 19, 1939, provides that lease shall not be effective until a certified copy thereof (which is construed as meaning certified copy by the County Clerk) is filed in the Land Office, and that lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised therefor,

DOUBLE ACKNOWLEDGMENT

STATE OF
COUNTY OF TAYLOR

Before me, the undersigned authority, on this day personally appeared Guy Caldwell and Jeannette Caldwell, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and the aforesaid wife, having been examined by me privily and apart from her husband, and having the same fully explained to her, she acknowledged said instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this the 28th day of February, A. D. 1950.

Lula C. Jones, Lula C. Jones
Notary Public in and for
Taylor County, Texas

SINGLE ACKNOWLEDGMENT

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name _____ subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office, this the _____ day of _____, A. D. 19____.

_____
Notary Public in and for
_____ County, _____

CORPORATION ACKNOWLEDGMENT

STATE OF
COUNTY OF

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

Given under my hand and seal of office, this the _____ day of _____, A. D. 19____.

_____
Notary Public in and for
_____ County, _____

T276-1046-6m

M-35430
Lease
File dated 5-24-50
Bascom Giles, Com'r.
nh

Reg. #21653
44-332

FORM 51

GENERAL LAND OFFICE

Austin, Texas May 24, 1950

Received from L. C. Wahlenmaier Midland, Texas

One thousand six hundred and 00/100 DOLLARS

For State's portion of the cash bonus due on State Lease M-35430

POSTED

Bascom Giles

M. F. 35430

BONUS PAYMENT

FILED MAY 24 1950 19

Bascom Giles

COMMISSIONER

MS

CLERK

S-721

RECEIVED
AUG 25 1950
GENERAL LAND OFFICE

#20 Reeves 26959

WHEREAS, on the 3rd day of February, 1950, a certain oil and gas mining lease was made and entered into by and between Guy Caldwell and wife, Jeannette Caldwell; L.H. Beckham and wife, Agnes C.Beckham, all of Abilene, Taylor County,Texas; Mildred C.Touchstone (formerly Mildred F. Caldwell) joined by her husband, Claude T.Touchstone of Fort Worth,Tarrant County, Texas, individually and as agent for the State of Texas, LESSOR, and L.C. Wahlenmaier, LESSEE, covering the following described land in the County of Reeves, and State of Texas, to-wit:

Section No. Twenty-six (26), Block Fifty-seven (57), Township No. Two (2), Texas & Pacific Ry Co. containing 640 acres, more or less.

Said lease being recorded in the office of the County Clerk in and for said County in book_____page_____ and

WHEREAS, the said lease and all rights thereunder or incident thereto are now owned by L.C. Wahlenmaier, whose marital status has not changed during the ownership of said property.

NOW,THEREFORE, for and in consideration of One Dollar (and other good and valuable considerations) the receipt of which is hereby acknowledged, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain,sell,transfer,assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder in so far as it covers the above described land, together with all personal property used or obtained in connection therewith to SINCLAIR OIL & GAS COMPANY, and its successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee, its successors, or assigns, that he, the said L.C.Wahlenmaier, is the lawful owner of the said lease and rights and interests thereunder, and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid, and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, The undersigned owner and assignor has signed this instrument this 16th day of March, 1950.

(Doc.Stamps $4.40 properly dated and cancelled.)

L.C. Wahlenmaier.

THE STATE OF TEXAS |
|
COUNTY OF MIDLAND |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared L.C.Wahlenmaier, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,this the 16th day of March, A.D. 1950.

Virginia Pickett,
Notary Public in and for Midland County, Texas.

(Seal)

Filed for record on the 1 day of July, A D 1950 at 9:50 o'clock A M and recorded this 14 day of July, A D 1950,at 3:00 o'clock P M

Estelle Clinton,
County Clerk, Reeves County, Texas.

- - - - - - -

THE STATE OF TEXAS |
|
COUNTY OF REEVES |

I, ESTELLE CLINTON, County Clerk, Reeves County, Texas, do hereby certify that the above and foregoing is a true and correct copy of ASSIGNMENT OF OIL & GAS LEASE from L.C.Wahlenmaier to SINCLAIR OIL & GAS COMPANY, as the same appears of record in the Deed Records of Reeves County, Vol. 129, page 126.

TO CERTIFY WHICH WITNESS my hand and seal of office, at my office in Pecos, Texas,this the 8th day of August, A D 1950.

Estelle Clinton
County Clerk, Reeves County,Texas.

M-35430
Assignment
File dated 8-25-50
Bascom Giles, Com'r.
dt

RECEIVED AS STATED
100
8-25-50
CARL L. LIND, Register
GENERAL LAND OFFICE

Reg. # 26959

GENERAL LAND OFFICE

Reg.No. 16954
Fund No.

Austin, Texas 1-24-51 1950

Received from Sinclair Oil & Gas Company, Tulsa, Oklahoma

$ $ 160.00 One Hundred Sixty dollars & NO/100 DOLLARS

For Rentals tendered State on 640 acres in Reeves County

under M.F. No. 35430

POSTED

Bascom Giles

M. F. No. 35430

Month JUN - - 1958

New Lease

Barrels	

Opening Stock

Gross Production

Net Sales:

Date	Ticket No.	°Gr.	Barrels

Price	Barrels	°Gr.	Value

Total Value $

Other Disposition

BS & W and Temperature

Ending Stock

Calculated by:

Date	Ticket No.	°Gr.	Barrels

Remarks:

Reg. No. 19799
Fund No. 44-332

FORM 51

GENERAL LAND OFFICE

Austin, Texas Jan. 25, 195 2

Received from Sinclair Oil & Gas Company, Box 521, Tulsa, Oklahoma

$160.00 One Hundred Sixty and NO/100.....DOLLARS

For RENTAL on 640 Acres. Sec. 26, Blk. 57, Tsp. 2, T&P Ry Co

REEVES COUNTY (Period 2-3-52 to 2-3-53)

M-35430

Bascom Giles

POSTED

5

M. F. 35430

RENTAL PAYMENT

FILED JAN 25 1952 IN

Roscoe Giles

COMMISSIONER

M S

CLERK

FORM 51

GENERAL LAND OFFICE

Reg. No. 23007
Fund No. 44-332

Austin, Texas January 27, 1953

Received from Sinclair Oil & Gas Company, Box 521, Tulsa, Oklahoma

$160.00 One Hundred Sixty and NO/100.....DOLLARS

For RENTAL on 640 Acres. Sec. 26, Blk. 57, Tsp. 2, T&P Ry Co

REEVES COUNTY (Period 2-3-53 to 2-3-54)

State Lease M-35430

Bascom Giles

POSTED

6

M. F. 35730

RENTAL PAYMENT

FILED JAN 27 1953 19

Bascom Giles

COMMISSIONER

Q. L.

CLERK

FORM 51 GENERAL LAND OFFICE Reg. No. 30227
Fund No. 44-332

Austin, Texas January 26, 195 4

Received from Sinclair Oil & Gas Company, Box 521, Tulsa, Oklahoma

$160.00 One Hundred Sixty and NO/100.....DOLLARS

For RENTAL on 640 Acres. Sec. 26, Blk. 57, Tsp. 2, T&P Ry Co

REEVES COUNTY (Period 2-3-54 to 2-3-55)

State Lease M-35430

Bascom Giles

POSTED

T. M. F. 35430

RENTAL PAYMENT

FILED JAN 26 1954

Bascom Gibbs
COMMISSIONER

ED
CLERK

me 88867 FOR CREDIT OF

(Period 2-3-55 to 2-3-56)

PAYEE (State Lease No. M-35430)

AMOUNT

160.00

BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:

Section 26, Block 57, Twp. 2, T&P Ry. Co., 640 acres, more or less, Reeves County, Texas.

RECEIVED

JAN 22 1955

GENERAL LAND OFFICE

27302

J. Earl Rudder

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

8

No. F. 25-431

Rental Payment

Filed Jan 22 1935

J. EARL RUDDER

Commissioner

EB

Clerk

E-Z-OUT CARBONSET FORMS

mm 36504 FOR CREDIT OF	AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
Payee (State Lease #M-35430)	160.00	Sec. 26, Blk. 57, Twp. 2, T&P Ry. Co., containing 640 acres, more or less, Reeves County, Texas.

RECEIVED
JAN 23 1956
GENERAL LAND OFFICE

12

31629

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

M. F. 9580

Rental Payment

Filed JAN 23 1956

J. EARL RUDDER

Commissioner

Clerk

Lease No. 155791

APPLICATION FOR LEASE AMENDMENT

Honorable Bascom Giles, Commissioner
General Land Office
Austin, Texas

Under the provisions of Senate Bill No. 148, Chapter 255, Acts of the 53rd Legislature, 1953, Article 5382e, V.A.C.S., providing for drilling or reworking operations if production ceases at or after the expiration of the primary term, and providing for payment of shut-in gas well royalty, the undersigned hereby applies for an amendment of the mineral lease of oil and gas held by the lessee on the tract of land described below and dated the 15th day of June, 1950, and being Mineral File No. 35596 in the General Land Office, so as to include the provisions of said statute.

Tract 204 Area Galveston Bay
(Bay, River, etc.)
Section ____ Block ____ Tsp ____
Survey 640 Acres Chambers County
Texas.

(Only one lease should be included in this application, and the land must be described the same as in the lease originally granted.)

Attest:-

Elizabeth W. Kenney
Assistant Secretary

HUMBLE OIL & REFINING COMPANY
Individual or Company

By [signature]
VICE PRESIDENT

Date 11/30/53 Post Office P. O. BOX 2180
HOUSTON, TEXAS

Form Approved
By [signature]
TRADE O. K.
W. A. MALEY
By [signature]

35596 9.
Application for Lease Amendment
File Dated 1-2-54
Bascom Giles, Comr.
GD

RECEIVED
JAN 2 1954
REFERRED TO MINERALS

lmc 05315 FOR CREDIT OF

AMOUNT

BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:

PAYEE (State Lease #M-35430) 160.00

Sec. 26, Block 57, Twp. 2, T&P Ry. Co.,
640 acres, more or less, Reeves County, Texas.

RECEIVED
JAN 2[illegible]1957
GENERAL LAND OFFICE

12

30041

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

O

M. F. 35430

Rental Payment

Filed JAN 21 1957 19

J. EARL RUDDER

Commissioner

HS

Clerk

pm 45360 FOR CREDIT OF

AMOUNT

BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:

PAYEE (State Lease # M-35430) 160.00

Sec. 26, Blk. 57, Twp. 2, T&P Ry. Co. containing 640 acres, more or less, Reeves County, Texas.

(MINERALLY CLASSIFIED LAND)

12

RECEIVED
JAN 23 1958
GENERAL LAND OFFICE

30968

Earl Lunder

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

11

M. F. 35430

Rental Payment

Filed JAN 23 1958 19

J. EARL RUDDER

Commissioner

WS

Clerk

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

BILL ALLCORN
COMMISSIONER

October 24, 1958

Cactus Petroleum, Incorporated
P. O. Box 12385
Houston 17, Texas

RE: SINCLAIR OIL & GAS CO.'S ** AGNES BECKHAM FARM LEASE
Sabre (Delaware) Field, Sec. 26, Blk 57, Tsp. 2,
Tex. & Pacific Ry. Co. Survey, Reeves County, Texas

Gentlemen:

Our Lease No. MF-35430

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the manner in which the State shall receive its royalties, I do not feel that it would be in conformity with the law on the subject for this Department to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Department, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease which oil and/or gas shall be come your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw/ ab
Cactus Lease No. 3808(DO)
Mailed to: Sinclair Oil & Gas Company
Sinclair Oil Building
Tulsa, Oklahoma

RECEIVED
OCT 17 1958
GENERAL LAND OFFICE

CACTUS PETROLEUM, INC.

Lease No. 3808

DIVISION ORDER

TO CACTUS PETROLEUM, INC.
P. O. Box 12385
Houston 17, Texas

Effective 7 A.M. date of first run, 1958

The undersigned, and each of them, guarantee and warrant that they are the legal owners, in the proportions set out below, of all the oil produced from Sinclair Oil & Gas Co.'s **AGNES BECKHAM Lease, in the Sabre (Delaware) Field, more particularly described as:

640 acres of land, more or less, described as follows:
All of Section No. 26, Block 57, Township No. 2, Texas and Pacific Ry. Co. Survey, Reeves

County, in the State of Texas, and until further written notice you or your nominee is authorized for your own account to receive and purchase oil therefrom in quantities acceptable to you and pay therefor as follows:

CREDIT TO	INTEREST	P. O. ADDRESS

(DIVISIONS OF INTEREST ATTACHED)

Oil run in pursuance of this Division Order shall become your property upon delivery thereof to any pipe line or carrier you may designate; and shall be credited to the owners in proportion to their respective interests shown above at the price posted by Standard Oil Company of Texas for West Texas Sweet crude oil of like grade and gravity, less fifteen (15) cents per barrel.

Payment to be made monthly, for oil run during preceding calendar month, by mailing or delivering draft or check to the respective parties at addresses given above or their respective successors, except that you shall not be required to pay monthly for interests amounting to Five ($5.00) Dollars or less, but may hold same without interest, remitting the accumulation annually.

Quantities and qualities of oil received hereunder, shall be determined by the practice prevailing in the area in which oil is produced, and in accordance with rules and regulations of the governmental agency or commission having recognized jurisdiction or control of the production and handling of crude oil in such area. You or your nominee will receive only oil, which, in the exclusive opinion of you, or your nominee, is merchantable and may require well owners to treat or steam any unmerchantable oil at well owner's expense, before acceptance hereunder.

The undersigned each agrees that any person, partnership or corporation to whom you may sell all or any part of the oil which you purchase hereunder may make payment to you for all of said oil purchased from you, and agrees to look solely to Cactus Petroleum, Inc., for payment of his interest in the oil which Cactus Petroleum, Inc., is purchasing from him hereunder. The undersigned each agrees, insofar as his interest is concerned, to hold harmless any purchaser from Cactus Petroleum, Inc., against any claim of any nature in connection with the purchase of such oil from Cactus Petroleum, Inc., and payment therefor.

We severally agree to notify you in writing of any change of ownership; and that our successors shall be bound by the terms hereof; and that any transfers of interest will be made effective on the first day of the calendar month preceding or following notice to you of said transfer. Changes of ownership hereunder shall be accomplished by submitting to Cactus Petroleum, Inc., a certified or photostatic copy of the recorded instrument accomplishing such change and by executing a transfer order adopting the terms and provisions of this division order agreement. If the total royalty interest hereunder shall become subdivided so as to require remittances to be made to six or more parties, you shall have the right to require the written designation of a common agent to receive payment for the several owners and may hold sums due any or all such owners, without interest, until such written designation is furnished and approved by you.

You assume no responsibility for over payment of any limited amounts set forth in this division order, and without liability may continue payments as set forth herein unless and until furnished with written releases terminating such agreements.

Satisfactory abstract or other evidence of title will be furnished you as of the effective date hereof and at any time thereafter when demanded by you. If such abstracts or evidence of title are not furnished, or in the event of a claim or controversy, which, in your opinion, concerns title to any interest hereunder, you may hold, without interest and without any liability, the amount credited to said owner until indemnity satisfactory to you has been furnished, or until such claim or controversy is settled to your satisfaction.

Each of the undersigned agrees to protect and indemnify you and/or your nominee from, against and for any loss or expense which you and/or your said nominee may suffer or sustain or become liable for by reason of your and/or your nominee's purchase, pursuant hereto, of said undersigned's interest, as above set out, in said oil and the payment therefor to said undersigned, regardless of how the same may arise and including (not to the exclusion of any causes not herein expressly set out) any one of the following: Any judgment rendered in an action or suit affecting the title to either the real property above described or the oil produced therefrom; all reasonable costs or expenses incurred in defending in such suit or action your position or that of your nominee receiving the oil; any claim or claims or judgment arising therefrom, for any tax, State or Federal, which may be asserted by any taxing authority (State or Federal) against you or your nominee in connection with, incident or in any manner related to any sum or sums of money held in suspense by you or either of you during the existence of any claim or controversy, as above provided.

You are hereby authorized and empowered to withhold from the proceeds of any and all runs made hereunder the amount of any tax, either State or Federal, placed thereon, and to pay the same in our behalf.

The Division Order may be executed in counterparts, each of equal dignity, and shall become valid and binding upon each and every owner above named as soon as signed by him, her or it, regardless of whether or not any of the other above named or any other owners have so signed.

WITNESS: (SIGNATURES MUST HAVE TWO WITNESSES)

P66 25M 9-58

Please print correct Mailing Address. Corporate Signatures must be attested and Corporate Seal affixed.

RECEIVED
OCT 17 1958
GENERAL LAND OFFICE

DIVISIONS OF INTEREST

CREDIT TO	DIVISION OF INTEREST	P. O. ADDRESS
Commissioner of the General Land Office of the State of Texas	.0625000 R.I.	
Guy Caldwell and wife, Jeannette Caldwell	.0208333 R.I.	
Agnes C. Beckham and husband, L. H. Beckham	.0208333 R.I.	
Mildred C. Touchstone and husband, Claude Touchstone	.0208334 R.I.	
Sinclair Oil & Gas Company, a corporation	.8750000 W.I.	
	1.0000000	

12. MF-35430
Copy of Division Order
Filed 10-24-58
Bill Allcorn, Com'r/ab

pm 84233 FOR CREDIT OF	AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
PAYEE (State Lease M-35430)	64.00	Sec. 26, Blk. 57, Twp. 2, T&P Ry. Co., 640 acs. more or less, Reeves County, Texas.

RECEIVED
JAN 14 1959
GENERAL LAND OFFICE

34424

12

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

13

M. F. 35430

Rental Payment

Filed JAN 14 1959 19

BILL ALLCORN

Commissioner

#3

Clerk

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

BILL ALLCORN
COMMISSIONER

November 20, 1959

Sinclair Crude Oil Company
P. O. Box 521
Tulsa 2, Oklahoma

Re: SINCLAIR OIL & GAS COMPANY -
Agnes Beckham Lease, Sec. 26,
Blk. 57, Twp.2, T&P Ry. Co. Survey
containing 640 acres, Reeves County, Texas

Gentlemen:

Our Lease No. M-35430

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the manner in which the State shall receive its royalties, I do not feel that it would be in conformity with the law on the subject for this Department to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Department, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease which oil and/or gas shall be come your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/sm

SCO-15-REV. 8-58

SINCLAIR CRUDE OIL COMPANY
DIVISION ORDER

November 11, (Date), 1959

To: SINCLAIR CRUDE OIL COMPANY P. O. Box 521, Tulsa 2, Oklahoma (Address)

Each of the signers hereof guarantees and warrants that the interest set opposite his name below is his correct ownership in the oil (which, for the purposes hereof, includes all liquid hydrocarbons purchased hereunder) produced from the SINCLAIR OIL & GAS COMPANY - Agnes Beckham Farm described as

Sec. 26, Blk. 57, Twp. 2, T&P Ry. Co. Survey, Containing 640 acres

located in Reeves County, State of Texas, and commencing July 1, 1959, at 7:00 a. m. and until further written notice either from you or from us, you are authorized to receive oil therefrom, purchase it and pay therefor as follows:

CREDIT TO	DIVISION OF INTEREST	P. O. ADDRESS
Sinclair Oil & Gas Company	7/8 WI (.8750000)	
Commissioner of the General Land Office, for the Use and Benefit of the State of Texas	1/16 RI (.0625000)	LAND OFFICE BUILDING AUSTIN 14, TEXAS
Guy Caldwell and wife, Jeannette Caldwell	1/48 RI (.0208333)	
Agnes C. Beckham and husband, L. H. Beckham	1/48 RI (.0208333)	
Mildred C. Touchstone and husband, Claude T. Touchstone	1/48 RI (.0208334)	

The following covenants are also a part of this division order and shall be binding upon each of the signers hereof, their respective successors, legal representatives and assigns.

FIRST: The oil run hereunder shall become your property upon delivery thereof into your custody or that of any carrier designated by you.

SECOND: The oil received and purchased hereunder shall be delivered F.O.B. to any carrier designated by you which gathers and receives said oil, and you agree to pay for such oil at the price posted by you for oil of the same gravity, kind and quality from the field in which the above described farm is located on the date said oil is received by you. Accurate pipe line grades and measurements shall govern and control in all settlements. You shall correct the volume and gravity to a temperature of sixty degrees (60°) Fahrenheit and you shall deduct from such corrected volume the full percentages of basic sediment, water and other impurities as shown by your test. You may refuse to receive any oil not considered merchantable by you.

In the absence of a pipe line connection at the lease tanks, all transportation charges per barrel agreed upon by you with the Operator, including transportation taxes, shall be deducted from the price to be paid for such oil.

The proceeds of said oil, after deducting any severance, occupation or other tax imposed thereon by law and required to be deducted by you as a purchaser (until such time as any law so requiring is declared invalid by final judgment) and any transportation charges as hereinabove set out, shall be paid monthly for oil received and purchased during the preceding month, according to the division of interests set out above, by check of Sinclair Crude Oil Company therefor mailed to each party at the address above designated.

Should the oil be resold by you to another purchaser accepting delivery thereof at the lease tanks, settlements to us therefor shall be based upon the price received by you for such oil at lease tanks and upon the grades, measurements and volume computations made by such purchaser.

THIRD: Without impairment of any warranty herein contained, it is agreed that abstracts or other evidence of title satisfactory to you will be furnished at any time on demand. In the event of a failure so to furnish such abstracts or other evidence of title, or in the event of an adverse claim, question or dispute at any time which in the opinion of your attorney affects the title to such oil or any part thereof or to the land from which such oil is produced, you may hold the proceeds of all oil received, to the extent of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to you has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined to your satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property above described or to the oil produced therefrom in which any of the signers hereof are parties, written notice of the filing of said action shall be immediately furnished you by the affected party stating the court in which the same is filed and the title of such action or suit. You and/or any carrier transporting oil for your account shall be held harmless by each party to this division order to the extent of his interest, as set forth in this division order, from any and all loss, damage, charge, tax or expense of any kind whatsoever which you and it, or either, may suffer or incur by or on account of receiving, purchasing, paying for or transporting the oil credited to such party's interest.

FOURTH: You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof. Each signer hereof agrees to notify you in writing of any change in his ownership and agrees that any transfer, assignment, or conveyance of any of his interest hereunder shall be made subject to this division order and effective at seven o'clock a. m. on the first day of the calendar month following the receipt of said notice by you. Without regard to whether any contingency is expressly stated in this division order, you are hereby relieved of any responsibility for determining when any of the interests herein shall increase, diminish, be extinguished or revert to other parties as a result of the completion or discharge of money or other payments from said interest, or as a result of the expiration of any time or term limitation (either definite or indefinite), or as a result of the increase or decrease in production, or as a result of a change in the depth, the method or the means of production, or as a result of a change in the allocation of production affecting the above tract or any portion thereof under any agreement or by order of Governmental authority, or resulting from any other contingency, and until you receive notice in writing to the contrary, you are hereby authorized to continue to remit pursuant to the above division of interest. In the event said written notice is not received by you, you shall be held harmless for error resulting in over or under payment, or a wrong payment of any such sum or sums.

FIFTH: In consideration of the purchase of oil hereunder, consent is hereby given to you and/or any pipe line company which you may cause to connect with the wells and/or tanks on said land to disconnect and remove such pipe line in case of termination by either you or us of purchases under this division order.

SIXTH: All parties hereto who are connected with the operation of the lease above described severally warrant that all oil sold under this division order has been and will be produced and handled in compliance with the provisions of the Federal Fair Labor Standards Act of 1938 as heretofore or hereafter amended, and all other applicable Federal, State and Municipal laws, rules and regulations.

SEVENTH: If the proceeds accruing to any interest hereunder should amount to less than two dollars ($2.00) for any month, you are hereby authorized to accumulate the monthly accruals to any such interest and make payment of such accumulations on an annual basis.

EIGHTH: This division order shall become valid and binding on each owner above named as soon as signed by such owner, regardless of whether or not any of the other owners have so signed. Masculine gender where used shall include feminine and neuter gender.

NINTH: All written notices provided for herein shall be given to the party to receive the same, at the address of such party stated herein. All of the provisions herein contained shall apply to each signer hereof separately and not jointly.

WITNESSES SIGN BELOW

PLEASE HAVE YOUR SIGNATURE WITNESSED

OWNERS SIGN BELOW

COMMISSIONER OF THE GENERAL LAND OFFICE

FOR THE USE AND BENEFIT OF THE STATE OF TEXAS

By:

PLEASE SHOW YOUR CORRECT MAILING ADDRESS

MLR:oj

RECEIVED
NOV 13 1959
General Land Office

14.

M. F. 35430
Division Order
File Date 11-20-59
Bill Allcorn, Com'r./om

bw 121459 FOR CREDIT OF

AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
PAYEE (STATE LEASE #M-35430)	
64.00	Sec. 26, Block 57, Twp. 2, T&P Ry. Co. Survey, 640 acres, Reeves County, Texas.

RECEIVED
JAN 22 1960
General Land Office

34204

12

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

15

M. F. 35430

Rental Payment

Filed JAN 22 1960 19

BILL ALLCORN

Commissioner

Clerk

sr 139015 FOR CREDIT OF

AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
64.00	Sec. 26, Block 57, Twp. 2, T&P Ry. Co. Survey, 640 acres, Reeves County, Texas.

PAYEE (State Lease #M-35430)

12

33725

RECEIVED

JAN 12 1961

General Land Office

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

16

M.F. 35430

RENTAL PAYMENT

Filed JAN 12 1961

JERRY SADLER, COMMISSIONER

By [illegible]

Clerk

82-30

sr

FOR CREDIT OF	AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
PAYEE (State Lease #M-35430)	64.00	Sec. 26, Block 57, Twp. 2, T & P Ry. Co., 640 acres, Reeves County, Texas.

17894

RECEIVED

JAN 22 1962

General Land Office

41678

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

17.

M.F. 35430

Rental Payment

Filed JAN 22 1962 19

JERRY SADLER, COMMISSIONER

Clerk

PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:

SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO.

46305

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

STATE LEASE # M-35430

AMOUNT
64.00
64.00*

RECEIVED
JAN 24 1963
General Land Office

Sinclair

40724

M.F. 35430

Rental Payment

Filed JAN 24 1963

JERRY SADLER, COMMISSIONER

HS

Clerk

82-30
sr

FOR CREDIT OF	AMOUNT	BEING PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING DESCRIBED LANDS:
PAYEE (State Lease #M-35430)	64.00	Sec. 26, Block 57, Twp. 2, T&P Ry. Co., 640 acres, Reeves County, Texas.

25659

43430

RECEIVED
JAN 16 1964
General Land Office

12

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF PERSONS NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

19-

.F. 35430

Rental Payment

iled JAN 16 1964 19

ERRY SADLER, COMMISSIONER

Clerk

RENTAL CHECK SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO. M-35430

Sinclair

MAKER'S INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING:

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

STATE LEASE NO. M-35430

Tulsa Okla 12

AMOUNT
64.00
$64.00

RECEIVED
JAN 18 1965
General Land Office

42473

031482

20

M.F. 35430

Rental Payment

Filed JAN 18 1965 19

JERRY SADLER, COMMISSIONER

Clerk

RENTAL CHECK SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO. M-35430

PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING

Sinclair

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

STATE LEASE NO. M-35430

AMOUNT
64.00
$64.00

43577

SINCLAIR OIL & GAS COMPANY

075460

RECEIVED
JAN 15 1966
General Land Office

21 M.F. 35430

Rental Payment

Filed JAN 15 1966 19

JERRY SADLER, COMMISSIONER

Clerk

RENTAL CHECK SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO. M-35430

PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING:

Sinclair

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

SINCLAIR OIL & GAS COMPANY

095296

STATE LEASE NO. M-35430

12

AMOUNT
64.00
$64.00

42408

RECEIVED
JAN 20 1967
General Land Office

(2)

M.F. 35430

Rental Payment

Filed 1-20 19 67

JERRY SADLER, COMMISSIONER

LWH

Clerk

RENTAL CHECK SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO. M-35430

PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING:

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED, DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO, WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

STATE LEASE NO. M-35430

AMOUNT
64.00
$64.00

37984

RECEIVED
JAN 12 1968
General Land Office

SINCLAIR OIL & GAS COMPANY

Sinclair

010002

23

M.F. 35430

Rental Payment

Filed 1-12 1968

JERRY SADLER, COMMISSIONER

WGH

Clerk

RENTAL CHECK SEC. 26, BLOCK 57, TWP. 2, T & P RY. CO.

PAYMENT MADE UNDER INSTRUMENT DESCRIBED ON ATTACHED CHECK COVERING THE FOLLOWING:

IDENTIFYING NO.
M-35430
REEVES
TEXAS

PLEASE ENTER AMOUNT OF ATTACHED CHECK TO THE CREDIT OF THE PARTY OR PARTIES NAMED. DATE, SIGN AND RETURN THE ENCLOSED RECEIPT THE DAY YOU RECEIVE IT. THIS PAYMENT IS MADE IN A MANNER TO CONFORM IN EVERY RESPECT TO THE TERMS OF THE INSTRUMENT REFERRED TO WHEREIN THE PAYEE IS NAMED AS DEPOSITORY.

STATE LEASE NO. M-35430

AMOUNT
64.00

RECEIVED
JAN 11 1969
General Land Office

Sinclair Oil Corporation

Sinclair

09087

42957

CHECK AMOUNT 64.00

(24)

M.F. 35430

Rental Payment

Filed 1-11 19 69

JERRY SADLER, COMMISSIONER

BL

Clerk

Delay Rental Payable 2-3-70

Covering land in and recorded in volume REEVES

Amount $64.00

in accordance with Oil and Gas Lease

Page Of records of

County TEXAS

424191

For deposit to the credit of

COMMISSIONER OF THE GENERAL LAND OFFICE
AUSTIN, TEXAS 78701

STATE LEASE NO. M-35430

RECEIVED
JAN 23 1970
General Land Office

12

44559

Questions regarding this remittance should be directed to Atlantic Richfield Company, Titles and Rentals, Post Office Box 2819, Dallas, Texas 75221

Approved	Attest						
		10	62	0100	170	0000	0100020	$64.00

(25)

M.F. 35430

Rental Payments

Filed 1-23 19 70

JERRY SADLER, COMMISSIONER

Clerk

Delay Rental Payable 02-03-71

Covering land in and recorded in volume 128

REEVES

Amount $64.00 For deposit to the credit of

in accordance with Oil and Gas Lease

Page 604 Of records of

County TEXAS

441343

COMMISSIONER OF THE GENERAL LAND OFFICE 64.00

STATE LEASE NO. M-35430

RECEIVED

JAN 12 1971

General Land Office

40993

12

Questions regarding this remittance should be directed to Atlantic Richfield Company, Titles and Rentals, Post Office Box 2819, Dallas, Texas 75221

Approved	Attest	
	gw	10 62 0100 170 0000 0100020 64.00

(26)

M.F. 35430

Rental Payment

Filed 1-12 19 71

BOB ARMSTRONG, COMMISSIONER

Clerk

Delay Rental Payable 02-03-72

Covering land in and recorded in volume 128

REEVES

Amount $64.00 For deposit to the credit of

in accordance with Oil and Gas Lease

Page 604 Of records of

County TEXAS

461699

COMMISSIONER OF THE GENERAL LAND OFFICE 64.00
STATE LEASE NO. M-35430

RECEIVED

JAN 18 1972

General Land Office

12

46924

Questions regarding this remittance should be directed to Atlantic Richfield Company, Titles and Rentals, Post Office Box 2819, Dallas, Texas 75221

Approved	Attest		
		10 62 0100 170 0000 0100020	64.00

(27)

M.F. 35430

Rental Payment

Filed 1/18 19 72

BOB ARMSTRONG, COMMISSIONER

Clerk

Delay Rental Payable 02-03-73

Covering land in and recorded in volume 128

REEVES

Amount $64.00 For deposit to the credit of

in accordance with Oil and Gas Lease

Page 604 Of records of

County TEXAS

475139

COMMISSIONER OF THE GENERAL LAND OFFICE 64.00

STATE LEASE NO. M-35430

12

RECEIVED

JAN 20 1973

43677

General Land Office

Questions regarding this remittance should be directed to Atlantic Richfield Company, Titles and Rentals, Post Office Box 2819, Dallas, Texas 75221

Approved	Attest		
	ge	10 62 0100 170 0000 0100020	64.00

(28) M.F. 35430

Rental Payment

Filed 1-20 1973

BOB ARMSTRONG, COMMISSIONER

718

Clerk

AtlanticRichfieldCompany ✓ DALLAS, TX ✓ 004505

DELAY RENTAL Payable 02-03-74 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS 55790

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF THE GENERAL LAND OFFICE 64.00

STATE OF TEXAS

AUSTIN, TEXAS 78701

STATE LSE M-35430

42-389-000020-001

RECEIVED

JAN 29 1974

General Land Office

12 gw

AR3B-87

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company. Lease Rentals, Post Office Box 2819, Dallas, Texas 75221

(29) M.F. 35430

Rental Payment

Filed 1-19 1974

BOB ARMSTRONG, COMMISSIONER

By

Clerk

AtlanticRichfieldCompany

014493

DELAY RENTAL Payable 02-03-75 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF THE GENERAL LAND OFFICE 64.00

STATE OF TEXAS

AUSTIN, TEXAS 78701

STATE LSE M-34530

121

M-35430

40981

42-389-000020-001

AH3B-87

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company/Lease Rentals, Post Office Box 2819, Dallas, Texas 75221

(30) M-35430
Rental Payment

RECEIVED
JAN 18 1975
General Land Office

AtlanticRichfieldCompany

025776

DELAY RENTAL Payable 02-03-76 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

(121)

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT	$64.00
COMMISSIONER OF THE GENERAL LAND OFFICE	64.00
STATE OF TEXAS	
AUSTIN, TEXAS 78701	

STATE LSE M-35430 47440

42-389-000020-001

RECEIVED
JAN 16 1976
General Land Office

AH3B-87

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company. Lease Rentals, Post Office Box 2819, Dallas, Texas 75221

(31) M-35430

Rental Payment

1-16-76

AtlanticRichfieldCompany

037798

DELAY RENTAL Payable 02-03-77 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF:	TOTAL AMOUNT	$64.00
COMMISSIONER OF THE GENERAL LAND OFFICE		64.00
STATE OF TEXAS		
AUSTIN, TEXAS 78701		

STATE LSE MC M-35430

42-389-000020-001

ap 121

49541

AR3B-87-A REV. 3/76

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company, Lease Rentals, Post Office Box 2819, Dallas, Texas 75221

32

M-35430

Rental Payment

1-21-77

RECEIVED
JAN 21 1977
General Land Office

AtlanticRichfieldCompany
North American Producing Division
Land Department
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651-5021

Peter K. Bacon, Manager
Lease Records Group

(21)

September 22, 1977

42-389-019918
ATLANTIC RICHFIELD COMPANY-
Agnes Beckham-26
Reeves County, Texas

TO ALL INTEREST OWNERS:

Division Order covering the lease or unit named above is enclosed in duplicate. If your interest is correctly shown, please execute and/or secure the execution of the original order in the space provided and return it to this company at P. O. Box 2819, Dallas, Texas 75221, retaining the copy for your file.

The number(s) shown with the lease or unit name in this order should be retained for identification of payments. On your checks the dashes will be filled by Internal Accounting Code Numbers, however, the numbers shown will identify your lease or unit payments. The file number above should be used for correspondence.

If the interest in question is in the name of a married person, then both said person and his or her spouse should execute the Division Order. If the interest in question is in the name of an unmarried person, then that person's single status should be recited after the signature of said person on the Division Order. The signature of each person executing the order individually should be witnessed by two competent witnesses.

If the interest is owned by a corporation, it should be executed by the proper official, attested and sealed; and if the property covered is in the State of Louisiana, the official's signature should be witnessed also by two competent witnesses. If the order is executed by an attorney in fact, a photographic copy of the executed Power of Attorney should be enclosed when the order is returned.

Please show your Social Security Number or Tax Identification Number as required by Public Law 87-397, on the attached division order.

If the address shown for you is incorrect, please change it. Also, if you can supply the addresses omitted on the order, if any, please do so.

Yours truly,

Anne Redding

(Mrs.) Anne Redding

AR:ss
Encl.

Atlantic Richfield Company

Gas Division Order

September 22, 19 77

Division Order Number
42-389-019918
Property identification
062---2291----

To: Atlantic Richfield Company

P. O. Box 2819, Dallas, Texas 75221

Each of the undersigned warrants that he is the owner of the interest set out below opposite his name in or with respect to all natural gas (including liquid hydrocarbons separated or extracted from such gas) produced and sold from ATLANTIC RICHFIELD COMPANY-Agnes Beckham-26 lease or unit located in the County or Parish of Reeves State of Texas described as follows:

Section 26, Block 57, T-2, T&P Ry. Co. Survey, LIMITED to depths below 8,000 feet beneath the surface.

You will, therefore, effective the 1st day of First production, 19____, at 7:00 A M., give credit for the value of all gas accruing to said interest as set out below:

Credit To	Interest	Address

-FOR DIVISION OF INTEREST SEE PAGE 2-

Each of the undersigned agrees as follows:

In making settlements for the interests of the undersigned in said proceeds, you are authorized to use the net proceeds received by you at the wells when the gas is sold at the wells; but, if sold or used off of the premises, you are authorized to use the market value at the wells of the gas so sold or used off of the premises, such market value at the wells in no event to exceed the net proceeds received by you from such sale. Settlement therefor shall be made each month by mailing to the undersigned a check or draft for the amount due on account of the natural gas delivered during the second preceding calendar month. If the amount accruing to the interest of any party hereto shall be less than $15.00 for any month, you are hereby authorized to accumulate the monthly accruals to such interest and to make payment when such accumulations equal or exceed $15.00. All accounts will be paid at least annually regardless of the amount.

If the natural gas is gathered in a common system and commingled with natural gas produced from other lands prior to the delivery and sale to purchaser at a central delivery point, or points, then in such event the quantity of natural gas produced and sold during any payment period shall be determined by multiplying the total quantity of natural gas sold from such common system by a fraction, the numerator of which is the quantity of gas produced at the well mouth situated on the lands hereinabove described and the denominator of which is the aggregate quantity of the gas produced from all wells connected with the common system.

You are authorized to retain in your possession any monies received for the gas sold where such monies are paid as a result of an increase in contract price which has not been fully approved by the Federal Power Commission and such monies are being collected subject to a Federal Power Commission imposed obligation to refund to the purchaser those amounts collected on the basis of that portion of the increase in price disapproved by the said Federal Power Commission.

You are authorized to deduct and pay to the proper taxing authorities all production and severance taxes required to be paid with respect to the interests of the undersigned in the gas produced from the above described land.

Evidence of title satisfactory to you will be furnished by the undersigned at any time at your request. In the event of failure to furnish such evidence of title when so requested, or in the event that any dispute or question arises concerning title to the land or the gas produced therefrom or the proceeds of the gas, you are authorized to withhold payments accruing to the interest affected, without interest, until the dispute or question is resolved or until indemnity satisfactory to you has been furnished.

You will not be responsible for any change of ownership in the absence of actual notice and satisfactory proof thereof. Each signer hereof agrees to notify you in writing of any change in his ownership and agrees that any transfer, assignment, or conveyance of any of his interest hereunder shall be made subject to this division order and effective at 7:00 a.m. on the first day of the calendar month in which notice is received. Without regard to whether any contingency is expressly stated in this division order, you are hereby relieved of any responsibility for determining when any of the interests herein shall increase, diminish, be extinguished or revert to other parties as a result of the completion or discharge of money or other payments from said interest, or as a result of the expiration of any time or term limitation (either definite or indefinite), and until you receive notice in writing to the contrary, you are hereby authorized to continue to remit pursuant to the above division of interest. In the event said written notice is not received by you, you shall be held harmless for error resulting in over or under payment, or a wrong payment of any such sum or sums.

As used herein, the masculine gender includes the feminine and neuter genders as well.

This division order may be signed in counter parts and shall become valid and binding as between you and each owner as soon as a counterpart is signed by him and returned to you, regardless of whether or not any of the other owners named herein have signed, and shall be binding upon and inure to the benefit of the heirs, successors and assigns of each undersigned owner.

This division order is subject to cancellation upon the giving of thirty (30) days' written notice by either party.

Witnesses:	**Owners Sign Below**	**Taxpayer No.**
	COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	
	By:	

AR3B-571-B

CREDIT TO:	INTEREST	ADDRESS
Commissioner of the General Land Office of the State of Texas	.06250000 RI	1700 N. Congress Avenue Austin, Texas 78711
Agnes C. Beckham	.00694444 RI	P. O. Box 739 Abilene, Texas 79604
Guy Robert Beckham	.00347222 RI	P. O. Box 739 Abilene, Texas 79604
Guy Robert Beckham, Trustee of the Lee and Ruth Caldwell Trust C	.00077161 RI	P. O. Box 739 Abilene, Texas 79604
Bob Beckham, Trustee of the Andrew M. Caldwell Trust	.00077161 RI	c/o Guy Robert Beckham P. O. Box 739 Abilene, Texas 79604
Lady Caldwell Beckham (Life Estate)	.00347222 RI	3003 Harmony Amarillo, Texas 79106
Guy Caldwell	.00694444 RI	818 Citizens National Bank Abilene, Texas 79601
John Clifton Caldwell	.00231482 RI	P. O. Box 1208 Albany, Texas 76430
Lee Caldwell	.00231482 RI	818 Citizens National Bank Abilene, Texas 79601
Lee Caldwell, Trustee of the		
Jeanette Marilyn Cline Trust	.00077160 RI	818 Citizens National Bank, Abilene, Texas 79601
Guy Caldwell Trust A	.00077160 RI	
Guy Caldwell Trust B	.00077160 RI	
Guy Caldwell Trust C	.00077160 RI	
Guy Caldwell Trust D	.00077160 RI	
Guy Caldwell Trust E	.00077160 RI	
Geoffrey Lee Cline Trust	.00077160 RI	
Agnes C. Beckham Trust A	.00115741 RI	
Agnes C. Beckham Trust B	.00115741 RI	
Agnes C. Beckham Trust One	.00115741 RI	
Agnes C. Beckham Trust Two	.00115741 RI	
Agnes C. Beckham Trust Three	.00115741 RI	
Agnes C. Beckham Trust Four	.00115741 RI	
Molly C. Cline	.00231482 RI	111 Meadow Lane Marietta, Oh. 45750
Claude T. Touchstone, Independent Executor and Trustee of the Estate of Mildred C. Touchstone	.02083334 RI	c/o Fort Worth Nat'l. Bank For credit to Mildred C. Touchstone Estate A/C 497776 Box 2050 Fort Worth, Texas 76101
Atlantic Richfield Company	.87500000 WI	

- - -

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

September 28, 1977

Atlantic Richfield
P.O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham - 26 Lease
Sec. 26, Blk 57, T-2, T&P Ry. Co.
Reeves County, Texas
Gas Division Order No. 42-389-019918

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(33)

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

~~From~~

Dated 9-28-77

AtlanticRichfieldCompany

046729

DELAY RENTAL Payable 02-03-78 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF THE GENERAL LAND OFFICE CK 64.00

STATE OF TEXAS

AUSTIN, TEXAS 78701

121

STATE LSE MC M-35430 47356

42-389-000020-001

RECEIVED

JAN 13 1978

General Land Office

ap

AR38-87-A REV. 3/76

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company Lease Rentals. Post Office Box 2819. Dallas. Texas 75221

(34) M-35430
Rental Payment
1-13-78

AtlanticRichfieldCompany

59717

Dallas

DELAY RENTAL Payable 02-03-79 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS 121

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF THE GENERAL LAND OFFICE CK. 64.00

STATE OF TEXAS

AUSTIN, TEXAS 78701 47187

STATE LSE MC M-35430

42-389-000020-001

Non Negotiable

RECEIVED

JAN 12 1979

General Land Office

AR3B-87-B REV 6/78

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company. Lease Rentals. Post Office Box 2819. Dallas. Texas 75221

(35) M-35430
Rental Payment
1-12-79

ARCO Oil and Gas Company
Division of AtlanticRichfieldCompany

079967

DELAY RENTAL Payable 02-03-80 in accordance with LEASE
Covering land in REEVES COUNTY, TEXAS
RECORDED IN BOOK 128 , PAGE 604 ,
PRODUCT: OIL, GAS & MINERAL
FOR DEPOSIT TO THE CREDIT OF:
COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
AUSTIN, TEXAS 78701

TOTAL AMOUNT $64.00
64.00

STATE LSE MC M-35430 46870

42-389-000020-001

Non Negotiable

AR3B-87-C REV. 4/79

121

Attest:

Questions regarding this remittance should be directed to ARCO Oil and Gas Company, Division of Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221 Attention Lease Rentals.

(36) M-35430
Rental Payment
1-10-80

ARCO Oil and Gas Company
Division of AtlanticRichfieldCompany

DALLAS, TX

101215

DELAY RENTAL Payable 02-03-81 in accordance with LEASE
Covering land in REEVES COUNTY, TEXAS
RECORDED IN BOOK 128 , PAGE 604 ,
PRODUCT: OIL, GAS & MINERAL
FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00
COMMISSIONER OF THE GENERAL LAND OFFICE 64.00
STATE OF TEXAS
AUSTIN, TEXAS 78701

48336

STATE LSE MC M-35430

42-389-000020-001

Non Negotiable

RECEIVED
JAN 14 1981
General Land Office

121

AR3B-87-C REV. 4/79

Attest:

Questions regarding this remittance should be directed to ARCO Oil and Gas Company, Division of Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221 Attention Lease Rentals.

(37) M-35430
Rental Payment
1-14-81

ARCO Oil and Gas Company
Division of AtlanticRichfieldCompany

Dallas 24 — 126554

DELAY RENTAL Payable 02-03-82 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF GENERAL LAND OFFICE 64.00

STATE OF TEXAS

STEPHEN F. AUSTIN BLDG.

AUSTIN, TEXAS 78701 42845

STATE LSE MC M-35430

42-389-000020-001

121

Non Negotiable

JAN 13 1982

General Land Office

Attest:

Questions regarding this remittance should be directed to ARCO Oil and Gas Company, Division of Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221 Attention Lease Rentals.

(38) M-35430
Rental Payment
1-13-82

Atlantic Richfield Company

158944 121

Payable in accordance with

Covering land in DELAY RENTAL 02-03-83 LEASE

REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF: TOTAL AMOUNT $64.00

COMMISSIONER OF GENERAL LAND OFFICE 64.00

STATE OF TEXAS

55998

STEPHEN F. AUSTIN BLDG.

AUSTIN, TEXAS 78701

STATE LSE MC M-35430

42-389-000020-001 RECEIVED

JAN 25 1983

General Land Office

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221. Attention Lease Rentals.

AR3B-87-D REV. 10/81

(39) M-35430
Rental Payment
1-25-83

AtlanticRichfieldCompany Post Office Box 2819
Dallas, Texas 75221

Address Correction Requested

DALLAS JAN-3'84 TEX. P.B. METER P.B. 836471 U.S.POSTAGE ≈1.55

CERTIFIED

No. 715184

MAIL

Atlantic Richfield Company

203624

DELAY RENTAL Payable 02-03-84 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604 ,

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF:

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
STEPHEN F. AUSTIN BLDG.
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701

TOTAL AMOUNT $64.00

64.00

47051

Non-negotiable

STATE LSE MC M-35430

RECEIVED

JAN 05 1984

121

2.11

AR3B-87-D REV. 10/81

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221. Attention Lease Rentals.

(40) M-35430
Rental Payment
1-5-84

I. 2.04

Atlantic Richfield Company

335167

DELAY RENTAL Payable 02-03-85 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF:

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
STEPHEN F. AUSTIN BLDG.
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701

TOTAL AMOUNT $64.00
64.00

121R

11511

STATE LSE MC M-35430

42-389-000020-001

Non-negotiable

RECEIVED
JAN 19 1985
GENERAL LAND OFFICE

AR3B-87-E REV. 10/84

Attest: BAM

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 600, Dallas, Texas 75221. Attention Lease Rentals.

(41) M-35430
Rental Payment
1-19-85

Atlantic Richfield Company

381920

DELAY RENTAL Payable 02-03-86 in accordance with LEASE

Covering land in REEVES COUNTY, TEXAS

RECORDED IN BOOK 128 , PAGE 604

PRODUCT: OIL, GAS & MINERAL

FOR DEPOSIT TO THE CREDIT OF:

COMMISSIONER OF THE GENERAL LAND
OFFICE OF THE STATE OF TEXAS
STEPHEN F. AUSTIN BLDG.
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701

TOTAL AMOUNT X $64.00
64.00

121

28315

STATE LSE MC M-35430

42-389-000020-001

Negotiable

RECEIVED
JAN 11 1986
GENERAL LAND OFFICE

AR3B-87-E REV. 10/84

Attest:

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 600, Dallas, Texas 75221. Attention Lease Rentals.

(42) M-35430
Rental Payment
1-11-86

Unit ~~810~~ 1856

DO NOT DESTROY

GLO-36-10-84 -MEMO-

Operator ARCO

Unit Name Sabre Delaware Unit

County Reeves

Effective Date 4-1-86

Unitized for: Oil ___ Gas ___ Oil & Gas X

1. M.F. No. 35430

Area ___ Tr. 6

Sec. 26 Blk. 57 Survey ___

Special FACTOR 32.98440 x 1/16 05.49509 %

.329844 X .16667 = .0549751

2. M.F. No. 40133 .0625

Area ___ Tr. 4

Sec. 34 Blk. 57 Survey ___

SPECIAL FACTOR 17.65571 x 1/16 02.94268 %

.176557 X .16667 = .0294268

3. M.F. No. 48424 .0625

Area ___ Tr. 3

Sec. 34 Blk. 57 Survey ___

SPECIAL FACTOR 18.21564 x 1/16 03.03600 %

.182156 X .16667 = .0303600

4. M.F. No. ___ .0625

Area ___ Tr. ___

Sec. ___ Blk. ___ Survey ___

___ x ___ . ___ %

REMARKS: Phase II now in effect.

86-8
SLB 4-1-86
appd w/ exceptions

POOLING COMMITTEE REPORT

w#1856

TO: SCHOOL LAND BOARD

DATE: March 24, 1986

OPERATOR: Atlantic Richfield Company COUNTY Reeves

UNIT NAME: Sabre (Delaware) Unit FIELD Sabre(Delaware)

STATE LEASE(S) IN UNIT

*Type	Lease Number	State Royalty	Expiration Date	Term	Acres	Acres In Unit	Lessee of Record
RAL	35430	1/16		HBP	640	640	ARCO
RAL	40133	1/16		HBP	960	320	Chevron (Gulf)
RAL	48344	1/16		HBP	320	320	ARCO

PRIVATE ACRES IN UNIT - 2000
SIZE OF UNIT - 3280 Acres

*RAL = Relinquishment Act, SF = State Fee or FR = Free Royalty.

Unitized for:	Depth(s):	Formation:
Oil ____	____	Well Location:
Gas ____	____	State Land x
Oil & Gas x		Private Land x

REMARKS:

° Arco requests oil and gas pooling for water flooding of the Delaware Formation between the top of the Lamar Limestone and a depth 225 below the top. The top of the Lamar Limestone is set at a depth of 2901 feet in the Sabre No. 1-B TXL well in Section 35, Block 57, T-2, T&P.

° Tract participation will be based on two phases as follows:

Phase I equals:

$$100\% \times \frac{\text{Oil prod. each tract 4-1-83 to 10-1-83}}{\text{Oil prod. all tracts 4-1-83 to 10-1-83}}$$

Phase II begins when Unit production since 1-1-84 reaches 303,100 BO and should occur during May 1986.

Tract participation equals;

$$60\% \times \frac{\text{Ult. prim. prod. each tract}}{\text{Ult. prim. prod. all tracts}} + 40\% \times \frac{\text{Net pay each tract}}{\text{Net pay all tracts}}$$

° Lease Participation will be as indicated on the attached plat.

° The expected increase in production is 2.4 MMBO or 58% of the primary recovery.

APPROVAL: Recommended X

Robert V. Phipps

Robert V. Phipps

Chris Hanger

Chris Hanger

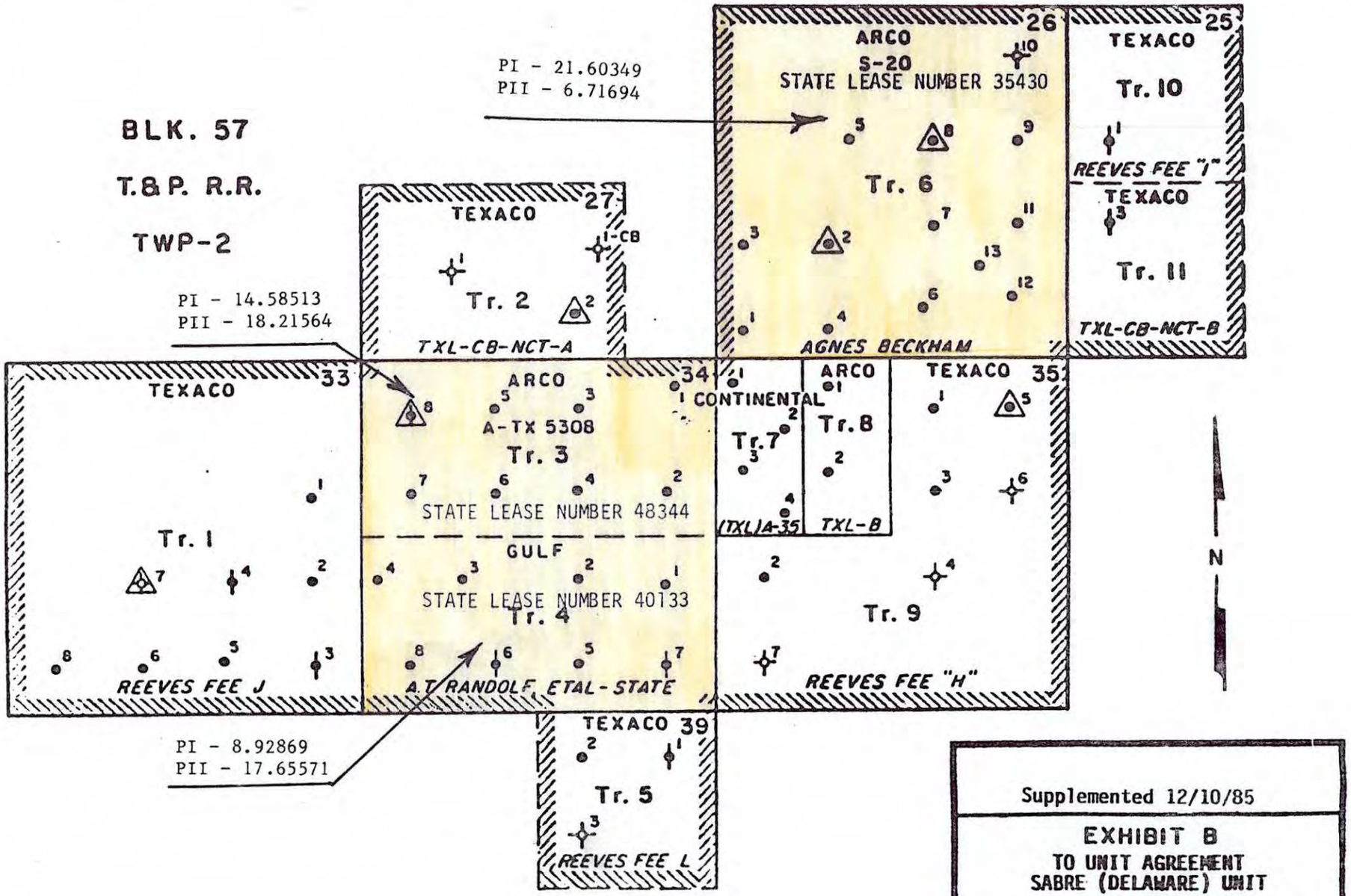
Not Recommended

Murphy E. Hawkins

Murphy E. Hawkins

José Manuel Rangel

Jose Manuel Rangel



Supplemented 12/10/85

EXHIBIT B
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
Reeves Co., Texas

Scale: 1" = 2000'

By: Agnes Dwyer Date: 4/85 | Drawn By: R.C.T. Date: 4-17-85 | Revised By: Date:

////////// Unit Boundary

The number in upper righthand corner of each tract is the applicable section number.

RATIFICATION

STATE OF TEXAS

COUNTY OF REEVES

WHEREAS, a certain instrument, entitled Unit Agreement, Sabre (Delaware) Unit, Reeves County, Texas, has been executed as of the 1st day of August, 1985, by various persons for conducting Unit Operations with respect to the Delaware formation of the Sabre Field, located in Reeves County, Texas, as more particularly described in said agreement; and,

WHEREAS, the Unit Agreement, by Exhibit A describes each Tract in the Unit Area, and, by Exhibit B shows on a map the boundary lines of the Unit Area and the Tracts therein; and,

WHEREAS, the Unit Agreement provides that a person may become a party thereto by signing the original of said instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions thereof, and further provides in Section 9.2 thereof that after the effective date of said Unit Agreement, said date being on or before September 1, 1986 (as extended by Working Interest Owners in accordance with Section 17.2), the commitment of any interest in any Tract within the Unit Area shall be upon such terms as may be negotiated by Working Interest Owners and the owner of such interest; and,

WHEREAS, the State of Texas is the owner of a Royalty Interest in certain Tracts within the Unit Area, and pursuant to the provisions of Subchapter C, Chapter 101 of the Natural Resources Code, the School Land Board has approved said Unit Agreement, 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 Royalty Interests to said Unit Agreement, and the Commissioner of the General Land Office is authorized by said statute to execute said Unit Agreement 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 Unit Agreement, does hereby commit to said Unit Agreement all Royalty Interests of the State of Texas in all Tracts within the Unit Area as described in Exhibit A and shown on Exhibit B of said Unit Agreement, and does hereby agree that the State of Texas shall be bound by all of the provisions of said Unit Agreement, except as hereinafter set forth, the same as if the undersigned had executed the original or a counterpart of said Unit Agreement.

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 Royalty Interests to said Unit Agreement:

(1) There shall not be brought into the Unit Area by enlargement any Tract lying outside the boundaries of the initial Unit Area, until approval of such enlargement has been obtained from the School Land Board as well as ratification of such enlargement by the Commissioner of the General Land Office of the State of Texas pursuant to applicable statutes.

(2) The provisions of Section 6.6 of said Unit Agreement shall not be applicable to the Royalty Interests of the State

of Texas, and in the event Outside Substances, other than water, are injected into the Unitized Formation, it will be necessary to obtain approval of the School Land Board in regard to royalty free recovery of such injected Outside Substances.

(3) The provisions of Section 8.2 of said Unit Agreement, insofar as they apply to unitized substances, shall be subject to the Royalty payments set out in the lease contract or statutory provisions governing the royalty interest of the State of Texas.

(4) State's participation, as set out in Exhibit A of the Unit Agreement is 6.25% (royalty) of 72.10882% during Phase I or 68.85575% during Phase II (total tract participation) of total production of Unitized Substances and State's participation may not be decreased without approval of the School Land Board.

(5) All lessees of State lands within this unit shall file monthly affidavits of production with the Unit Operator. Unit Operator shall, in turn, file such affidavits along with monthly consolidated affidavits of production covering separately all oil production and gas production from the Unitized formation, each of which affidavit shall show on its face or by accompanying schedule the portion of such Unitized Substances that is allocated hereunder to each tract of State land, the disposition of production thereof and the royalty allocated thereto. All such affidavits shall be filed in the General Land Office in the manner provided in the State of Texas Oil and Gas Lease Agreement and in the form prescribed by the General Land Office.

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

Approved
Audit
Legal
Geology
Execution

THE STATE OF TEXAS

Date Executed: 6-9-86 BY Garry Mauro
Garry Mauro, Commissioner of
the General Land Office

ATLANTIC RICHFIELD COMPANY

Date Executed: May 28, 1986 BY E.M. Pringle
E. M. PRINGLE
[Print name]
Attorney in Fact,
As Unit Operator on behalf of
itself and all other Working
Interest Owners in the Sabre
(Delaware) Unit

RTB
MS
and

CERTIFICATE

I, Linda Fisher, 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 1st day of April, 19 86, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter C, Chapter 101 of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN WITNESS WHEREOF, witness my hand this the 9th day of June, 19 86.

Linda K. Fisher
Secretary of the School Land Board

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Garry Mauro, Commissioner of the General Land Office, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 9th day of June, 19 86.

Linda K. Fisher
[Print name]
Notary Public in and for Travis County, Texas

LINDA K. FISHER
GENERAL NOTARY
COMMISSION EXPIRES 9-25-88

THE STATE OF TEXAS §
§
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on this 28th day of May, 1986, by E. M. PRINGLE, Attorney-in-Fact of Atlantic Richfield Company, a Delaware corporation, on behalf of said corporation, as Unit Operator of and as a Working Interest Owner in the Sabre (Delaware) Unit and on behalf of all other Working Interest Owners in the said Sabre (Delaware) Unit.

My Commission Expires:
7-19-88

Nancy B. Avery
NANCY B. AVERY
[Print name]
Notary Public in and for the State of Texas

UNIT AGREEMENT

SABRE (DELAWARE) UNIT

3,280 gr. ac.

REEVES COUNTY, TEXAS

THIS AGREEMENT, entered into as of the 1st day of August, 1985, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to become party hereto,

W I T N E S S E T H

WHEREAS, in the interest of the public welfare and to promote conservation and increase the ultimate recovery of Unitized Substances from the Sabre (Delaware) Field, in Reeves County, Texas, and to protect the rights of the owners of interests therein, it is deemed necessary and desirable to enter into this agreement to unitize the Oil and Gas Rights in and to the Unitized Formation in order to conduct Unit Operations as herein provided,

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, it is agreed as follows:

ARTICLE 1

DEFINITIONS

As used in this agreement:

1.1 Unit Area is the land described by Tracts in Exhibit A and shown on Exhibit B as to which this agreement becomes effective or to which it may be extended as herein provided.

1.2 Unitized Formation is that subsurface portion of the Unit Area commonly known as the Delaware Formation, which is the same stra-

tigraphic interval encountered between the top of the Lamar limestone and a depth 225 feet below the top of the Lamar limestone. The top of the Lamar limestone is defined as that point logged at a subsurface depth of 2,901 feet in the Sabre Drilling Company's TXL No. 1-B as shown on the Welex Radioactivity Log of said well dated November 20, 1958, which said well is located 330 feet from North line and 1,650 feet from West line of Section 35, Block 57, Township 2, T & P Railroad Company Survey, Reeves County, Texas.

1.3 Unitized Substances are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons other than Outside Substances within or produced from the Unitized Formation.

1.4 Working Interest is an interest in Unitized Substances by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, the owner of which interest is obligated to pay, either in cash or out of production or otherwise, a portion of the Unit Expense; however, Oil and Gas Rights that are free of lease or other instrument creating a Working Interest shall be regarded as a Working Interest to the extent of seven-eighths (7/8) thereof and a Royalty Interest to the extent of the remaining one-eighth (1/8) thereof. A Royalty Interest created out of a Working Interest subsequent to the execution of this agreement by the owner of such Working Interest shall continue to be subject to such Working Interest burdens and obligations that are stated in this agreement and the Unit Operating Agreement.

1.5 Royalty Interest is a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working

1.15 Unit Operations are all operations conducted pursuant to this agreement and the Unit Operating Agreement.

1.16 Unit Equipment is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

1.17 Unit Expense is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this agreement and the Unit Operating Agreement for or on account of Unit Operations.

1.18 Effective Date is the time and date this agreement becomes effective as provided in Section 17.1.

ARTICLE 2

EXHIBITS

2.1 Exhibits. The following exhibits, which are attached hereto, are incorporated herein by reference:

2.1.1 Exhibit A is a schedule that describes each Tract in the Unit Area and shows its Tract Participation.

2.1.2 Exhibit B is a map that shows the boundary lines of the Unit Area and the Tracts therein.

2.2 Reference to Exhibits. When reference is made to an exhibit, it is to the exhibit as originally attached or, if revised, to the last revision.

2.3 Exhibits Considered Correct. Exhibits A and B shall be considered to be correct until revised as herein provided.

2.4 Correcting Errors. The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date,

Interest.

1.6 Royalty Owner is a party hereto who owns a Royalty Interest.

1.7 Working Interest Owner is a party hereto who owns a Working Interest.

1.8 Tract is the land described as such and give a Tract number in **Exhibit A.**

1.9 Unit Operating Agreement is the agreement entered into by Working Interest Owners, having the same Effective Date as this agreement, entitled "Unit Operating Agreement, Sabre (Delaware) Unit, Reeves County, Texas."

1.10 Unit Operator is the Working Interest Owner designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations, acting as operator and as a Working Interest Owner or Royalty Owner.

1.11 Tract Participation is the percentage shown on Exhibit A for allocating Unitized Substances to a Tract.

1.12 Unit Participation of a Working Interest Owner is the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract that qualifies for inclusion within the Unit Area by the Tract Participation of such Tract.

1.13 Outside Substances are substances purchased or otherwise obtained for a consideration by Working Interest Owners and injected into the Unitized Formation.

1.14 Oil and Gas Rights are the rights to explore, develop, and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

3.2 Personal Property Excepted. All lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to and may be removed by Working Interest Owners. The rights and interests therein as among Working Interest Owners are set forth in the Unit Operating Agreement.

3.3 Amendment of Leases and Other Agreements. The provisions of the various leases, agreements, division and transfer orders, or other instruments pertaining to the respective Tracts or the production therefrom are amended to the extent necessary to make then conform to the provisions of this agreement, but otherwise shall remain in effect.

3.4 Continuation of Lease and Term Interests. Production from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, or other Unit Operations shall be considered as production from or operations upon each Tract, and such production or operations shall continue in effect each lease or term mineral or royalty interest as to all lands and formations covered thereby just as if such operations were conducted on and as if a well were producing from each Tract.

3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in the transfer of title to Oil and Gas Rights by any party hereto to any other party or to Unit Operator.

3.6 Injection Rights. Royalty Owners hereby grant Working Interest Owners the right to inject into the Unitized Formation any substances in whatever amounts Working Interest Owners deem expedient for Unit

should have been divided into more than one Tract, or that any mechanical miscalculation or clerical error has been made, Unit Operator, with the approval of Working Interest Owners, shall correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each such revision thereafter made shall be effective at 7:00 a.m. on the first day of the calendar month following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit.

2.5 Filing Revised Exhibits. If an exhibit is revised, Unit Operator shall execute an appropriate instrument with the revised exhibit attached and file the same for record in the county or counties in which this agreement is filed.

ARTICLE 3

CREATION AND EFFECT OF UNIT

3.1 Oil and Gas Rights Unitized. All Oil and Gas Rights of Royalty Owners in and to the lands described in Exhibit A, and all Oil and Gas Rights of Working Interest Owners in and to said lands, are hereby unitized insofar as the respective Oil and Gas Rights pertain to the Unitized Formation, so that Unit Operations may be conducted with respect to the Unitized Formation as if the Unit Area had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease contained all of the provisions of this agreement.

of operation may be conducted or changes may be made by Working Interest Owners from time to time if determined by them to be feasible, necessary, or desirable to increase the ultimate recovery of the Unitized Substances.

ARTICLE 5

TRACT PARTICIPATIONS

5.1 Tract Participations. The Tract Participation of each Tract is shown in Exhibit A and has been computed as follows using data approved by the Working Interest Owners:

5.1.1 Phase I Participation: Beginning at 7:00 a.m. on the effective date hereof and until 7:00 a.m. on the first day of the month next following the date when the cumulative oil production from and after January 1, 1984 from the subsurface interval used in the definition of Unitized Formation underlying all the Tracts described in Exhibit A equals 303,100 barrels of oil, the Tract Participation of each Tract shown under Phase I of Exhibit A shall be equal to one hundred percent (100%) times the ratio of barrels of oil produced from the Unitized Formation underlying such Tract to the barrels of oil produced from the Unitized Formation underlying all such Tracts during the period from April 1, 1983 to October 1, 1983.

5.1.2 Phase II Participation. Beginning at 7:00 a.m. on the first day of the month following the date when the 303,100 barrels of oil referred to in Section 5.1.1 above shall have been produced, the Tract Participation of each Tract shown under Phase II of Exhibit A shall be equal to sixty percent (60%) times the ratio of the ultimate primary oil production from the Unitized Formation underlying each such Tract to the ultimate primary oil production from the Unitized

Operations, together with the right to drill, use, and maintain injection wells on the Unit Area, and to use for injection purposes any nonproducing or abandoned wells or dry holes, and any producing wells completed in the Unitized Formation.

3.7 Development Obligation. Nothing herein shall relieve Working Interest Owners from any obligation to develop reasonably as a whole the lands and leases committed hereto.

ARTICLE 4

PLAN OF OPERATIONS

4.1 Unit Operator. Working Interest Owners are concurrently herewith entering into the Unit Operating Agreement, designating Atlantic Richfield Company as the initial Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations, which shall conform to the provisions of this agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this agreement shall govern.

4.2 Method of Operation. To the end that the quantity of Unitized Substances ultimately recoverable may be increased and waste prevented, Working Interest Owners shall, with diligence and in accordance with good engineering and production practices, engage in water injection and/or other fluid injection and conduct a secondary or tertiary recovery, pressure maintenance, or other recovery program as herein provided.

4.3 Change of Method of Operation. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operation which, in their opinion, is no longer in accord with good engineering or production practices. Other methods

duction of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

6.2 Distribution Within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for to, the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this agreement not been entered into, and with the same legal effect. If any Oil and Gas Rights in a Tract hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract. Any royalty or other payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall, after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by the number of wells on the Tract capable of producing Unitized Substances on the Effective Date; however, if any Tract has no well thereon capable of producing Unitized Substances on the Effective Date, the Tract shall, for the purpose of this determination, be deemed to have one such well thereon.

6.3 Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of Oil and Gas Rights therein or by purchase from such owners. Such parties shall

Formation underlying all such Tracts, plus forty percent (40%) times the ratio of the Net Hydrocarbon Pay in the Unitized Formation underlying each such Tract to the Net Hydrocarbon Pay in the Unitized Formation underlying all such Tracts.

5.1.3 Net Hydrocarbon Pay as used in Article 5.1.2 above is defined as the product of the acre-feet of Ramsey Sand times the difference between one (1.0) and the water saturation fraction (S_w). The Ramsey Sand is defined as the uppermost productive zone of the Delaware Formation, which is the same stratigraphic interval encountered between the logged subsurface depths of 2,945 feet and 2,962 feet in the Sabre Drilling Company's TXL No. 1-B as shown on the Welex Radioactivity Log of said well dated November 20, 1958, which said well is located 330 feet from North line and 1,650 feet from West line of Section 35, Block 57, Township 2, T & P Railroad Company Survey, Reeves County, Texas.

5.2 Relative Tract Participations. If the Unit Area is enlarged or reduced, the revised Tract Participations of the Tracts remaining in the Unit Area and which were within the Unit Area prior to the enlargement or reduction shall remain in the same ratio one to another.

ARTICLE 6

ALLOCATION OF UNITIZED SUBSTANCES

6.1 Allocation to Tracts. All Unitized Substances produced and saved, except those used in Unit Operations, shall be allocated to the several Tracts in accordance with the respective Tract Participations effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether the amount is more or less than the actual pro-

of all royalties, overriding royalties, production payments, and all other payments chargeable against or payable out of such Unitized Substances, and shall indemnify all parties hereto, including Unit Operator, against any liability for such payment.

6.6 Royalty on Outside Substances. If any Outside Substance consisting of natural gases is injected into the Unitized Formation, fifty percent (50%) of any like substance contained in Unitized Substances subsequently produced and sold, or used for other than Unit Operations, shall be deemed to be a part of the Outside Substance so injected until the total volume deemed to be such Outside Substance equals the total volume of such Outside Substance so injected. If any Outside Substance which prior to injection is liquefied petroleum gas or other liquid hydrocarbons is injected into the Unitized Formation, fifty percent (50%) of all Unitized Substances produced and sold after one year from the time the injection of such Outside Substance was commenced shall be deemed to be a part of the Outside Substance so injected until the total value of the production deemed to be such Outside Substance equals the total cost of the Outside Substance so injected. Such fifty percent (50%) of the Unitized Substances deemed to be Outside Substances will be in addition to that which is being recovered for natural gases as hereinabove provided, if both liquefied petroleum gas or other liquid hydrocarbons and natural gases are injected. If any Outside Substance which is not a hydrocarbon, either gas or liquid including, but not limited to, carbon dioxide gas, is injected into the Unitized Formation, one hundred percent (100%) of any like substance contained in Unitized Substances subsequently produced and sold, or used for other than Unit Operations,

have the right to construct, maintain, and operate within the Unit Area all necessary facilities for that purpose, provided they are so constructed, maintained, and operated as not to interfere with Unit Operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of Unitized Substances shall be borne by the owner of such portion. If a Royalty Owner has the right to take in kind a share of Unitized Substances and fails to do so, the Working Interest Owner whose Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of Unitized Substances.

6.4 Failure to Take in Kind. If any party fails to take in kind or separately dispose of such party's share of Unitized Substances, Unit Operator shall have the right, but not the obligation, for the time being and subject to revocation at will by the party owning the share, to purchase or sell to others such share; however, all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year. The proceeds of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owners of each affected Tract or a party designated by such Working Interest Owners who shall distribute such proceeds to the parties entitled thereto.

6.5 Responsibility for Royalty Settlements. Any party receiving in kind or separately disposing of all or part of the Unitized Substances allocated to any Tract shall be responsible for the payment

disposed of, such overproduction shall be regarded as a part of the Unitized Substances produced after the Effective Date and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

ARTICLE 8

USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use or consume as much of the Unitized Substances as they deem necessary for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

8.2 Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable upon or on account of Unitized Substances used, lost, or consumed in Unit Operations.

ARTICLE 9

TRACTS TO BE INCLUDED IN UNIT

9.1 Qualification of Tracts. On and after the Effective Date and until the enlargement or reduction thereof, the Unit Area shall be composed of the Tracts listed in Exhibit A that corner or have common boundary (Tracts separated only by a public highway or a railroad right of way shall be considered to have a common boundary), and that otherwise qualify as follows:

9.1.1 Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this agreement, and as to which Royalty Owners owning ninety percent (90%) or more of the Royalty Interest have become parties to this agreement.

9.1.2 Each Tract as to which Working Interest Owners owning

shall be deemed to be part of the Outside Substance so injected until the total volume deemed to be such Outside Substance equals the total volume of such Outside Substance so injected. No payment shall be due or payable to Royalty Owners on substances produced from the Unitized Formation that are deemed to be Outside Substances.

ARTICLE 7

PRODUCTION AS OF THE EFFECTIVE DATE

7.1 Oil or Liquid Hydrocarbons in Lease Tanks. Unit Operator shall gauge or otherwise determine the amount of merchantable oil or other liquid hydrocarbons produced from the Unitized Formation that are in lease and power-oil tanks as of 7:00 a.m. on the Effective Date. Oil or other liquid hydrocarbons in treating vessels, separation equipment, and tanks below pipeline connections shall not be considered to be merchantable. Any merchantable oil or other liquid hydrocarbons that are a part of or attributable to the prior allowable of the wells from which they were produced shall remain the property of the parties entitled thereto as if this agreement had not been entered into. Any such merchantable oil or other liquid hydrocarbons not promptly removed may be sold by Unit Operator for the account of the Working Interest Owners entitled thereto who shall pay all royalty due thereon under the provisions of applicable leases or other contracts. Any oil or liquid hydrocarbons in excess of that attributable to the prior allowable of the wells from which they were produced shall be regarded as Unitized Substances produced after the Effective Date.

7.2 Overproduction. If, as of the Effective Date, any Tract is overproduced with respect to the allowable of the wells on that Tract, and if the amount of overproduction has been sold or otherwise

for failure of title arising because of Unit Operations (which portion of such claims and demands covered by the indemnity shall, as to such Tract, be the fraction thereof in which the numerator is the difference between the percentage of the Royalty Interest committed hereto and ninety percent (90%) of the Royalty Interest in the Tract, and the denominator is the difference between the percentage of the Royalty Interest committed hereto and one hundred percent (100%) of the Royalty Interest in the Tract); and as to which (b) the Working Interest Owner who operates the Tract and all of the other Working Interest Owners in such Tract who have become parties to this agreement have joined in a request for inclusion of such Tract in the Unit Area, and have executed and delivered, or have obligated themselves to execute and deliver, an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit Area, their successors and assigns, against all claims and demands that may be made by the owners of Working Interest in such Tract who are not parties to this agreement, and which arise out of the inclusion of the Tract in the Unit Area; and as to which (c) Working Interest Owners having eighty percent (80%) or more of the combined voting interest in all Tracts that meet the requirements of Sections 9.1.1 and 9.1.2 have voted in favor of the inclusion of such Tract and to accept the indemnity agreements. For the purpose of this Section 9.1.3, the voting interest of each Working Interest Owner shall be equal to the ratio that its Phase I Unit Participation attributable to Tracts that qualify under Sections 9.1.1 and 9.1.2 bears to the total Phase I Unit Participation of all Working Interest Owners attributable to all Tracts that qualify under Sections 9.1.1 and 9.1.2.

one hundred percent (100%) of the Working Interest have become parties to this agreement, and as to which Royalty Owners owning less than ninety percent (90%) of the Royalty Interest have become parties to this agreement, and as to which (a) all Working Interest Owners in such Tract have joined in a request for the inclusion of the Tract in the Unit Area, and as to which (b) Working Interest Owners having eighty percent (80%) or more of the combined voting interests in all Tracts that meet the requirements of Section 9.1.1 have voted in favor of the inclusion of such Tract. For the purpose of this Section 9.1.2, the voting interest of a Working Interest Owner shall be equal to the ratio that its Phase I Unit Participation attributable to Tracts that qualify under Section 9.1.1 bears to the total Phase I Unit Participation of all Working Interest Owners attributable to all Tracts that qualify under Section 9.1.1.

9.1.3 Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this agreement, but as to which the Working Interest Owner who operates the Tract has become a party thereto; and (a) Royalty Owners owning ninety percent (90%) or more of the Royalty Interest have become parties to this agreement or all Working Interest Owners in the Tract who have become parties to this agreement have executed and delivered, or have obligated themselves to execute and deliver, an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit Area, their successors and assigns, against a portion of all claims and demands that may be made by nonsubscribing owners of Royalty Interest in such Tract on account of the inclusion of the Tract in the Unit Area, except

Tracts, using the original basis of computation, and shall revise Exhibits A and B accordingly. Such revised exhibits shall be effective as of 7:00 a.m. on the Effective Date.

ARTICLE 10

TITLES

10.1 Removal of Tract from Unit Area. If a Tract ceases to have sufficient Working Interest or Royalty Owners committed to this agreement to meet the conditions of Article 9 because of failure of title of any party hereto, such Tract shall be removed from the Unit Area effective as of 7:00 a.m. on the first day of the calendar month in which the failure of title is finally determined unless within ninety (90) days after the date of final determination of the failure of title, the Tract qualifies under a Section of Article 9.

10.2 Revision of Exhibits. If a Tract is removed from the Unit Area because of failure of title, Unit Operator, subject to Section 5.2, shall recompute the Tract Participation of each of the Tracts remaining in the Unit Area and shall revise Exhibits A and B accordingly. The revised exhibits shall be effective as of 7:00 a.m. on the first day of the calendar month in which such failure of title is finally determined.

10.3 Working Interest Titles. If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of the failure of title shall be governed by the Unit Operating Agreement.

10.4 Royalty Interest Titles. If title to a Royalty Interest fails, but the Tract to which it relates is not removed from the Unit Area, the party whose title failed shall not be entitled to share

9.1.3.1 Upon the inclusion of such a Tract in the Unit Area, the Unit Participation that would have been attributable to the non-subscribing owners of Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed in proportion to their respective Working Interests in such Tract, to the Working Interest Owners in the Tract who have executed indemnity agreements against the claims of nonsubscribing owners of Working Interests.

9.2 Commitment of Interests to Unit. The execution of this agreement by a party shall commit all interests owned or controlled by such party as of the date of execution, and additional interests acquired before the Effective Date. After the Effective Date, the commitment of any interest in any Tract within the Unit Area shall be upon such terms as may be negotiated by Working Interest Owners and the owner of such interest; provided, however, any formerly committed interest as to which title has failed may be recommitted by the rightful owner on its former basis of participation, as provided in Section 10.1 hereof.

9.3 Acquisition of Uncommitted Interest. In the event any party bound by this agreement acquires an uncommitted interest in any Tract included within the Unit Area, such interest, upon being so acquired, shall, upon approval by the Working Interest Owners, be subject to this agreement, and where the interest acquired is a Working Interest, shall also be subject to the Unit Operating Agreement.

9.4 Revision of Exhibits. If any of the Tracts described in Exhibit A fail to qualify for inclusion in the Unit Area, Unit Operator shall recompute the Tract Participation of each of the qualifying

Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due any delinquent taxpayer an amount sufficient to defray the costs of such payment or redemption, such withholding to be credited to Working Interest Owners. Such withholding shall be without prejudice to any other remedy available to Unit Operator or Working Interest Owners.

ARTICLE 11

EASEMENTS OR USE OF SURFACE

11.1 Grant of Easements. The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary for Unit Operations and the removal of Unitized Substances from the Unit Area; however, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a camp site or a plant site for water injection, gas injection, or gas processing.

11.2 Use of Water. Working Interest Owners shall have and are hereby granted free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond, or irrigation ditch of a Royalty Owner. Working Interest Owners may convert dry or abandoned wells in the Unit Area to water supply or disposal wells.

11.3 Surface Damages. Working Interest Owners shall pay the owner for damages to growing crops, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations.

ARTICLE 12

ENLARGEMENTS OF UNIT AREA

12.1 Enlargements of Unit Area. The Unit Area may be enlarged

hereunder with respect to such interest.

10.5 Production Where Title is in Dispute. If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

(a) require that the party to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid without interest to the party rightfully entitled thereto.

10.6 Payment of Taxes to Protect Title. The owner of surface rights to lands within the Unit Area, or severed mineral interests or Royalty Interests in such lands, or lands outside the Unit Area on which Unit Equipment is located, is responsible for the payment of any ad valorem taxes on all such rights, interests, or property, unless such owner and Working Interest Owners otherwise agree. If any ad valorem taxes are not paid by or for such owner when due, Unit Operator may, with approval of Working Interest Owners, at any time prior to tax sale, or expiration of period of redemption after tax sale, pay the tax, redeem such rights, interests, or property, and discharge the tax lien. Any such payment shall be an item of Unit

calendar month succeeding the date of receipt by Unit Operator of a photocopy, or a certified copy, of the recorded instrument evidencing such change in ownership.

13.2 Waiver of Rights to Partition. Each party hereto agrees that, during the existence of this agreement, it will not resort to any action to partition the Unitized Formation or the Unit Equipment, and to that extent waives the benefits of all laws authorizing such partition.

ARTICLE 14

RELATIONSHIP OF PARTIES

14.1 No Partnership. The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation, or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

14.2 No Joint Refining or Marketing. This agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any joint refining or marketing of Unitized Substances.

14.3 Royalty Owners Free of Costs. This agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay Unit Expense unless such Royalty Owner is otherwise so obligated.

14.4 Information to Royalty Owners. Each Royalty Owner shall be entitled to all information in possession of Unit Operator to which such Royalty Owner is entitled by an existing agreement with any Work-

from time to time to include acreage reasonably proved to be productive upon such terms as may be determined by Working Interest Owners including, but not limited to, the following:

12.1.1 The acreage shall qualify under a Section of Article 9.

12.1.2 The participation to be allocated to the acreage shall be fair and reasonable, considering all information.

12.1.3 There shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof; however, this limitation shall not prevent an adjustment of investment by reason of enlargement.

12.2 Determination of Tract Participation. Unit Operator, subject to Section 5.2, shall determine that Tract Participation of each Tract within the Unit Area as enlarged, and shall revise Exhibit A and B accordingly.

12.3 Effective Date. The effective date of any enlargement of the Unit Area shall be 7:00 a.m. on the first day of the calendar month following compliance with conditions for enlargement as specified by Working Interest Owners, and the filing for record of revised Exhibits A and B in the county or counties in which this agreement is recorded.

ARTICLE 13

TRANSFER OF TITLE - PARTITION

13.1 Transfer of Title. Any conveyance of all or any part of any interest owned by any party hereto with respect to any Tract shall be made expressly subject to this agreement. No change of title shall be binding upon Unit Operator, or upon any party hereto other than the party so transferring, until 7:00 a.m. on the first day of the

eighty-five percent (85%) or more of the combined Phase I Unit Participation in all the qualified Tracts, which time and date shall be after Tracts comprising eighty percent (80%) or more of the Unit Area as shown on the orginal Exhibit B have qualified under the provisions of Article 9; at least one counterpart of this agreement has been filed for record by Unit Operator in the county or counties in which the Unit Area is located; and this agreement has been approved by the appropriate regulatory agency if the laws of the State either require or authorize such approval.

17.2 Ipso Facto Termination. If the requirements of Section 17.1 are not accomplished on or before June 1, 1986, this agreement shall ipso facto terminate on that date (hereinafter called "termination date") and thereafter be of no further effect, unless prior thereto Working Interest Owners owning a combined Phase I Unit Participation of at least sixty-five percent (65%) have become parties to this agreement and Working Interest Owners owning one hundred percent (100%) of that percent have decided to extend the termination date for a period not to exceed six months. If the termination date is so extended and the requirements of Section 17.1 are not accomplished on or before the extended termination date, this agreement shall ipso facto terminate on the extended termination date and thereafter be of no further effect. For the purpose of this section, Unit Participation in Phase I shall be as calculated on the basis of Tract Participations shown on the original Exhibit A.

17.3 Certificate of Effectiveness. Unit Operator shall file for record in the county or counties in which the land affected is located a certificate stating the Effective Date.

ing Interest Owner.

ARTICLE 15

LAWS AND REGULATIONS

15.1 Laws and Regulations. This agreement shall be subject to all applicable federal, state, and municipal laws, rules, regulations, and orders.

ARTICLE 16

FORCE MAJEURE

16.1 Force Majeure. All obligations imposed by this agreement on each party, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a labor dispute, fire, war, civil disturbance, act of God; by federal, state, or municipal laws; by any rule, regulation, or order of a governmental agency; by inability to secure materials; or by any other cause or causes, whether similar or dissimilar, beyond reasonable control of the party. No party shall be required against its will to adjust or settle any labor dispute. Neither this agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any one or more of the causes set forth in this Article.

ARTICLE 17

EFFECTIVE DATE

17.1 Effective Date. This agreement shall become binding upon each party as of the date such party signs the instrument by which it becomes a party hereto, and, unless sooner terminated as provided in Section 17.2, shall become effective as to qualified Tracts at the time and date as determined by Working Interest Owners owning

in which the land affected is located a certificate that this agreement has terminated, stating its termination date.

ARTICLE 19

EXECUTION

19.1 Original, Counterpart, or Other Instrument. An owner of Oil and Gas Rights may become a party to this agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto. The signing of any such instrument shall have the same effect as if all parties had signed the same instrument.

19.2 Joinder in Dual Capacity. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party.

ARTICLE 20

GENERAL

20.1 Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by all Working Interest Owners.

20.2 Action by Working Interest Owners. Except as otherwise provided in this agreement, any action or approval required by Working Interest Owners hereunder shall be in accordance with the provisions of the Unit Operating Agreement.

20.3 Lien and Security Interest of Unit Operator. Unit Operator shall have a lien upon and a security interest in the interests of Working Interest Owners in the Unit Area as provided in the Unit Operating Agreement.

ARTICLE 18

TERM

18.1 Term. The Term of this agreement shall be for the time that Unitized Substances are produced in paying quantities or other Unit Operations are conducted without a cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided.

18.2 Termination by Working Interest Owners. This agreement may be terminated by Working Interest Owners owning a combined Unit Participation of seventy-five percent (75%) or more whenever such Working Interest Owners determine that Unit Operations are no longer profitable or feasible. Unit Participation shall be determined as Phase I or Phase II depending upon which is in effect at that time.

18.3 Effect of Termination. Upon termination of this agreement, the further development and operation of the Unitized Formation as a unit shall be abandoned, and Unit Operations shall cease. Each oil and gas lease and other agreement covering lands within the Unit Area shall remain in force for sixty (60) days after the date on which this agreement terminates, and for such further period as is provided by the lease or other agreement.

18.4 Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting each Tract, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after the date of termination of this agreement within which to salvage and remove Unit Equipment.

18.5 Certificate of Termination. Upon termination of this agreement, Unit Operator shall file for record in the county or counties

EXHIBIT "A"
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
REEVES COUNTY, TEXAS
Supplemented 12/10/85

Tract Number	Tract Operator	Tract Name	Description	Acres	Tract Participation	
					Phase I	Phase II
1	Texaco	Reeves Fee "J"	Sec 33, Blk 57, T-2, T & P RR Co Survey	640	2.93591	10.40255
2	Texaco	TXL CB NCT-A	SW/4 & W/2 SE/4 Sec 27, Blk 57, T-2, T & P RR Co Survey	240	0.00000	1.02253
3	ARCO	A.T. Randolph State M-48344	N/2 Sec 34, Blk 57, T-2, T & P RR Co Survey	320	14.58513	18.21564
4	Gulf	A.T. Randolph State M-40133	S/2 Sec 34, Blk 57, T-2, T & P RR Co Survey	320	8.92869	17.65571
5	Texaco	Reeves Fee "L"	NE/4 Sec 39, Blk 57, T-2, T & P RR Co Survey	160	1.08191	2.05200
6	ARCO	Agnes Beckham M-35430	Sec 26, Blk 57, T-2, T & P RR Co Survey	640	48.59500	32.98440
7	Conoco	TXL A-35	W/2 NW/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	80	21.60349	6.71694
8	ARCO	TXL B	E/2 NW/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	80	0.25350	3.74471
9	Texaco	Reeves Fee "H"	S/2 & NE/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	480	2.01637	5.13046
10	Texaco	Reeves Fee "I"	NW/4 Sec 25, Blk 57, T-2, T & P RR Co Survey	160	0.00000	0.66550
11	Texaco	TXL CB NCT-B	SW/4 Sec 25, Blk 57, T-2, T & P RR Co Survey	160	0.00000	1.40956
			TOTAL	**3,280**	**100.00000**	**100.00000**

ARTICLE 21

SUCCESSORS AND ASSIGNS

21.1 Successors and Assigns. This agreement shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates opposite their respective signatures.

ATLANTIC RICHFIELD COMPANY
Unit Operator and Working Interest Owner

_____ _____
Execution Date Attorney-in-Fact

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This foregoing instrument was acknowledged before me on this _____ day of _____, 198____, by _____, Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, a _____ corporation, on behalf of said corporation.

My Commission Expires:

_____ _____
Notary Public, _____ County
In and for the State of Texas

EXHIBIT "A" (Continued)
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
REEVES COUNTY, TEXAS
Supplemented 12/10/85

Tract Number(s)	Lessor	Lessee	Lease Date	Recording Information	State Lease Number
1,2,5 9,10,11	(Mineral Fee)	N/A	N/A	N/A	N/A
3	A.T. Randolph, et al, Individually and as Agents for the State of Texas	Joseph B. Ruppe	8/09/57	Vol. 177, Pg. 407 of the Deed Records of Reeves County, Texas	No. 48344
④	A.T. Randolph, et al, Individually and as Agents for the State of Texas	Joseph B. Ruppe	1/21/53	Vol. 151, Pg. 58 of the Deed Records of Reeves County, Texas	No. 40133
6	Guy Caldwell, et al, Individually and as Agents for the State of Texas	L.C. Wahlenmaier	2/03/50	Vol. 128, Pg. 604 of the Deed Records of Reeves County, Texas	No. 35430
7,8	George C. Fraser, et al, General and State Agents for the Texas Pacific Land Trust	Continental Oil Company	7/28/50	Vol. 133, Pg. 172 of the Deed Records of Reeves County, Texas	N/A

2.1.1 Exhibits A and B of the Unit Agreement.

2.1.2 Exhibit C, attached hereto, is a schedule showing the Working Interest of each Working Interest Owner in each Tract, the portion of each Working Interest Owner's Unit Participation attributable to each such interest, and the Unit Participation of each Working Interest Owner. Phase I and Phase II Unit Participation shall be applicable for the respective periods of time provided in Section 5.1.1 and 5.1.2 of the Unit Agreement except where a different phase Tract Participation, Unit Participation, or Voting interest is herein stated. Exhibit C, or a revision thereof, shall not be conclusive as to the information therein, except it may be used as showing the Unit Participations of Working Interest Owners for purposes of this agreement until shown to be in error and revised as herein authorized.

2.1.3 Exhibit D, attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this agreement and Exhibit D, this agreement shall govern.

2.1.4 Exhibit E, attached hereto, contains insurance provisions applicable to Unit Operations.

2.1.5 Exhibit F, attached hereto, is the form of indemnity agreement provided for in Article 9 of the Unit Agreement.

2.2 Revision of Exhibits. Whenever Exhibits A and B are revised, Exhibit C shall be revised accordingly and be effective as of the same date. Unit Operator shall also revise Exhibit C from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement.

2.3 Reference to Exhibits.When reference is made herein to an exhibit it is to the exhibit as originally attached or, if revised, to the last revision.

UNIT OPERATING AGREEMENT

SABRE (DELAWARE) UNIT

REEVES COUNTY, TEXAS

THIS AGREEMENT, entered into as of the 1 day of August, 1985, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto,

W I T N E S S E T H:

WHEREAS, the parties hereto as Working Interest Owners have executed, as of the date hereof, an agreement entitled "Unit Agreement, Sabre (Delaware) Unit, Reeves County, Texas", herein referred to as "Unit Agreement", which, among other things, provides for a separate agreement to be entered into by Working Interest Owners to provide for Unit Operations as therein defined,

NOW,THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

ARTICLE 1

CONFIRMATION OF UNIT AGREEMENT

1.1 Confirmation of Unit Agreement. The Unit Agreement is hereby confirmed and by reference made a part of this agreement. The definitions in the Unit Agreement are adopted for all purposes of this agreement. If there is any conflict between the Unit Agreement and this agreement, the Unit Agreement shall govern.

2.1 Exhibits.The following exhibits are incorporated herein by reference:

3.2.5 Disposition of Unit Equipment. The selling or otherwise disposing of any major item of surplus Unit Equipment, if the current price of new equipment similar thereto is twenty-five thousand dollars ($25,000.00) or more.

3.2.6 Appearance Before a Court or Regulatory Agency. The designating of a representative to appear before any court or regulatory agency in matters pertaining to Unit Operations; however, such designation shall not prevent any working Interest Owner from appearing in person or from designating another representative in its own behalf.

3.2.7 Audits. The auditing of the accounts of Unit Operator pertaining to Unit Operations hereunder; however, the audits shall

(a) not be conducted more than once each year except upon the resignation or removal of Unit Operator, and

(b) be made upon the approval of the owner or owners of a majority of Working Interest other than that of Unit Operator, at the expense of all Working Interest Owners other than Unit Operator, or

(c) be made at the expense of those Working Interest Owners requesting such audit, if owners of less than a majority of Working Interest, other than that of Unit Operator, request such an audit, and

(d) be made upon not less than thirty (30) days written notice to Unit Operator.

3.2.8 Inventories. The taking of periodic inventories under the terms of Exhibit D.

3.2.9 Amendment of Overhead Rates. The amendment of the overhead rates provided for in Section III of Exhibit "D" if, as set forth in Section

ARTICLE 3

SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations pursuant to this agreement and the Unit Agreement. In the exercise of such authority, each Working Interest Owner shall act solely in its own behalf in the capacity an individual owner and not on behalf of the owners as an entirety.

3.2 Specific Authority and Duties. The matters with respect to which Working Interest Owners shall decide and take action shall include, but not be limited to, the following:

3.2.1 Method of Operation. The method of operation, including the type or types of fluid injection, pressure maintenance, secondary recovery, tertiary recovery, or other recovery program to be employed.

3.2.2 Drilling of Wells. The drilling of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3 Well Recompletions and Change of Status. The recompletion, abandonment, or change of status of any well, or the use of any well for injection or other purposes.

3.2.4 Expenditures. The making of any single expenditure in excess of fifty thousand dollars ($50,000.00); however, approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefor, and for completing, testing, and equipping the well, including necessary flow lines, separators, and lease tankage.

4.3 Voting Procedure. Working Interest Owners shall decide all matters coming before them as follows:

4.3.1 Voting Interest. Each Working Interest Owner shall have a voting interest equal to its Unit Participation.

4.3.2 Vote Required. Unless otherwise provided herein or in the Unit Agreement, Working Interest Owners shall determine all matters by the affirmative vote of two (2) or more Working Interest Owners having a combined voting interest of at least sixty-five percent (65%).

4.3.3 Vote at Meeting by Nonattending Working Interest Owner. Any Working Interest Owner who is not represented at a meeting may vote on any agenda item by letter or telegram address to the representative of Unit Operator if its vote is received prior to the vote at the meeting.

4.3.4 Poll Votes. Working Interest Owners may vote on and decide, by letter or telegram, any matter submitted in writing to Working Interest Owners. If a meeting is not requested, as provided in Section 4.2, within seven (7) days after a written proposal is sent to Working Interest Owners, the vote taken by Letter or telegram shall become final. Unit Operator will give prompt notice of the results of such voting to all Working Interest Owners.

ARTICLE 5

INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

5.1 Reservation of Rights. Working Interest Owners severally reserve to themselves all their rights, except as otherwise provided in this agreement and the Unit Agreement.

5.2 Specific Rights. Each working Interest Owner shall have, among others, the following specific rights:

III.4 of Exhibit "D", such rates are found to be insufficient or excessive.

3.2.10 Technical Services. The authorizing of charges to the joint account for services by consultants or Unit Operator's technical personnel not covered by the overhead charges provided by Exhibit D.

3.2.11 Assignments to Committees. The appointment of committees to study any problems in connection with Unit Operations.

3.2.12 The removal of Unit Operator and the selection of a successor.

3.2.13 The enlargement of the Unit Area.

3.2.14 The adjustment and readjustment of investments.

3.2.15 The termination of the Unit Agreement.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1 Designation of Representatives. Each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 Meetings. All meetings of Working Interest Owners shall be called by Unit Operator upon its own motion or at the request of one or more Working Interest Owners having a total Unit Participation of not less than ten percent (10%). No meeting shall be called on less than fourteen (14) days advance written notice, with agenda for the meeting attached.Working Interest Owners who attend the meeting may amend items included in the agenda and may act upon an amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.

more of the voting interest remaining after excluding the voting interest of the Unit Operator that was removed.

ARTICLE 7

AUTHORITY AND DUTIES OF UNIT OPERATOR

7.1 Exclusive Right to Operate Unit. Subject to the provisions of this agreement and to instructions from Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations.

7.2 Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good and workmanlike manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters which Unit Operator, in the exercise of its best judgement, considers important. Unit Operator shall not be liable to Working Interest Owners for damages, unless such damages result from its gross negligence or willful misconduct.

7.3 Liens and Encumbrances. Unit Operator shall endeavor to keep the lands and leases in the Unit Area and Unit Equipment free from all liens and encumbrances occasioned by Unit Operations, except the lien and security interest of Unit Operator granted hereunder.

7.4 Employees. The number of employees used by Unit Operator in conducting Unit Operations, their selection, hours of labor, and compensation shall be determined by Unit Operator. Such employees shall be the employees of Unit Operator.

7.5 Records. Unit Operator shall keep correct books, accounts, and records of Unit Operations.

7.6 Reports to Working Interest Owners. Unit Operator shall furnish Working Interest Owners monthly reports of Unit Operations.

5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.

5.2.2 Reports. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports, and all other information pertaining to Unit Operations. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged to the Working Interest Owner that requests the information.

ARTICLE 6

UNIT OPERATOR

6.1 Unit Operator. Atlantic Richfield Company is hereby designated as the initial Unit Operator.

6.2 Resignation or Removal. Unit Operator may resign at any time. Unit Operator may be removed at any time by the affirmative vote of Working Interest Owners having eighty percent (80%) or more of the voting interest remaining after excluding the voting interest of Unit Operator. Such resignation or removal shall not become effective for a period of three (3) months after the resignation or removal, unless a successor Unit Operator has taken over Unit Operations prior to the expiration of such period.

6.3 Selection of Successor. Upon the resignation or removal of a Unit Operator, a successor Unit Operator shall be selected by Working Interest Owners. If the Unit Operator that is removed fails to vote or votes only to succeed itself, the successor Unit Operator shall be selected by the affirmative vote of Working Interest Owners having eighty percent (80%) or

set forth in Article 4. Failure to respond within 60 days of a request for approval will constitute approval.

ARTICLE 8

TAXES

8.1 Ad Valorem Taxes. Beginning with the first calendar year after the Effective Date hereof, Unit Operator shall make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for Unit Operations. Unit Operator shall settle assessments arising therefrom. All such ad valorem taxes shall be paid by Unit Operator and charged to the joint account; however, if the interest of a Working Interest Owner is subject to a separately assessed overriding royalty interest, production payment, or other interest in excess of a one-eighth (1/8) royalty, such Working Interest Owner shall notify Unit Operator of such interest prior to the rendition date and shall be given credit for the reduction in taxes paid resulting therefrom. Conversely, if a Working Interest Owner has less than a one-eighth (1/8) outstanding royalty on a property, he shall so notify Unit Operator.

8.2 Other Taxes. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering, windfall profits and other taxes imposed upon or with respect to the production or handling of its share of Unitized Substances.

ARTICLE 9

INSURANCE

9.1 Insurance. Unit Operator, with respect to Unit Operations, shall:

(a) comply with the Workers' Compensation Laws of the State,

7.7 Reports to Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 Engineering and Geological Information. Unit Operator shall furnish to a Working Interest Owner, upon written request, a copy of all logs and other engineering and geological data pertaining to wells drilled for Unit Operations.

7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of fifty thousand dollars ($50,000.00) without prior approval of Working Interest Owners. If an emergency occurs, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.

7.10 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge therefor shall not exceed the usual rates prevailing in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in contracts of independent contractors doing work of a similar nature.

7.11 Border Agreements. Unit Operator may, after determination of the need therefor by Working Interest Owners, in accordance with the voting procedure set forth in Article 4, enter into border agreements with respect to lands adjacent to the Unit Area for the purpose of coordinating operations. Any border agreement negotiated by the Unit Operator must be approved by Working Interest Owners in accordance with the voting procedure

10.3 Investment Adjustment. Upon approval by Working Interest Owners of the inventory and evaluation, each Working Interest Owner shall be credited with the value, as determined in accordance with Section 10.2 above, of its interest in all personal property taken over by Unit Operator under Section 10.1.2, and charged with an amount equal to that obtained by multiplying the total value of all such personal property taken over by Unit Operator under Section 10.1.2 by such Working Interest Owner's Unit Participation, as shown in Phase II of Exhibit C. If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be paid and in all other respects be treated as any other item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

10.4 General Facilities. The acquisition of warehouses, warehouse stocks, lease houses, camps, facility systems, and office buildings necessary for Unit Operations shall be by negotiation by the owners thereof and Unit Operator, subject to the approval of Working Interest Owners. There shall be no adjustment for lease roads or appurtenances thereto.

10.5 Exchange of Interest in and Ownership of Personal Property and Facilities. Each Working Interest owner hereby exchanges, and agrees to exchange, its interest in all of the personal property described in Section 10.1.1 and 10.1.2 above for its proportionate interest, as shown in Phase II of Exhibit C. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest in all personal property and facilities

(b) carry Employer's Liability and other insurance required by the laws of the State, and

(c) provide other insurance as set forth in Exhibit E.

ARTICLE 10

ADJUSTMENT OF INVESTMENTS

10.1 Personal Property Taken Over. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:

10.1.1 Wells. All wells completed in the Unitized Formation.

10.1.2 Well and Lease Equipment. The casing and tubing in each such well, the wellhead connections thereon, and all other lease and operating equipment, that is used in the operation of such wells which Working Interest Owners determine is necessary or desirable for conducting Unit Operations. Also included are all salt water disposal wells and other facilities covered by the Articles of Agreement for the Construction and Operation of the Sabre (Delaware) Field Salt Water Disposal System dated November 22, 1968, as amended.

10.1.3 Records. A copy of all production and well records for such wells.

10.2 Inventory and Evaluation of Personal Property. Working Interest Owners shall at Unit Expense inventory and evaluate, as determined by Working Interest Owners, the personal property taken over. Such inventory shall include and be limited to those items of equipment considered controlled under Exhibit D except, upon determination of Working Interest Owners, items considered noncontrollable may be included in the inventory in order to insure a more equitable adjustment of investment. Casing shall be included in the inventory for record purposes, but shall be excluded from evaluation and investment adjustment.

Working Interest Owners and Unit Operator whenever an adjustment or correction is proper. A copy of each budget and adjusted budget shall be furnished promptly to each Working Interest Owner.

11.3 Advance Billings. Unit Operator shall have the right, without prejudice to other rights or remedies, to require Working Interest Owners to advance their respective shares of estimated Unit Expense by submitting to Working Interest Owners, on or before the 15th day of any month, an itemized estimate thereof for the succeeding month, with a request for payment in advance. Within fifteen (15) days after receipt of the estimate, each Working Interest Owner shall pay to Unit Operator its share of such estimate. Adjustments between estimated and actual Unit Expense shall be made by Unit Operator at the close of each calendar month, and the accounts of Working Interest Owners shall be adjusted accordingly.

11.4 Commingling of Funds. Funds received by Unit Operator under this agreement need not be segregated or maintained by it as a separate fund, but may be commingled with its own funds.

11.5 Lien and Security Interest of Unit Operator. Each Working Interest Owner grants to Unit Operator a lien upon its Oil and Gas Rights in each Tract, and a security interest in its share of Unitized Substances when extracted and its interest in all Unit Equipment, to secure payment of its share of Unit Expense, together with interest thereon at a rate equal to the prime rate in effect at Citibank NA, New York City on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws of Texas whichever is the lesser. To the extent that Unit Operator has a security interest under the Uniform Commercial Code of the State, Unit Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of

taken over or otherwise acquired by Unit Operator pursuant to this agreement.

ARTICLE 11

UNIT EXPENSES

11.1 Basis of Charge to Working Interest Owners. Unit Operator initially shall pay and discharge all costs and expenses incurred in the development and operation of the Unit Area. Working Interest Owners shall reimburse Unit Operator for all such costs and expenses on the basis set forth in 11.1.1 and 11.1.2. All charges, credits, and accounting for costs and expenses shall be in accordance with Exhibit D.

11.1.1 Producing and Injection Wells and Associated Facilities. All expenditures associated with drilling and equipping producing or water injection wells, or other fluid injection wells, converting wells to water or other fluid injection, and constructing and installing water or other fluid source and injection facilities shall be shared and borne by the Working Interest Owners in proportion to their respective Phase II Unit Participation interest as shown on Exhibit C.

11.1.2 Operating Costs and Expenses. Operating costs and expenses incurred from month to month during Unit Operations shall be shared and borne by the Working Interest Owners in proportion to their then respective Unit Participation interest, as set forth herein.

11.2 Budgets. Before or as soon as practical after the Effective Date, Unit Operator shall prepare a budget of estimated Unit Expense for the remainder of the calendar year, and, on or before the first day of each August thereafter, shall prepare a budget for the ensuing calendar year. A budget shall set forth the estimated Unit Expense by quarterly periods. Budgets shall be estimates only, and shall be adjusted or corrected by

and provisions of this agreement, specifically including, but without limitation, Section 11.5 hereof entitled "Lien and Security Interest of Unit Operator". If the Working Interest Owner creating such carved-out interest (a) fails to pay any Unit Expense chargeable to such Working Interest Owner under this agreement, and the production of Unitized Substances accruing to the credit of such Working Interest Owner is insufficient for that purpose, or (b) withdraws from this agreement under the terms and provisions of Article 17 hereof, the carved-out interest shall be chargeable with a pro rata portion of all Unit Expense incurred hereunder, the same as though such carved-out interest were a Working Interest, and Unit Operator shall have the right to enforce against such carved-out interest the lien and all other rights granted in Section 11.5 for the purpose of collecting the Unit Expense chargeable to the carved-out interest.

11.8 Uncommitted Royalty. Should an owner of a Royalty Interest in any Tract fail to become a party to the Unit Agreement, and, as a result thereof, the actual Royalty Interest payments with respect to such Tract are more or less than the Royalty Interest payments computed on the basis of the Unitized Substances that are allocated to such Tract Under the Unit Agreement, the difference shall be borne by or inure to the benefit of Working Interest Owners, in proportion to their respective Unit Participations at the time the Unitized Substances were produced; however, the difference to be borne by or inure to the benefit of Working Interest Owners shall not exceed an amount computed on the basis of one-eighth (1/8) of the difference between the Unitized Substances allocated to the Tract and the Unitized Substances produced from the Tract. Such adjustments shall be made by charges and credits to the joint account.

a suit and the obtaining of judgment by Unit Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Working Interest Owner in the payment of its share of Unit Expense, Unit Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owned by such Working Interest Owner, plus interest, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default.

11.6 Unpaid Unit Expenses. If any Working Interest Owner fails to pay its share of Unit Expense within sixty (60) days after rendition of a statement therefor by Unit Operator, each Working Interest Owner agrees, upon request by Unit Operator, to pay its proportionate part of the unpaid share of Unit Expense of the defaulting Working Interest Owner. Working Interest Owners that pay the share of Unit Expense of a defaulting Working Interest Owner shall be reimbursed by Unit Operator for the amount so paid, plus any interest collected thereon, upon receipt by Unit Operator of any past due amount collected from the defaulting Working Interest Owner. Any Working Interest Owner so paying a defaulting Working Interest Owner's share of Unit Expense shall, to obtain reimbursement thereof, be subrogated to the lien and other rights herein granted Unit Operator.

11.7 Carved-out Interest. If any Working Interest Owner shall, after executing this agreement, create an overriding royalty, production payment, net proceeds interest, carried interest, or any other interest out of its Working Interest, such carved-out interest shall be subject to the terms

the other Working Interest Owners from any loss due to failure, in whole or in part, of its title to any such interest, except failure of title arising because of Unit Operations; however, such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this agreement is concerned, as of 7:00 a.m. on the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense, or retroactive allocation of Unitized Substances or the proceeds therefrom, as a result of a title failure.

13.2 Failure Because of Unit Operations. The failure of title to any Working Interest in any Tract because of Unit Operations, including nonproduction from such Tract, shall not change the Unit Participation of the Working Interest Owner whose title failed in relation to the Unit Participations of the other Working Interest Owners at the time of the title failure.

other formation unless such multiple completion and the subsequent handling of the multiple completion is approved by Working Interest Owners in accordance with the voting procedures as set out in Article 4.3.2 of this agreement.

ARTICLE 13

TITLES

13.1 Warranty and Indemnity. Each Working Interest Owner represents and warrants that it is the owner of the respective Working Interests set forth opposite its name in Exhibit C, and agrees to indemnify and hold harmless the other Working Interest Owners from any loss due to failure, in whole or

ARTICLE 12

NONUNITIZED FORMATIONS

12.1 Right to Operate. Any Working Interest Owner that now has or hereafter acquires the right to drill for and produce oil, gas, or other minerals, from a formation underlying the Unit Area other than the Unitized Formation, shall have the right to do so notwithstanding this agreement or the Unit Agreement. In exercising the right, however, such Working Interest Owner shall exercise care to prevent unreasonable interference with Unit Operations. No Working Interest Owner shall produce Unitized Substances through any well drilled or operated by it. If any Working Interest Owner drills any well into or through the Unitized Formation, the Unitized Formation shall be protected in a manner satisfactory to Working Interest Owners so that the production of Unitized Substances will not be affected adversely.

12.2 Multiple Completions. No well now or hereafter completed in the Unitized Formation and capable of producing Unitized Substances in paying quantities within the Unit Area or any enlargement thereof shall ever be completed as a multiple completion with the Unitized Formation and any other formation unless such multiple completion and the subsequent handling of the multiple completion is approved by Working Interest Owners in accordance with the voting procedures as set out in Article 4.3.2 of this agreement.

ARTICLE 13

TITLES

13.1 Warranty and Indemnity. Each Working Interest Owner represents and warrants that it is the owner of the respective Working Interests set forth opposite its name in Exhibit C, and agrees to indemnify and hold harmless

over the further handling of the claim or suit, unless such authority is delegated to Unit Operator. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be an item of Unit Expense. If a claim is made against any Working Interest Owner or if any Working Interest Owner is sued on account of any matter arising from Unit Operations over which such Working Interest Owner individually has no control because of the rights given Working Interest Owners and Unit Operator by this agreement and the Unit Agreement, the Working Interest Owner shall immediately notify Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

ARTICLE 15

LAWS AND REGULATIONS

15.1 Internal Revenue Provisions. Notwithstanding any provisions herein that the rights and liabilities of the parties hereunder are several and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if for Federal income tax purposes this agreement and the operations hereunder are regarded as a partnership, then each of the parties hereto elects to be excluded from the application of all of the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1954, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Unit Operator is hereby authorized and directed to execute on behalf of each of the parties hereto such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761-1 (a). Should there be any requirement that each party hereto further evidence

in part, of its title to any such interest, except failure of title arising because of Unit Operations; however, such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this agreement is concerned, as of 7:00 a.m. on the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense, or retroactive allocation of Unitized Substances or the proceeds therefrom, as a result of a title failure.

13.2 Failure Because of Unit Operations. The failure of title to any Working Interest in any Tract because of Unit Operations, including nonproduction from such Tract, shall not change the Unit Participation of the Working Interest Owner whose title failed in relation to the Unit Participations of the other Working Interest Owners at the time of the title failure.

ARTICLE 14

LIABILITY, CLAIMS, AND SUITS

14.1 Individual Liability. The duties, obligations, and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein shall ever be construed as creating a partnership of any kind, joint venture, association, or trust among Working Interest Owners.

14.2 Settlements. Unit Operator may settle any single damage claim or suit involving Unit Operations if the expenditure does not exceed twenty-five thousand dollars ($25,000.00) and if the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above amount, Working Interest Owners shall assume and take

provided that such transfer shall not relieve such Working Interest Owner from any obligation or liability incurred prior to the first day of the month following receipt by Unit Operator of such transfer. The delivery of the transfer shall be made to Unit Operator for the transferees. The transferred interest shall be owned by the transferees in proportion to their respective Unit Participations. The transferees, in proportion to the respective interests so acquired, shall pay the transferor for its interest in Unit Equipment, the salvage value thereof less its share of the estimated cost of salvaging same and of plugging and abandoning all wells then being used or held for Unit Operations, as determined by Working Interest Owners. In the event such withdrawing owner's interest in the aforesaid salvage value is less than such owner's share of such estimated costs, the withdrawing owner, as a condition precedent to withdrawal, shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator and, as of such effective date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest Owner hereunder and under the

this election, each party hereto agrees to execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. Each party hereto further agrees not to give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Unit Area is located, or any future income tax law of the United States, contain provisions similar to those in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1954, under which an election similar to that provided by Section 761 of the Code is permitted, each of the parties agrees to make such election as may be permitted or required by such laws. In making this election, each of the parties state that the income derived by such party from the operations under this agreement can be adequately determined without the computation of partnership taxable income.

ARTICLE 16

NOTICES

16.1 Notices. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail or telegram to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4.

ARTICLE 17

WITHDRAWAL OF WORKING INTEREST OWNER

17.1 Withdrawal. A Working Interest Owner may withdraw from this agreement by transferring, without warranty of title either express or implied, to the Working Interest Owners who do not desire to withdraw all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interest in all Unit Equipment and in all wells used in Unit Operations,

18.2 Plugging. If the Working Interest Owners of a Tract do not elect to take over a well located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon the well in compliance with applicable law and regulations.

ARTICLE 19

EFFECTIVE DATE AND TERM

19.1 Effective Date. This agreement shall become effective when the Unit Agreement becomes effective.

19.2 Term. This agreement shall continue in effect so long as the Unit Agreement remains in effect, and thereafter until (a) all Unit wells have been plugged and abandoned or turned over to Working Interest Owners in accordance with Article 20; (b) all Unit Equipment and real property acquired for the joint account have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been a final accounting.

ARTICLE 20

ABANDONMENT OF OPERATIONS

20.1 Termination. Upon termination of the Unit Agreement, the following will occur:

20.1.1 Oil and Gas Rights. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts, and other instruments affecting the separate Tracts.

20.1.2 Right to Operate. Working Interest Owners of any Tract that desire to take over and continue to operate wells located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage value, as determined by Working Interest Owners, of the casing and

Unit Agreement shall cease insofar as they existed by virtue of the interest transferred.

17.2 Limitation on Withdrawal. Notwithstanding anything set forth in Section 17.1, Working Interest Owners may refuse to permit the withdrawal of a Working Interest Owner if its Working Interest is, prior to the execution of this agreement by such Working Interest Owner, burdened by any royalties, overriding royalties, production payments, net proceeds interest, carried interest, or any other interest created out of the Working Interest in excess of one-eighth (1/8) lessor's royalty, unless the other Working Interest Owners willing to accept the assignment agree to accept the Working Interest subject to such burdens.

ARTICLE 18

ABANDONMENT OF WELLS

18.1 Rights of Former Owners. If Working Interest Owners decide to permanently abandon any well within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice thereof to the Working Interest Owners of the Tract on which the well is located, and they shall have the option for a period of sixty (60) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well. Within thirty (30) days after the Working Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the joint account, the amount determined by Working Interest Owners to be the net salvage value of the casing and equipment in and on the well. The Working Interest Owners of the Tract, by taking over the well, agree to seal off the Unitized Formation, and upon abandonment to plug the well in compliance with applicable laws and regulations.

result of such incorrect interpretation or application of such rules, rulings, regulations or orders.

ARTICLE 22

EXCISE TAX PROVISIONS

22.1 Crude Oil Excise Tax. For the period during which excise taxes are payable under the Crude Oil Windfall Profit Tax Act of 1980 on any party's Unitized Substances, the first crude oil allocated to any Tract after distribution of any incremental tertiary crude as hereinafter provided shall be the tax tier type of crude oil actually produced or considered to have been produced from such tract during the base period under I.R.C. regulations but not to exceed its Tract Participation share or the amount of such tax tier type of crude oil currently available. Any excess of a tax tier type of crude oil existing after the foregoing specific identification allocation shall be allocated to the remaining Tracts in the Unit which have an underallocation of crude oil in proportion to the amount of their relative underallocations of crude. Anything hereinabove notwithstanding, any incremental tertiary oil as defined under I.R.C Section 4993 shall be allocated to each Tract in accordance with its Tract Participation prior to any other allocation of tax tier type of crude oil under this Article 22.1. In no case shall the sum of the different tax tier types of crude oil allocated to any Tract exceed the total amount of crude oil allocable under its Tract Participation.

22.2 Amendment By Working Interest Owners. This Article 22 may be amended or deleted by vote of the Working Interest Owners using the voting procedure set out in Article 4.3 if in the opinion of the Working Interest Owners (a) application of Article 22 as written becomes unworkable or inequitable as a result of changes in laws or regulations of any

equipment in and on the wells taken over and by agreeing upon abandonment to plug each well in compliance with applicable laws and regulations.

20.1.3 Salvaging Wells. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonably be salvaged, and shall cause the wells to be plugged and abandoned in compliance with applicable laws and regulations.

20.1.4 Cost of Abandonment. The cost of abandonment of Unit Operations shall be Unit Expense.

20.1.5 Distribution of Assets. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Unit Participations.

ARTICLE 21

GOVERNMENTAL REGULATIONS

21.1 Governmental Regulations. Working Interest Owners agree to release Unit Operator from any and all losses, damages, injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Unit Operator's interpretation or application of rules, rulings, regulations or orders of any governmental agency or predecessor agencies to the extent Unit Operator's interpretation or application of such rules, rulings, regulations or orders were made in good faith. Working Interest Owners further agree to reimburse Unit Operator for their proportionate share of any amounts Unit Operator may be required to refund, rebate or pay as a result of an incorrect interpretation or application of the above noted rules, rulings, regulations or orders, together with their proportionate part of interest and penalties owing by Unit Operator as a

UNIT AGREEMENT

Sabre (Delaware) Unit

Reeves County, Texas

RECEIVED
MAR 14 1986
GENERAL LAND OFFICE

Exceptions
Article 6.6
8.2
12.1
16.1

AUGUST, 1985

TEXACO, Inc.

By: _____

_____ Title _____
Execution Date

State of Texas §
§
County of _____ §

This instrument was acknowledged before me on the _____ day of _____, 198__ by _____, _____ of TEXACO, Inc., a _____corporation, on behalf of said corporation.

My commission expires:

_____ _____
Notary Public, _____ County

CONOCO, Inc.

By: _____

_____ Title _____
Execution Date

State of Texas §
§
County of _____ §

This instrument was acknowledged before me on the _____ day of _____, 198__ by _____, _____ of CONOCO, Inc., a _____ corporation, on behalf of said corporation.

My commission expires:

_____ _____
Notary Public, _____ County

GULF Oil Exploration and Production Co.

By: _____

_____ Title _____

Execution Date

State of Texas §
§
County of _____ §

This instrument was acknowledged before me on the _____ day of _____, 198__ by _____, _____ of CONOCO, Inc., a _____ corporation, on behalf of said corporation.

My commission expires:

_____

_____
Notary Public, _____ County

PART II

Working Interest Owner	Tract Number	Unit Participation By Tract		Total Unit Participation of Owners	
		Phase I	Phase II	Phase I	Phase II
ARCO	3	14.58513	18.21564		
	6	48.59500	32.98440		
	8	0.25350	3.74471		
		63.43363	54.94475	63.43363	54.94475
Conoco	7	21.60349	6.71694	21.60349	6.71694
Gulf	4	8.92869	17.65571	8.92869	17.65571
Texaco	1	2.93591	10.40255		
	2	0.00000	1.02253		
	5	1.08191	2.05200		
	9	2.01637	5.13046		
	10	0.00000	0.66550		
	11	0.00000	1.40956		
		6.03419	20.68260	6.03419	20.68260
			TOTAL	100.00000	100.00000

EXHIBIT "C"
UNIT OPERATING AGREEMENT
SABRE (DELAWARE) UNIT
REEVES COUNTY, TEXAS

WORKING INTEREST OWNERSHIP BY TRACTS AND ATTRIBUTABLE UNIT PARTICIPATION

PART I

Tract Number	Tract Name	Working Interest Owner	Working Interest	Tract Participation	
				Phase I	Phase II
1	Reeves Fee "J"	Texaco	100.00000	2.93591	10.40255
2	TXL CB NCT-A	Texaco	100.00000	0.00000	1.02253
3	A.T. Randolph State	ARCO	100.00000	14.58513	18.21564
4	A.T. Randolph State	Gulf	100.00000	8.92869	17.65571
5	Reeves Fee "L"	Texaco	100.00000	1.08191	2.05200
6	Agnes Beckham	ARCO	100.00000	48.59500	32.98440
7	TXL A-35	Conoco	100.00000	21.60349	6.71694
8	TXL B	ARCO	100.00000	0.25350	3.74471
9	Reeves Fee "H"	Texaco	100.00000	2.01637	5.13046
10	Reeves Fee "I"	Texaco	100.00000	0.00000	0.66550
11	TXL CB NCT-B	Texaco	100.00000	0.00000	1.40956
			TOTAL	100.00000	100.00000

EXHIBIT "D"

Attached to and made a part of The Unit Operating Agreement
Sabre (Delaware) Unit, Reeves County, Texas

ACCOUNTING PROCEDURE
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.
"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.
"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.
"Operator" shall mean the party designated to conduct the Joint Operations.
"Non-Operators" shall mean the Parties to this agreement other than the Operator.
"Parties" shall mean Operator and Non-Operators.
"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.
"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.
"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.
"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.
"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at CITIBANK NA, NEW YORK on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

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5. **Audits**

A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.

B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. **Approval By Non-Operators**

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. **Ecological and Environmental**

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

2. **Rentals and Royalties**

Lease rentals and royalties paid by Operator for the Joint Operations.

3. **Labor**

A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.

(2) Salaries of First Level Supervisors in the field.

(3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.

(4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.

B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.

D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

4. **Employee Benefits**

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies.

5. **Material**

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

6. **Transportation**

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.

B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.

C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is $400 or less excluding accessorial charges. The $400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

8. Equipment and Facilities Furnished By Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed ____ TWELVE ____ percent (12 %) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

10. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgements and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. **Overhead - Drilling and Producing Operations**

i. **As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:**

(X) Fixed Rate Basis, Paragraph 1A, or
( ) Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

( ) shall be covered by the overhead rates, or
(X) shall not be covered by the overhead rates.

iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

(X) shall be covered by the overhead rates, or
( ) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate $ 5,090.00
(Prorated for less than a full month)

Producing Well Rate $ 509.00

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

(1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.

(2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

(1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.

(2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

(3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.

(4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.

(5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

A. New Material (Condition A)

(1) Tubular Goods Other than Line Pipe

(a) Tubular goods, sized 2⅜ inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.

(b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.

(c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.

(d) Macaroni tubing (size less than 2⅜ inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

(2) Line Pipe

(a) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(b) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(c) Line pipe 24 inch OD and over and ¾ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.

(d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.

(3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.

(4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2.A.(1) and (2).

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

(2) Material used on and moved from the Joint Property

(a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or

(b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material.

(3) Material not used on and moved from the Joint Property

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(a) Development

_____ Percent (____ %) of the cost of development of the Joint Property exclusive of costs provided under Paragraph 10 of Section II and all salvage credits.

(b) Operating

_____ Percent (____ %) of the cost of operating the Joint Property exclusive of costs provided under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, redrilling, deepening, or any remedial operations on any or all wells involving the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as operating.

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of $ 25,000 :

A. 5 % of first $100,000 or total cost if less, plus

B. 3 % of costs in excess of $100,000 but less than $1,000,000, plus

C. 2 % of costs in excess of $1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

A. 5 % of total costs through $100,000; plus

B. 3 % of total costs in excess of $100,000 but less than $1,000,000; plus

C. 2 % of total costs in excess of $1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following basis exclusive of cash discounts:

(2) Condition D

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

(a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.

(b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

(3) Condition E

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

(1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25¢) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.

(2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. **Premium Prices**

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. **Warranty of Material Furnished By Operator**

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. **Periodic Inventories, Notice and Representation**

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. **Reconciliation and Adjustment of Inventories**

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. **Special Inventories**

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

4. **Expense of Conducting Inventories**

A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.

B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

Pooling Agreement (43) #M-35430 6-23-86 SAB

EXHIBIT "E"

ATTACHED TO AND MADE A PART OF UNIT OPERATING AGREEMENT, SABRE (DELAWARE) UNIT, REEVES COUNTY, TEXAS, DATED _____, 1985.

OTHER INSURANCE PROVISIONS

1. OPERATOR shall, at all times while conducting operations hereunder, comply with all applicable Workers' Compensation and Occupational Disease Laws including the United States Longshoremen's and Harbor Workers' Compensation Act and carry all Employer's Liability and other insurance required by the laws of Texas, provided, however, that OPERATOR may be a self-insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall be OPERATOR'S actual cost but not exceeding an amount equivalent to the premium which would have been paid had such insurance been obtained.
2. No other insurance shall be carried by OPERATOR for the joint account unless agreed to by the Working Interest Owners in accordance with the voting procedure set forth in Article 4 of the Unit Operating Agreement.
3. Each Working Interest Owner may procure such insurances with respect to the co-owned properties and operations as it deems necessary to protect itself against claims and damages and all insurance policies shall be endorsed to provide that underwriters and insurance carriers of such Working Interest Owner shall not have any right of subrogation against OPERATOR and other Working Interest Owners.

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

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July 29, 1986

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1700 N. Congress
Austin, Texas 78701

ATTENTION: Mr. Virgil C. Morelle

RE: Certified Copy of
Certificate of Effectiveness
Unit Agreement
Sabre (Delaware) Unit
Reeves County, Texas
AR-84873

Gentlemen:

Enclosed please find a Certified Copy of the recorded Certificate of Effectiveness for the Sabre (Delaware) Unit. This Unit was approved by the R.R.C. Final Order (Docket No.) 8-87,444. Please feel free to call me at 915-688-5532 with any questions you may have.

Sincerely,

MICHAEL SNYDER
AREA LANDMAN

MS:bk

Enclosure

119:038

cc: Ron Sponberg, 215-MIO

RECEIVED
JUL 31 1986

(44) M. F. 35430 A file

CORRESPONDENCE FILE

To GLO (Morelle)

From ARLO (Snyder)
re. Cert. of Effectiveness

Dated 7-29-86 - ltr

filed 8-4-86
LKA

8-31-86

FILE NO. 2133 ATLANTIC RICHFIELD COMPANY TO THE PUBLIC

CERTIFICATE OF EFFECTIVENESS

UNIT AGREEMENT

SABRE (DELAWARE) UNIT

REEVES COUNTY, TEXAS

WHEREAS, Atlantic Richfield Company, a Delaware corporation, as Unit Operator, and certain other parties as Working Interest Owners and as Royalty Owners have executed a joinder, counterpart, ratification of, or an Agreement to become a party to the Unit Agreement for the Sabre (Delaware) Unit, Reeves County, Texas, heretofore filed for record in the Deed Records of Reeves County, Texas, in Volume 468 at page 52 et seq., reference to which is hereby made for all pertinent purposes; and

WHEREAS, pursuant to Article 17.2 of said Unit Agreement, one hundred per cent (100%) of the Working Interest Owners have, prior to June 1, 1986, agreed to extend the Ipso Facto Termination date of said Unit Agreement until September 1, 1986; and

WHEREAS, executions, joinders and ratifications have been obtained from the requisite Royalty and Working Interest Owners to qualify all those tracts listed on Exhibits "A" and "B" attached to the aforesaid Unit Agreement, those tracts qualifying representing one hundred per cent (100.00%) of the Unit Area; and

WHEREAS, the said Unit Agreement has been approved by the Railroad Commission of Texas by Case and Order No. 8-87,444.

NOW, THEREFORE, the undersigned hereby certifies that, in accordance with and as authorized by the provisions of said Unit Agreement and as determined by Working Interest Owners owning eighty-five per cent (85%) or more of the Unit Participation, the Unit Agreement for the Sabre (Delaware) Unit, Reeves County, Texas, shall become effective as of 7:00 A.M. on August 1, 1986. There are attached to this Certificate Exhibits "A" and "B", identical duplicates of which are also attached to said Sabre (Delaware) Unit Agreement as Exhibits "A" and "B".

IN WITNESS WHEREOF, this Certificate is executed this 24th day of July, 1986.

ATLANTIC RICHFIELD COMPANY

By: M. S. Giglio

[Print name] M. S. Giglio
Attorney-in-Fact

THE STATE OF TEXAS §
§
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 24th day of July, 1986, by M. S. Giglio, Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:
2-23-89

Kathryn Mandeville

KATHRYN MANDEVILLE
[Print name]

Notary Public in and for the
State of Texas

EXHIBIT "A"
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
REEVES COUNTY, TEXAS
Supplemented 12/10/85

Tract Number	Tract Operator	Tract Name	Description	Acres	Tract Participation	
					Phase I	Phase II
1	Texaco	Reeves Fee "J"	Sec 33, Blk 57, T-2, T & P RR Co Survey	640	2.93591	10.40255
2	Texaco	TXL CB NCT-A	SW/4 & W/2 SE/4 Sec 27, Blk 57, T-2, T & P RR Co Survey	240	0.00000	1.02253
3	ARCO	A.T. Randolph State	N/2 Sec 34, Blk 57, T-2, T & P RR Co Survey	320	14.58513	18.21564
4	Gulf	A.T. Randolph State	S/2 Sec 34, Blk 57, T-2, T & P RR Co Survey	320	8.92869	17.65571
5	Texaco	Reeves Fee "L"	NE/4 Sec 39, Blk 57, T-2, T & P RR Co Survey	160	1.08191	2.05200
6	ARCO	Agnes Beckham	Sec 26, Blk 57, T-2, T & P RR Co Survey	640	48.59500	32.98440
7	Conoco	TXL A-35	W/2 NW/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	80	21.60349	6.71694
8	ARCO	TXL B	E/2 NW/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	80	0.25350	3.74471
9	Texaco	Reeves Fee "H"	S/2 & NE/4 Sec 35, Blk 57, T-2, T & P RR Co Survey	480	2.01637	5.13046
10	Texaco	Reeves Fee "I"	NW/4 Sec 25, Blk 57, T-2, T & P RR Co Survey	160	0.00000	0.66550
11	Texaco	TXL CB NCT-B	SW/4 Sec 25, Blk 57, T-2, T & P RR Co Survey	160	0.00000	1.40956
			TOTAL	3,280	100.00000	100.00000

ATTACHED TO AND MADE A PART OF THE CERTIFICATE OF EFFECTIVENESS FOR THE UNIT AGREEMENT, SABRE (DELAWARE) UNIT, REEVES COUNTY, TEXAS, DATED JULY 24, 1986.

EXHIBIT "A" (Continued)
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
REEVES COUNTY, TEXAS
Supplemented 12/10/85

Tract Number(s)	Lessor	Lessee	Lease Date	Recording Information	State Lease Number
1,2,5 9,10,11	(Mineral Fee)	N/A	N/A	N/A	N/A
3	A.T. Randolph, et al, Individually and as Agents for the State of Texas	Joseph B. Ruppe	8/09/57	Vol. 177, Pg. 407 of the Deed Records of Reeves County, Texas	No. 48344
4	A.T. Randolph, et al, Individually and as Agents for the State of Texas	Joseph B. Ruppe	1/21/53	Vol. 151, Pg. 58 of the Deed Records of Reeves County, Texas	No. 40133
6	Guy Caldwell, et al, Individually and as Agents for the State of Texas	L.C. Wahlenmaier	2/03/50	Vol. 128, Pg. 604 of the Deed Records of Reeves County, Texas	No. 35430
7,8	George C. Fraser, et al, General and State Agents for the Texas Pacific Land Trust	Continental Oil Company	7/28/50	Vol. 133, Pg. 172 of the Deed Records of Reeves County, Texas	N/A

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 25257

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXAS

County of REEVES } I, CATHERINE ASHLEY, Clerk

of the County Court of Reeves County, Texas, do hereby certify that the foregoing is a true and correct copy of the original RECORDED CERTIFICATE OF EFFECTIVENESS UNIT AGREEMENT SABRE(DELAWARE) UNIT REEVES COUNTY, TEXAS FROM ATLANTIC RICHFIELD COMPANY TO THE PUBLIC

as the same appears of record in my office in book 469 page 27. DEED RECORD.

Given under my Hand and Seal of said Court, at office in Pecos, Texas

this 24th day of JULY 19 86.

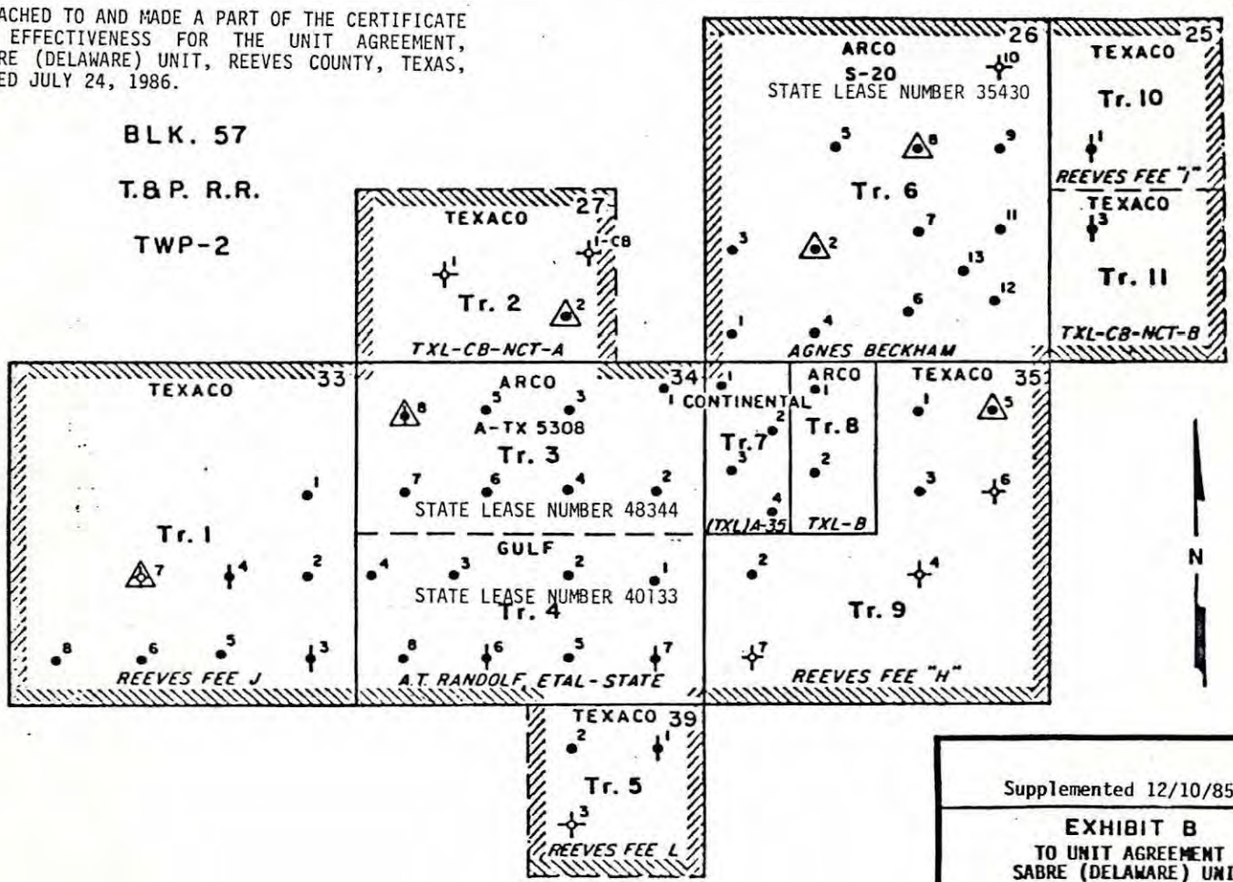
CATHERINE ASHLEY Clerk,

By Billie Jo Freeman Deputy.

(BILLIE JO FREEMAN)

VOL 468 PAGE 30

ATTACHED TO AND MADE A PART OF THE CERTIFICATE OF EFFECTIVENESS FOR THE UNIT AGREEMENT, SABRE (DELAWARE) UNIT, REEVES COUNTY, TEXAS, DATED JULY 24, 1986.



Supplemented 12/10/85

EXHIBIT B
TO UNIT AGREEMENT
SABRE (DELAWARE) UNIT
Reeves Co., Texas

Scale: 1" = 2000'

By: Agnes Unger	Drawn By: R.C.T. Date: 4-17-86
Date: 4/85	Revised By: Date:
Dwg: South Area Engr.	Dwg No.

////////// Unit Boundary
The number in upper righthand corner of each tract is the applicable section number.

FILED FOR RECORD ON THE 24TH DAY OF JULY, A.D. 1986 AT 2:49 P.M. DULY RECORDED ON THE 24TH DAY OF JULY, A.D. 1986 AT 3:00 P.M.

By Billie Jo Freeman DEPUTY

CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

(45)

M 35430 A file

Certificate of Effectiveness

File dated 7-24-86 Filed 8-4-86 ZKa

Garry Mauro, Commissioner

L-31-92

Garry Mauro
Commissioner
General Land Office

July 10, 1987

Arco Oil & Gas Company
P.O. Box 1610
Midland, Texas 79702

RE: State Lease M-35430
Tract Name: Sabre
Well No. 1 WS
Reeves County, Texas

Dear Gentlemen:

We note the re-completion of the captioned well, however, we have not received the following reports or surveys, which are marked below, as required by your Oil and Gas Lease:

___ Form W-1 Application to Drill
_X_ Form W-2 Oil Well Potential Test/Completion Report
___ Form W-3 Plugging Record
___ Form G-1 Gas Well Pressure Test and Completion Report
___ Form G-5 Gas Well Classification Report
___ Form G-10 Gas Well Status Report
___ Form W-12 Inclination Report
___ Form W-15 Cementing Report
___ Electrical Log (full suite of 5 inch logs plus a 1-inch correlation electrical log. L-1 not acceptable as log.)
___ Directional Survey

Electrical Logs are required, even if run prior to September 1, 1985.
Your cooperation will be appreciated.

Sincerely yours,

Tim Pittman

Tim Pittman, Geologist
Texas General Land Office
Petroleum & Minerals Division
(512) 463-5022

TP/sg

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

M-35430 (46)
Ltr. to Arco 7-10-87
filed 7-16-87

Garry Mauro
Commissioner
General Land Office

August 13, 1987

Arco Oil & Gas Co.
P.O. Box 1610
Midland, Texas 79702

RE: State Lease M-35430
Tract Name: Sabre
Well No. 2WS
Reeves County, Texas

Dear Gentlemen:

We note the completion of the captioned well, however, we have not received the following reports or surveys, which are marked below, as required by your Oil and Gas Lease:

___ Form W-1 Application to Drill
_X_ Form W-2 Oil Well Potential Test/Completion Report
___ Form W-3 Plugging Record
___ Form G-1 Gas Well Pressure Test and Completion Report
___ Form G-5 Gas Well Classification Report
___ Form G-10 Gas Well Status Report
_X_ Form W-12 Inclination Report
_X_ Form W-15 Cementing Report
_X_ Electrical Log (full suite of 5 inch logs plus a 1-inch correlation electrical log. L-1 not acceptable as log.)
___ Directional Survey

Electrical Logs are required, even if run prior to September 1, 1985.
Your cooperation will be appreciated.

Sincerely yours,

Tim Pittman

Tim Pittman
Geologist
Petroleum & Minerals Division
(512) 463-5022

TP/sg

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

M-35430 (47)

Ltr. to Arco 8-13-87

Filed 8-13-87 SG

ATLANTIC RICHFIELD COMPANY

35430

OIL AND GAS DIVISION ORDER

JULY 20, 1987

To: Atlantic Richfield Company
P.O. Box 600
Dallas, Texas 75221-0600

Key File: 42-389-029145

Each party signing below ('Owner') represents that he owns the interest set out below opposite his name in the oil, including condensate and other liquid hydrocarbons, and gas, including oil well gas and other gaseous substances, or the proceeds thereof, produced from the land described as follows:

DIVISION ORDER PROP. NUMBER	OPERATOR, LEASE OR UNIT NAME AND DESCRIPTION
42-389-029145 062---6017----	ARCO OIL AND GAS COMPANY SABRE SECTION 26, BLOCK 57, TWP. 2, T&P RY. CO. SURVEY, CONTAINING 640 ACRES. LIMITED TO PRODUCTION FROM THE LOWER DELAWARE FORMATION. County of REEVES State of TEXAS

and commencing DATE OF INITIAL PRODUCTION , and until further written notice, Owner authorizes you or your nominee or agent to receive, purchase and pay for production from this land as follows:

CREDIT TO	INTEREST/TYPE	ADDRESS CORRECTIONS

FOR DIVISION OF INTEREST, SEE ATTACHED PAGE 3

RI - Royalty Interest PP - Production Payment CWI - Carried Working Interest
WI - Working Interest NPI - Net Profits Interest ORRI - Overriding Royalty Interest

OIL: Oil purchased shall become your property when delivered to you or any carrier or nominee designated by you. You will make settlement for Owner's interest in oil at: (1) your posted price in effect on the date of delivery for the same kind and quality of oil in the field where produced; or (2) if sold by you to another purchaser, at the price received by you from such purchaser; less, in either case, transportation expense, if any, to the point of delivery designated by you or the purchaser.

Quantity and quality of oil purchased under this division order will be determined in accordance with practice prevailing at the place of delivery and applicable governmental rules and regulations. You or your nominee may require oil to be treated or steamed at Owner's expense to render it merchantable.

GAS: In making settlement for Owner's interest in gas: (1) you may use the net proceeds received by you at the well(s); or (2) if gas is sold or used off the premises, you may use the market value at the well(s) of the gas so sold or used off the premises, provided that the market value used will not exceed the net proceeds derived by you from the sale or use off the premises.

COMMINGLED PRODUCTION: If the oil or gas is commingled with like production from other separately owned land prior to delivery, Owner's interest in the commingled production will be determined by meter measurements, periodic well tests, or any other method generally accepted in the industry as an equitable basis for determining the quantity and quality of the production sold or delivered from each separately owned source of production.

UNITIZATION: If the land described above is now or later becomes a part of a unit or units formed by governmental authority or by voluntary act, then this division order will be subject to the unit(s) and settlement to Owner will be made upon the basis of unit production allocated to Owner's interest. No additional

MI :bd

(continued on next page)

KEY FILE: 42-389-029145

FAILURE TO PROVIDE A PROPER TAXPAYER IDENTIFICATION NUMBER MAY SUBJECT PAYMENTS MADE HEREUNDER TO FEDERAL INCOME TAX WITHHOLDING AT THE RATE of 20%, PURSUANT TO SECTION 3406 OF THE INTERNAL REVENUE CODE.

OWNERS:	OWNERS SIGN BELOW	TAXPAYER NO. OR SOCIAL SEC. NO.
GUY CALDWELL AND JEANNETTE CALDWELL		
LEE CALDWELL, SUCCESSOR TRUSTEE U/W/O MILDRED C. TOUCHSTONE		
AGNES C. AND L. H. BECKHAM		
COMMISSIONER OF GENERAL LAND OFFICE STATE OF TEXAS		
TEXACO, INC.		
CHEVRON, USA, INC.		
CONOCO, INC.		

Garry Mauro
Commissioner
General Land Office

September 4, 1987

Arco Oil and Gas Company
P.O. Box 600
Dallas, Texas 75221-0606

ATTENTION: Mike Lackey - 7-128-DAB

RE: State Lease M-35430
Section 26, Block 57, TWP. 2, T&P RY. CO. Survey, Containing 640 acres, Limited to production from the lower Delaware formation County of REEVES State of Texas

Dear Mr. Lackey:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law for the General Land Office to execute your division order and thereby attempt to bind the State by the provisions contained therein.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Should you have any questions, please call Michelle Harris at 512/463-5042.

Sincerely,

Jeff Dusenbury, Manager
Royalty Management & Compliance
Texas General Land

JD/MH/db

Enclosure
Copy of Division Order

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

(48.)

M- 35430

Sir Ord 4th/D Bright

File Dated 9-4-87

MF 035430

DIVISION ORDER

bhpbilliton
resourcing the future

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date:	10/1/2014
Property Name:	STATE CALDWELL 57-T2-26 4H
Property #:	P1M439/00501
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY, TEXAS (642.710 ACRES)

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE #640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.06250000	RI	PAY		8/1/2014

DIVISION ORDER

bhpbilliton
resourcing the future

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date:	10/1/2014
Property Name:	STATE CALDWELL 57-T2-26 3H
Property #:	P1M438/00501
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY, TEXAS (642.710 ACRES)

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE #640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.06250000	RI	PAY		8/1/2014

DIVISION ORDER

bhpbilliton
resourcing the future

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date:	10/1/2014
Property Name:	STATE CALDWELL 57-T2-26 2H
Property #:	P1M437/00501
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY, TEXAS (642.710 ACRES)

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE #640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.06250000	RI	PAY		8/1/2014

41-01-01

DIVISION ORDER

bhpbilliton
resourcing the future

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date:	10/1/2014
Property Name:	STATE CALDWELL 57-T2-26 5H
Property #:	P1M547/00501
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY, TEXAS (642.710 ACRES); T&P RR CO ABST/ID# 635 Grantee T. & P.R.R.CO. Twsp T2 Blk 57 Sec 35 REEVES COUNTY, TEXAS (1.000 ACRES)

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE #640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.06250000	RI	PAY		9/1/2014

41-01-01

TEXAS GENERAL LAND OFFICE
JERRY PATTERSON, COMMISSIONER

12/31/2014

BHP Billiton Petroleum
Attn: Ellie McVicar
P.O. Box 22719
Houston, Texas 77027

Re: State Mineral Lease 035430 Owner #: 80113945
Property No. P1M439/00501
State Caldwell 57-T2-26 2H, 3H, 4H, 5H

Dear Ellie,

The Texas General Land Office (GLO) has received your Division Order for the State Caldwell 57-T2-26 2H, 3H, 4H, and 5H Wells. This Division Order has been filed in the appropriate mineral file.

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 lease. If you have questions concerning this matter, please feel free to e-mail me at brandon.nicholson@glo.texas.gov

Thank you,

Brandon Nicholson
Landman
Mineral Leasing

Enclosure

65.

File No. MF 035430
Division order

Date Filed: 10-10-14
Jerry E. Patterson, Commissioner
By JC

MF 035430

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		2H
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	2H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

```
Lateral: TH1
Penetration Point Location
  Lease Lines:        200.0 F S L
                      990.0 F E L
Terminus Location
  BH County: REEVES
  Section: 26              Block: 57 T2          Abstract: 2061
  Survey: T&P RR CO - DEVANEY, J U
  Lease Lines:        150.0 F N L
                      990.0 F E L
  Survey Lines:       150.0 F N L
                      990.0 F E L
```

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME: STATE CALDWELL 57-T2-26		WELL NUMBER: 2H
LOCATION: 1.6 miles SW direction from ORLA		TOTAL DEPTH: 14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

Groundwater
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION — Form GW-2

Date: May 19, 2014 — GAU File No.: 5224

***** EXPEDITED APPLICATION ***** — API Number: 38900000

Attention: LILLIAN GARCIA — RRC Lease No.: 000000

SC_068596_38900000_000000_5224.pdf

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD
HOUSTON TX 77056

P-5# 068596

--Measured--
950 ft FEL
375 ft FNL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 1179950
Y-coord/Lat: 10639967
Datum: 83 Zone: C

County: REEVES — Lease & Well No.: STATE CALDWELL 57-T2-26 #1H&ALL — Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-35,--[TD=14000],[RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the RUSTLER, which is estimated to occur at a depth between 700 and 800 feet, must be protected.

This recommendation is adequate for wells drilled in this section 35.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.05.19 07:32:48 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 5/19/2014
Note: Alteration of this electronic document will invalidate the digital signature.

666.

File No. MF 035430
permit, GW-2 389-34303

Date Filed: 6-18-14

Jerry E. Patterson, Commissioner

By JK

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR	068596	NOTICE
BHP BILLITON PET(TXLA OP) CO		This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		2H
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	2H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

```
Lateral: TH1
Penetration Point Location
  Lease Lines:        200.0 F S L
                      990.0 F E L
Terminus Location
  BH County: REEVES
  Section: 26              Block: 57 T2          Abstract: 2061
  Survey: T&P RR CO - DEVANEY, J U
  Lease Lines:        150.0 F N L
                      990.0 F E L
  Survey Lines:       150.0 F N L
                      990.0 F E L
```

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR	068596	NOTICE
BHP BILLITON PET(TXLA OP) CO		This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		2H
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

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

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

API No. 42-389-34363

Drilling Permit # 785955

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.	2. Operator's Name (as shown on form P-5, Organization Report)	3. Operator Address (include street, city, state, zip):
068596	BHP BILLITON PET(TXLA OP) CO	

4. Lease Name	5. Well No.
STATE CALDWELL 57-T2-26	2H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth	9. Do you have the right to develop the minerals under any right-of-way ?	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?
14000	[X] Yes [ ] No	[ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.	12. County	13. Surface Location
08	REEVES	[X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.6 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
35	57 T2	T&P RR CO	A-635	200 ft.	642.71

21. Lease Perpendiculars: 375 ft from the N OFF LEASE line and 990 ft from the E OFF LEASE line.

22. Survey Perpendiculars: 375 ft from the N line and 990 ft from the E line.

23. Is this a pooled unit?	24. Unitization Docket No:	25. Are you applying for Substandard Acreage Field?
[ ] Yes [X] No		[ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION **List all fields of anticipated completion including Wildcat. List one zone per line.**

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	660.00	2

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

[FILER May 1, 2014 9:33 AM]: Est MD 19500'; [RRC STAFF Jun 13, 2014 12:27 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2014 12:23 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 14, 2014 12:23 PM]: REVISED PLAT ATTACHED SHOWING POP TO BE ON LEASE.

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

May 01, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only Data Validation Time Stamp: Jun 18, 2014 8:49 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 785955

Approved Date: Jun 17, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	2H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO - DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line. and 990 ft. from the E line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line. and 990 ft. from the E line

13. Penetration Point Lease Line Perpendiculars
200 ft. from the S line. and 990 ft. from the E line

67

File No. MF035430

Reeves County

Drilling Permit for API 389-34363

Date Filed: 6-18-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785965	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34364	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
*Spud 8/2/14		
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		3H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES		DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE)	1650 ft. (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES		DISTANCE TO NEAREST WELL ON LEASE
375 ft. E OFF LEASE	1650 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	3H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:
Lateral: TH1
Penetration Point Location
Lease Lines: 200.0 F S L
1650.0 F E L
Terminus Location
BH County: REEVES
Section: 26 Block: 57 T2 Abstract: 2061
Survey: T&P RR CO -DEVANEY, J U
Lease Lines: 150.0 F N L
1650.0 F E L
Survey Lines: 150.0 F N L
1650.0 F E L

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785965	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34364	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME: STATE CALDWELL 57-T2-26		WELL NUMBER: 3H
LOCATION: 1.7 miles SW direction from ORLA		TOTAL DEPTH: 14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE) 1650 ft. (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. E OFF LEASE 1650 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES	DEPTH	WELL #	DIST
	NEAREST LEASE		NEAREST WE	

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

API No. 42-389-34364

Drilling Permit # 785965

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No: 068596

2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO

3. Operator Address (include street, city, state, zip):

4. Lease Name: STATE CALDWELL 57-T2-26

5. Well No.: 3H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08

12. County: REEVES

13. Surface Location: [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section: 35

16. Block: 57 T2

17. Survey: T&P RR CO

18. Abstract No.: A-635

19. Distance to nearest lease line: 200 ft

20. Number of contiguous acres in lease, pooled unit, or unitized tract: 642.71

21. Lease Perpendiculars: 375 ft from the E OFF LEASE line and 1650 ft from the E OFF LEASE line.

22. Survey Perpendiculars: 375 ft from the N (OFFLEASE) line and 1650 ft from the (OFFLEASE) line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	660.00	3

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

[FILER May 1, 2014 9:58 AM]: Est MD 19500'; [RRC STAFF Jun 13, 2014 12:29 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2014 12:52 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 14, 2014 12:52 PM]: REVISED PLAT ATTACHED SHOWING POP TO BE ON LEASE.

RRC Use Only Data Validation Time Stamp: Jun 19, 2014 11:29 AM(Current Version)

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

May 01, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit #	785965
Approved Date:	Jun 19, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	3H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO -DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line, and 1650 ft. from the E line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line, and 1650 ft. from the E line

13. Penetration Point Lease Line Perpendiculars
200 ft. from the S line, and 1650 ft. from the E line

68.

File No. MF035430

Reeves County

Drilling permit for API 389-34364

Date Filed: 6-19-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785968	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34365	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR	068596	NOTICE
BHP BILLITON PET(TXLA OP) CO		This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		4H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO - HALL, J G

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE) 1690 ft. E (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 1690 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	4H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

```
Lateral: TH1
Penetration Point Location
  Lease Lines:        200.0 F S L
                     2310.0 F E L
Terminus Location
  BH County: REEVES
  Section: 26              Block: 57 T2        Abstract: 2061
  Survey: T&P RR CO - DEVANEY, J U
  Lease Lines:        150.0 F N L
                     2310.0 F E L
  Survey Lines:       150.0 F N L
                     2310.0 F E L
```

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785968	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34365	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR	068596	NOTICE
BHP BILLITON PET(TXLA OP) CO		This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		4H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO - HALL, J G

DISTANCE TO SURVEY LINES		DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE)	1690 ft. E (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES		DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE	1690 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

File No. MF035430

Roosevelt County

W-1/permit for API 389-34365

Date Filed: 6-19-14

George P. Bush, Commissioner

By JM

69.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
788168	Jun 24, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34347	May 29, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Vertical	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
Spud 7/05/14		
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		1
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		20000

Section, Block and/or Survey

SECTION 26 BLOCK 57 T2 ABSTRACT 2061

SURVEY T&P RR CO/DEVANEY, J U

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
1320 ft. EAST 2575 ft. S	1320 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
1320 ft. EAST 2575 ft. SOUTH	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
CHAPMAN, DEEP (MORROW)	642.71	20,000	1	08
STATE CALDWELL 57-T2-26	1320		0	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

API No. 42-389-34347
Drilling Permit # 788168
SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.: 068596
2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO
3. Operator Address (include street, city, state, zip):
4. Lease Name: STATE CALDWELL 57-T2-26
5. Well No.: 1

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [X] Vertical [ ] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 20000
9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No
10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08
12. County: REEVES
13. Surface Location: [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.6 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
26	57 T2	T&P RR CO/DEVANEY, J U	A-2061	1320 ft.	642.71

21. Lease Perpendiculars: 1320 ft from the EAST line and 2575 ft from the SOUTH line.
22. Survey Perpendiculars: 1320 ft from the EAST line and 2575 ft from the S line.

23. Is this a pooled unit? [ ] Yes [X] No
24. Unitization Docket No:
25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION

List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	17030450	CHAPMAN, DEEP (MORROW)	Gas Well	20000	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS

Remarks
[FILER May 22, 2014 1:22 PM]: Observation well. Possible conversion to SWD.

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer
May 29, 2014 — Date submitted
(713)5524537 — Phone
lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only — Data Validation Time Stamp: Jun 25, 2014 7 14 AM(Current Version)

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date: June 6, 2014

GAU File No.: 5276

***** EXPEDITED APPLICATION *****

API Number: 38934347

Attention: LILLIAN GARCIA

RRC Lease No.: 000000

SC_068596_38934347_000000_5276.pdf

BHP BILLITON PET TXLA OP CO
1360 POST OAK BLVD
HOUSTON TX 77056

P-5# 068596

--Measured--
1316 ft FEL
2284 ft FSL

MRL:SECTION

Digital Map Location:
X-coord/Long: 1179700
Y-coord/Lat: 10642636
Datum: 83 Zone: C

County: REEVES

Lease & Well No.: STATE CALDWELL 57-T2-26 #1&ALL

Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-26,--[TD=14000],[RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the RUSTLER, which is estimated to occur at a depth between 700 and 750 feet, must be protected.

This recommendation is adequate for wells drilled in this section 26.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.06.06 13:38:54 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 6/6/2014
Note: Alteration of this electronic document will invalidate the digital signature.

70.

File No. MF035430

Roosevelt County

Drilling Permit for API 389-34347

Date Filed: 6-25-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	2H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date 11/21/14	

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s) *(See instruction G)*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s) *(See instruction G)*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Leslie Montemayor
Name (print) — Signature

REGULATORY TECH ASSNT — ☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
Title

LESLIE.MONTEMAYOR@BHPBILLITON.CO — 11/21/14 — (713) 585-7567
E-mail Address (optional) — Date — Phone with area code

File No. MF035430

Reeves County

P-4 for State Caldwell 57-T2-26 # 2H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	3H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	11/21/14

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). *(See instruction G).*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s). *(See instruction G).*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Name (print)
Leslie Montemayor — Signature
REGULATORY TECH ASSNT — Title
☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
LESLIE.MONTEMAYOR@BHPBILLITON.CO — E-mail Address (optional)
11/21/14 — Date
(713) 585-7567 — Phone with area code

File No. MF035430

Reeves County

P-4 for State Caldwell 57-T2-26 #3H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	4H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	11/21/14

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s) *(See instruction G).*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

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Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Leslie Montemayor
Name (print) — Signature

REGULATORY TECH ASSNT — ☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
Title

LESLIE.MONTEMAYOR@BHPBILLITON.CO — 11/21/14 — (713) 585-7567
E-mail Address (optional) — Date — Phone with area code

File No. MF035430

Reeves County

P-4 for State Caldwell 57-T2-26 #4H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	5H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	11/21/14

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). *(See instruction G).*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s). *(See instruction G).*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Name (print)
Leslie Montemayor — Signature
REGULATORY TECH ASSNT — Title
☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
LESLIE.MONTEMAYOR@BHPBILLITON.CO — E-mail Address (optional)
11/21/14 — Date
(713) 585-7567 — Phone with area code

71.

File No. MF035430

P-4 #2H-SH Reeves County

P-4 for State Caldwell 57-T2-26 #5H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26996

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34363

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785955

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
2H

12. Drilling completed on 09/28/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010

(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/20/2014
RR DATE 9/28/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

File No. MF035430

Reeves County

P-8 for State Caldwell 57-T2-26 #2H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26997

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34364

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785965

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
3H

12. Drilling completed on 08/30/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[x] Form P-4 attached
[x] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [x] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/2/2014
RR DATE 8/30/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

File No. MF035430

Reeves County

P-8 for State Caldwell 57-72-26 #3H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26998

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34365

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785968

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
4H

12. Drilling completed on 09/25/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/31/2014
RR DATE 9/25/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

File No. MF035430

Reeves County

P-8 for State Caldwell 57-T2-26 #4H

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26999

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34423

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
791559

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
5H

12. Drilling completed on 10/09/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 9/9/2014
RR DATE 10/9/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

72.

File No. MF035430

P-8
#2H-SH

Reeves County

Request for Clearance of Storage tanks

Date Filed: 11-21-14

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Submitted
Date: 02/23/2015
Tracking No.: 124738

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34364 **County:** REEVES
Well No.: 3H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57 T2, Survey: T&P RR CO, Abstract: 635

Latitude: **Longitude:**
This well is located 1.7 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/27/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	06/19/2014	785965
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 08/02/2014 **Date of first production after rig released:** 11/27/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 08/02/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 11/27/2014
Number of producing wells on this lease in this field (reservoir) including this well: 2 **Distance to nearest well in lease & reservoir (ft.):** 660.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2919 GL
Total depth TVD (ft.): 10001 **Total depth MD (ft.):** 14993
Plug back depth TVD (ft.): 9998 **Plug back depth MD (ft.):** 14992
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 40.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: None
Electric Log Other Description:
Location of well, relative to nearest lease boundaries of lease on which this well is located: **Off Lease:** Yes
375.0 **Feet from the** North **Line and**
1650.0 **Feet from the** East **Line of the**
STATE CALDWELL 57-T2-26 **Lease.**

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A

PACKET: N/A

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

GAU Groundwater Protection Determination **Depth (ft.):** 800.0 **Date:** 05/19/2014

SWR 13 Exception **Depth (ft.):**

GAS MEASUREMENT DATA

Date of test: 01/12/2015 **Gas measurement method(s):**

Gas production during test (MCF): 9573 Orifice Meter, Flange Taps

Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.500	14734.79	1019.0	51.0	113.0	0.9526	0.9161	1.092	3191.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.714 **Gravity (liquid hydrocarbons) (Deg. API):** 50.3

Gas-Liquid Hydro Ratio (CF/Bbl): 3266 **Gravity (mixture): Gmix=** 1.347

Avg. shut in temp. (°F): 113.0 **Bottom hole temp. and depth:** 155.0 **°F@** 10065.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	4320		3271	70.0
1	4320	48/64	1568	113.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
3	Intermediate	7 5/8	8 3/4	9745			LITE CRETE/C	415	852.0	9626	Calculation
4	Tapered Production	5 1/2	6 3/4	9844			TX1	1038	1339.0	3300	Calculation
5	Tapered Production	4 1/2	6 3/4	14980			TX1	1038	1339.0	3300	Calculation
1	Surface	11 3/4	14 3/4	998			C	766	0.0	0	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4252			C	411	924.0	4080	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By

N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
			/

N/A

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10120	14783

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 8350

Actual maximum pressure (PSIG) during hydraulic fracturing: 5510

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	PLEASE REFER TO FRAC FOCUS	10120.0	14783.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2504.0	Yes	
CASTILLE	Yes	2800.0	2804.0	Yes	
BELL CANYON	Yes	3011.0	3015.0	Yes	
DELAWARE	Yes	2500.0	2504.0	Yes	
DELAWARE CONSOLIDATED GAS	Yes	6500.0	6527.0	Yes	
CHERRY CANYON	Yes	3707.0	3712.0	Yes	
BONE SPRINGS	Yes	6652.0	6680.0	Yes	
PERMIAN	No			No	DID NOT ENCOUNTER
WOLFCAMP	Yes	9641.0	9683.0	Yes	
PENNSYLVANIAN	No			No	DID NOT ENCOUNTER
MISSISSIPPIAN	No			No	DID NOT ENCOUNTER
DEVONIAN	No			No	DID NOT ENCOUNTER
FUSSELMAN	No			No	DID NOT ENCOUNTER
ELLENBURGER	No			No	DID NOT ENCOUNTER

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

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

REMARKS

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

FIELD RULES, 6 MONTH EXCEPTION.

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Leslie Montemayor
Title: Regulatory Technical Assistant
Telephone No.: (713) 585-7567
Date Certified: 02/18/2015

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 124738

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 3H	6. API NO. 42- 389-34364
	7. COUNTY OF WELL SITE REEVES	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO , A-635	11. PIPELINE CONNECTION OR USE OF GAS

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	01/12/2015	
B. Gas Volume	3191.0	(Mcf)
C. Oil or Condensate Volume	977.0	(Bbl)
D. Water Volume	3233.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	3266	(Cf/Bbl)
F. Flowing Tubing Pressure	1568	(psia)
G. Choke Size	48/64	(in.)
H. Casing Pressure	3212.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3271	(psia)
J. Separator Operating Pressure	1019.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	50.3	°API
M. Gravity of Stock Tank Liquid		°API
N. Specific Gravity of the Gas (Air = 1)	0.714	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 01/12/2015

Where Obtained: [X] Separator [ ] Stock Tank

	% Over Temp. (deg. F)		% Over Temp. (deg. F)
Initial Boiling Temp.	112.0	60	479.0
10	201.0	70	559.0
20	244.0	80	655.0
30	286.0	90	714.0
40	337.0	95	
50	405.0	End Point	719.0

Total Recovery	93.4	percent
Residue	4.8	percent
Loss	1.8	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

02/18/2015
DATE

NAME (Type or Print): Leslie Montemayor

SIGNATURE

TITLE: Regulatory Technical Assistant

(713) 585-7567
CONTACT PERSON PHONE NUMBER

RRC USE ONLY

Tracking No.: 124738

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing: ☐ Survey ☐ Retest ☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		01/12/2015	3191 MCF	977.0 BBL	3233.0 BBL	3271
STATE CALDWELL 57-T2-26	3H		0.714	50.3	7023	1568
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: GW WIRELINE JERRY GRAY Title: Phone: (940) 325-3617 Date: 02/18/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG STATUS REPORT

FORM L-1

Tracking No.: 124738

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:
- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:
- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:
- with the appropriate Commission district office

Filling out Form L-1:
- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:
- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: BHP BILLITON PET(TXLA OP) CO	District No. 08	Completion Date: 11/27/2014
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 785965	
Lease Name STATE CALDWELL 57-T2-26	Lease/ID No.	Well No. 3H
County REEVES	API No. 42- 389-34364	

SECTION II. LOG STATUS (Complete either A or B)

[X] A. BASIC ELECTRIC LOG NOT RUN

[ ] B. BASIC ELECTRIC LOG RUN. (Select one)

- [ ] 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- [ ] 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- [ ] 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- [ ] 4. Log attached to (select one):
  - [ ] (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____
    Check here if attached log is being submitted after being held confidential. [ ]
  - [ ] (b) Form P-7, Application for Discovery Allowable and New Field Designation.
  - [ ] (c) Form W-4, Application for Multiple Completion:
    Lease or ID No(s). _____
    Well No(s). _____

Leslie Montemayor Signature	Regulatory Technical Assistant Title
_____ Name (print)	(713) 585-7567 Phone 02/18/2015 Date

-FOR RAILROAD COMMISSION USE ONLY-

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 124738

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no	6. County	7. RRC district
BHP BILLITON PET(TXLA OP) CO	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) (see instruction E)			
1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	3H			
	10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 11/27/2014

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from _____
☐ lease name from _____

OR

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		BHP BILLITON PET(TXLA OP) CO(068596)		100.0	
	X	BP ENERGY CO.(085349)	0001	50.0	
	X	SEQUENT ENERGY MANAGEMENT, L.P.(767539)	0001	50.0	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
TRAFIGURA AG INC.(864322)	90.0
SHELL TRADING (US) COMPANY(774715)	10.0

RRC USE ONLY: Reviewer's initials: _____ Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator

Signature

Name (print)

☐ Authorized Employee of previous operator

☐ Authorized agent of previous operator (see instruction G)

Title

Date

Phone with area code

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print)

Leslie Montemayor

Signature

Regulatory Technical Assistant

Title

☒ Authorized Employee of current operator

☐ Authorized agent of current operator (see instruction G)

leslie.montemayor@bhpbilliton.com

E-mail Address (optional)

02/23/2015

Date

(713) 585-7567

Phone with area code

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 124738

This facsimile P-15 was generated electronically from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BHP BILLITON PET(TXLA OP) CO (OPERATOR), STATE CALDWELL 57-T2-26 (LEASE), No. 3H (WELL); that such well is completed in the PHANTOM (WOLFCAMP) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 160.68 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 02/18/2015 Signature Leslie Montemayor

Telephone (713) 585-7567 (AREA CODE) Title Regulatory Technical Assistant

File No. MF035430

Reeves County

Completion Report for API 389-34364

Date Filed: 2-23-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
804246	Mar 06, 2015	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34797	Mar 02, 2015	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	803.67

OPERATOR 068596

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-35X26 SA	1H
LOCATION	TOTAL DEPTH
1.9 miles SW direction from ORLA	14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
2385 ft. N 2313 ft. W	1 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
330 ft. E 267 ft. S	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *
** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) **
CASE NO. 0295823

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
** PHANTOM (WOLFCAMP)	803.67	12,500	1H	08
STATE CALDWELL 57-T2-35X26 SA	1		557	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:
```
Lateral: TH1
Penetration Point Location
  Lease Lines:        330.0 F E L
                      267.0 F S L
Terminus Location
  BH County: REEVES
  Section: 26            Block: 57 T2          Abstract: 2061
  Survey: T&P RR CO/DEVANEY, J U
  Lease Lines:        150.0 F N L
                     1650.0 F WEST L
  Survey Lines:       150.0 F N L
                     1650.0 F WEST L
```

'**' PRECEDING FIELD NAME INDICATES RULE (R37)

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
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42-389-34797	Mar 02, 2015	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	803.67

OPERATOR 068596

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(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-35X26 SA	1H
LOCATION	TOTAL DEPTH
1.9 miles SW direction from ORLA	14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
2385 ft. N 2313 ft. W	1 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
330 ft. E 267 ft. S	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *
** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) **
CASE NO. 0295823

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

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

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION — **Form GW-2**

Date: May 19, 2014 — GAU File No.: 5224

***** EXPEDITED APPLICATION ***** — API Number: 38900000

Attention: LILLIAN GARCIA — RRC Lease No.: 000000

SC_068596_38900000_000000_5224.pdf

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD
HOUSTON TX 77056

P-5# 068596

--Measured--
950 ft FEL
375 ft FNL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 1179950
Y-coord/Lat: 10639967
Datum: 83 Zone: C

County: REEVES — Lease & Well No.: STATE CALDWELL 57-T2-26 #1H&ALL — Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-35,--[TD=14000],[RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the RUSTLER, which is estimated to occur at a depth between 700 and 800 feet, must be protected.

This recommendation is adequate for wells drilled in this section 35.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.05.19 07:32:48 -05'00'

Jack M. Oswalt, P.G.
Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 5/19/2014
Note: Alteration of this electronic document will invalidate the digital signature.

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date: May 19, 2014

GAU File No.: 5224

***** EXPEDITED APPLICATION *****

API Number: 38900000

Attention: LILLIAN GARCIA

RRC Lease No.: 000000

SC_068596_38900000_000000_5224.pdf

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD
HOUSTON TX 77056

P-5# 068596

--Measured--
950 ft FEL
375 ft FNL
MRL:SURVEY

Digital Map Location:
X-coord/Long: 1179950
Y-coord/Lat: 10639967
Datum: 83 Zone: C

County: REEVES

Lease & Well No.: STATE CALDWELL 57-T2-26 #1H&ALL

Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-35,--[TD=14000],[RRC 8],

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If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.05.19 07:32:48 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 5/19/2014
Note: Alteration of this electronic document will invalidate the digital signature.

74.

File No. MF035430

Reeves County

Drilling Permit for API 389-34797

Date Filed: 3-9-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Work In Progress
Date:
Tracking No.: 130116

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34423 **County:** REEVES
Well No.: 5H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57 T2, Survey: T&P RR CO, Abstract: 635

Latitude: 31.81010 **Longitude:** -103.93587
This well is located 1.7 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/25/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	08/16/2014	791559
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 09/09/2014 **Date of first production after rig released:** 11/25/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 09/09/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 10/09/2014
Number of producing wells on this lease in this field (reservoir) including this well: 4 **Distance to nearest well in lease & reservoir (ft.):** 673.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2938 GL
Total depth TVD (ft.): 9980 **Total depth MD (ft.):** 15100
Plug back depth TVD (ft.): 9984 **Plug back depth MD (ft.):** 14889
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 176.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)
Electric Log Other Description: CBL
Location of well, relative to nearest lease boundaries of lease on which this well is located: **Off Lease:** Yes
206.0 **Feet from the** North **Line and**
2038.0 **Feet from the** West **Line of the** STATE CALDWELL 57-T2-26 **Lease.**

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A
PACKET: N/A

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

GAU Groundwater Protection Determination	**Depth (ft.):** 800.0	**Date:** 05/14/2014
SWR 13 Exception	**Depth (ft.):**	

GAS MEASUREMENT DATA

Date of test: 12/09/2014
Gas measurement method(s): Orifice Meter, Flange Taps
Gas production during test (MCF): 10491
Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.250	10032.66	1082.0	130.0	129.0	0.9396	0.9129	1.084	3497.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.717
Gravity (liquid hydrocarbons) (Deg. API): 50.1
Gas-Liquid Hydro Ratio (CF/Bbl): 4275
Gravity (mixture): Gmix= 1.231
Avg. shut in temp. (°F): 105.0
Bottom hole temp. and depth: 154.0 °F@ 9976.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440		3242	56.0
1	4320	36/64	2917	129.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	11 3/4	14 3/4	934			C	1735	680.0	SURF	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4192			C	402	900.0	300	Calculation
3	Intermediate	7 5/8	8 3/4	9730			TXI, C	345	854.0	7033	Calculation
4	Tapered Production	4 1/2	6 3/4	15086			TXI, H	1207	1727.0	2450	Cement Evaluation Log

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By

N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9328	9304 / BRANTON BT-1XW

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L2 10089	14890

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 12000

Actual maximum pressure (PSIG) during hydraulic fracturing: 10584

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	FRAC 15 STAGES: 6,017,860# PROPPANT + 5,808,059 GAL FLUID	10089.0	14890.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2500.0	Yes	
CASTILLE	Yes	2800.0	2800.0	Yes	
BELL CANYON	Yes	2972.0	2972.0	Yes	
DELAWARE	Yes	2939.0	2939.0	Yes	
DELAWARE CONSOLIDATED GAS	No			No	NOT ENCOUNTERED
CHERRY CANYON	Yes	3668.0	3668.0	Yes	
BONE SPRINGS	Yes	6613.0	6646.0	Yes	
PERMIAN	No			No	NOT ENCOUNTERED
WOLFCAMP	Yes	9616.0	9992.0	No	PRODUCING ZONE
PENNSYLVANIAN	No			No	NOT ENCOUNTERED
MISSISSIPPIAN	No			No	NOT ENCOUNTERED
DEVONIAN	No			No	NOT ENCOUNTERED
FUSSELMAN	No			No	NOT ENCOUNTERED
ELLENBURGER	No			No	NOT ENCOUNTERED

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

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

REMARKS

INITIAL COMPLETION. 5 1/2 & 4 1/2 TAPERED PRODUCTION STRING, W/ CROSSOVER AT 9818'. 3/2/2015 - 3/6/2015 RAN PACKER AND TUBING.

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Diann Flowers
Title: Sr. Regulatory Specialist
Telephone No.: (713) 983-2508
Date Certified: 03/10/2015

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 130116

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 5H	6. API NO. 42- 389-34423
	7. COUNTY OF WELL SITE REEVES	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO , A-635	11. PIPELINE CONNECTION OR USE OF GAS BHP BILLITON PETROLEUM (TX GATH)

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	12/09/2014	
B. Gas Volume	3497.0	(Mcf)
C. Oil or Condensate Volume	817.8	(Bbl)
D. Water Volume	3018.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	4275	(Cf/Bbl)
F. Flowing Tubing Pressure	2917	(psia)
G. Choke Size	36/64	(in.)
H. Casing Pressure	2954.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3242	(psia)
J. Separator Operating Pressure	1000.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	50.1	°API
M. Gravity of Stock Tank Liquid		°API
N. Specific Gravity of the Gas (Air = 1)	0.717	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 01/02/2015

Where Obtained: [X] Separator [ ] Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	104.0	60	480.0
10	199.0	70	563.0
20	245.0	80	662.0
30	285.0	90	720.0
40	339.0	95	720.0
50	403.0	End Point	724.0

Total Recovery	93.6	percent
Residue	4.6	percent
Loss	1.8	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

NAME (Type or Print): Diann Flowers

SIGNATURE

TITLE: Sr. Regulatory Specialist

DATE: 03/10/2015

CONTACT PERSON

PHONE NUMBER: (713) 983-2508

RRC USE ONLY

FESCO, Ltd.
Petroleum Engineers

CORPORATE HEADQUARTERS: 1000 FESCO AVE. • ALICE, TEXAS 78332-7318 • (361) 661-7000
ALICE LABORATORY: (361) 661-7015 • FAX (361) 661-7019

ALICE (361) 664-3479	CORPUS CHRISTI	KILGORE (903) 984-4814	ODESSA (432) 332-3211
ALICE HYDRAULICS (361) 661-1538	PROD. TEST (361) 882-4124	LAFAYETTE, LA (337) 896-3838	OZONA (325) 392-3773
BEAUMONT (409) 842-3000	WIRELINE (361) 452-1631	LAREDO (956) 724-7501	PECOS (432) 445-1993
BRIDGEPORT, WV (304) 592-3366	EDINBURG (956) 383-8378	LIBERAL, KS (580) 778-3384	REFUGIO (361) 526-4644
BRYAN (979) 775-1825	EL CAMPO (979) 543-9451	LUFKIN (936) 632-7036	VICTORIA (361) 575-7533
CANADIAN (806) 323-5050	HOUSTON SALES (281) 565-1115	MANSFIELD, LA (318) 872-0734	WOODWARD, OK. (580) 256-0848

January 26, 2015

Mr. James Melear
BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

Re:	Well:	State Caldwell 57-T2-26 No. 5H
	Field:	Phantom (Wolfcamp)
	Location:	Reeves County, Texas
	Formation:	Wolfcamp
	Lateral:	10089 – 14890 ft
	Test Type:	Mathematically Recombined C_{7+} Wellstream Analysis

Dear Mr. Melear:

As instructed, FESCO collected gas and hydrocarbon (HC) liquid samples from the first-stage lease separator on January 12, 2015 then sent the samples to its laboratory in Alice, Texas for C_{7+} compositional analysis. FESCO then determined the corresponding wellstream fluid composition by mathematically recombining the separator gas and separator HC liquid compositions at the producing GOR of 4715 Scf/Sep Bbl (5921 Scf/STB). The attached report contains the separator gas, separator liquid and wellstream fluid compositions through C_{7+}. The operator provided the GOR value used to determine the wellstream composition. The resulting molar volume of the C_{7+} wellstream pseudo-component was 7.611 mole percent.

Thank you for this opportunity to serve BHP Billiton - Petroleum (TXLA OP) Co. Please call me if you have any questions or concerns regarding this report.

Sincerely,

FESCO, Ltd.

Conan Pierce
Corporate Engineer
Alice, Texas
Phone: 361-661-7000 Ext. 125
Email: Conan.Pierce@Fescolnc.com

January 26, 2015

FESCO, Ltd.
1100 FESCO Avenue - Alice, Texas 78332

For: BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

COMPOSITIONAL ANALYSIS OF THE SEPARATOR GAS, HC LIQUID, AND MATHEMATICALLY RECOMBINED WELLSTREAM THROUGH C_7+

Well Information For Sample Date of : 01/12/15

Well Name:	State Caldwell 57-T2-26 No. 5H		Formation:	Wolfcamp	
Field:	Phantom (Wolfcamp)		Lateral:	10089 - 14890	ft
County:	Reeves, Texas		FWHP:	2024	psig

Separator Effluents at: 1000 psig & 113°F
Production Data Furnished by: Operator

Stock Tank GOR:	5921	SCF / STB	Separator Gas Rate:	5418	MCF/Day
Separator GOR:	4715	SCF / Sep Bbl	Separator HC Liquid Rate:	1149.0	Bbls/Day
			Stock Tank HC Liquid Rate:	915.0	Bbls/Day
Stock Tank HC SG:	50.1	°API @ 60 °F	Water Rate:	3196.0	Bbls/Day
Stock Tank HC Color:	Straw		Sep HC Liquid Recovery:	79.634	%

	GAS		HC LIQUID		WELLSTREAM	
Component	Mole%	GPM	Mole %	Liquid Volume %	Mole %	GPM
Hydrogen Sulfide	< 0.001		-----	-----	-----	
Nitrogen	0.667		0.074	0.019	0.565	
Carbon Dioxide	0.110		0.053	0.021	0.100	
Methane	80.847		21.514	8.477	70.641	
Ethane	10.788	2.869	10.110	6.287	10.671	2.838
Propane	4.248	1.164	9.193	5.889	5.099	1.397
Iso-butane	0.579	0.188	2.138	1.627	0.847	0.276
N-butane	1.222	0.383	5.833	4.276	2.015	0.632
2-2 Dimethylpropane	0.007	0.003	0.128	0.114	0.028	0.011
Iso-pentane	0.273	0.099	2.431	2.067	0.644	0.234
N-pentane	0.325	0.117	3.422	2.884	0.858	0.309
Hexanes	0.339	0.139	3.722	3.564	0.921	0.377
Heptanes Plus	0.595	0.262	41.383	64.774	7.611	4.981
TOTALS	100.000	5.224	100.000	100.000	100.000	11.054

HEPTANES PLUS ($C7_+$) FRACTION CHARACTERISTICS

	GAS	HC LIQUID	WELLSTREAM
Molecular Weight	103.8 lb/lb-mol	169.7 lb/lb-mol	165.5 lb/lb-mol
Specific Gravity	3.5959 (Air=1)	0.7990 (Water=1)	0.7965 (Water=1)
Vapor Volume	22.680 Scf/Gal	14.942 Scf/Gal	15.280 Scf/Gal

TOTAL SAMPLE CHARACTERISTICS

	GAS		HC LIQUID	WELLSTREAM
Molecular Weight	20.7 lb/lb-mol		93.0 lb/lb-mol	33.1 lb/lb-mol
Specific Gravity	0.7178 (Air=1)		0.6852 (Water=1)	1.1486 (Air=1)
Vapor Volume	191.422 Scf/Gal		23.387 Scf/Gal	90.463 Scf/Gal
Gross Heating Value	Dry BTU/Scf	Sat BTU/Scf		
	1247	1226		

**Hydrogen Sulfide tested on location by: Stained Tube Method (GPA 2377)
<0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

Base Conditions: 14.650 psia and 60 °F

Job No. 51117

Tracking No.: 130116

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing: ☐ Survey ☐ Retest ☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		12/09/2014	3497 MCF	818.0 BBL	3018.0 BBL	3242
STATE CALDWELL 57-T2-26	5H		0.717	50.1		2917
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

G.W. WIRELINE, INC.

Signature: JERRY GRAY Title: Phone: (940) 325-3617 Date: 03/10/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG STATUS REPORT

FORM L-1

Tracking No.: 130116

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:
- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:
- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:
- with the appropriate Commission district office

Filling out Form L-1:
- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:
- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: BHP BILLITON PET(TXLA OP) CO	District No. 08	Completion Date: 11/25/2014
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 791559	
Lease Name STATE CALDWELL 57-T2-26	Lease/ID No.	Well No. 5H
County REEVES	API No. 42- 389-34423	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.

☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).

☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).

☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Diann Flowers Signature	Sr. Regulatory Specialist Title
 Name (print)	(713) 983-2508 Phone 03/10/2015 Date

-FOR RAILROAD COMMISSION USE ONLY-

LEAM Drilling Systems LLC

BHP Billiton
2027A Airport Rd
Conroe, TX 77301

CO-141117

5":100' - MD
10/5/2014 2:13:02 PM

Oper. Company:	Leam Drilling Systems, LLC	**API/UWI:**	42-389-34423
Country:	US	**Field:**	Shale
State / Province:	TX	**Well:**	State Caldwell 57-T2-26 #5H
County / Parish:	Reeves	**Rig:**	H&P 602
Started:	09/29/2014 01:30 PM	**Ended:**	10/05/2014 02:30 PM

Max Temp: 182°
Mud Weigt: 11.3
Mud Visc: 43
Mud Type: WBM

Personnel

Day Hand:	Arturo Deleon
Night Hand:	Justin Tyler
Comp. Emp:	Leam Drilling Systems

Location

Latitude:	31° 48' 35.899
Longitude:	103° 56' 7.447
Elev. GL:	2939
Elev. DF:	25
Elev. KB:	2964

Hole Data

Size	From	To
11.75	0	4200
9.625	4200	10323
7.625	10323	15100

Casing Data

Size	From	To
9 5/8	0	4200
7 5/8	4200	9730

Bit Sizes

Size	From	To
8 3/4	4200	9740
6 3/4	9740	15100

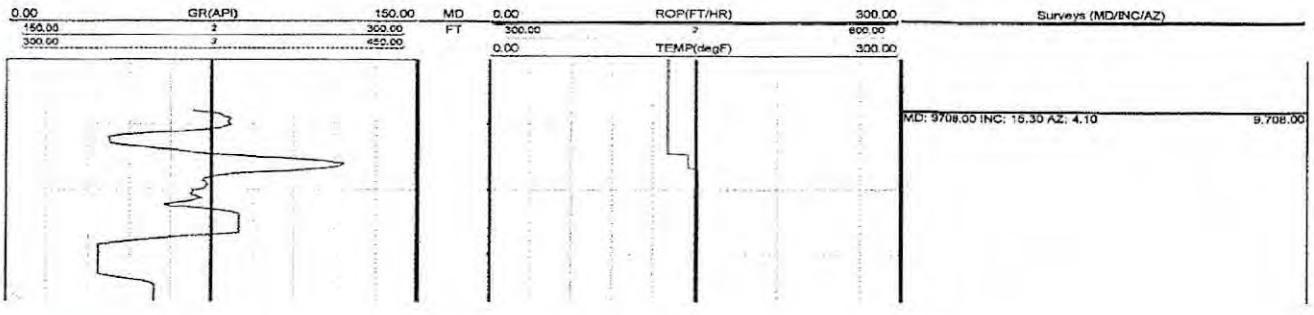
Mud Data

Type	Weight	Density	Viscosity	Rm	Rmf	Rmc	From	To
WBM	11.3		43				9730	10500

Tool Run Data

Serial Number	Gamma Offset	Resist. Offset	Start Time	Start Depth	End Time	End Depth
DG98	8.5	0	9/27/2014 7:00:12 PM	9755	10/1/2014 3:45:12 AM	10323
DG98	8.5	0	10/1/2014 8:30:48 PM	10323	10/5/2014 2:30:48 PM	15100

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not except in the case of gross or willful negligence on our part, be liable or responsible for any loss, cost damages or expenses incurred or sustained by anyone resulting from an interpretation made by any of our officers, agents, or employees.



CEMENT BOND LOG

JC Fodale

Company BHP BILLITON
Well STATE CALDWELL 57-T2-26 5H
Field DELAWARE BASIN-UPPER WOLF CREEK
County REEVES State TEXAS

Location: API # : 42-389-34423
LAT 31.81009822 N LON 103.93587578 W
206' FNL 2038' FWL OF SEC 35 BLK 57
SEC 26 TWP 57 RGE 2

Other Services: NONE

Permanent Datum GROUND LEVEL Elevation 2939'
Log Measured From KB 25'
Drilling Measured From KELLY BUSHING

Elevation
K.B. 2964'
D.F. 2963'
G.L. 2939'

Date	OCTOBER 14 2014		
Run Number	ONE		
Depth Driller	15100'		
Depth Logger	10180'		
Bottom Logged Interval	10180'		
Top Log Interval	1860'		
Open Hole Size	8 3/4"		
Type Fluid	BRINE		
Density / Viscosity	9-9.4#		
Max. Recorded Temp.	175 DEG F		
Estimated Cement Top	2450'		
Time Well Ready	1000		
Time Logger on Bottom	1145		
Equipment Number	50-290		
Location	DILLEY TX		
Recorded By	MATT BOHN		
Witnessed By	JOE BURLESON		

Borehole Record				Tubing Record			
Run Number	Bit	From	To	Size	Weight	From	To

Casing Record	Size	Wgt/Ft	Top	Bottom
Surface String	11 3/4" J55	47#	SURFACE	934'
Prot. String	7.625" P110	29.7#	SURFACE	9730'
Production String	5.5" P110	20#	SURFACE	9818'
Liner	4.5" P110	13.5#	9818'	15085'
Intermediate #1	9 5/8" J55	40#	SURFACE	4190'

<<< Fold Here >>>

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

KOP 9730 '
MARKER JOINT 9594' (NOT FOUND)

Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
CCL	20.91		STNDRD Standard Cable Head	1.00	1.69	10.00

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 130116

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no	6. County	7. RRC district
BHP BILLITON PET(TXLA OP) CO	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) (see instruction E)			
1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5H			
	10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)		11. Effective Date	11/25/2014

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from _____
☐ lease name from _____

– – OR –

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		BHP BILLITON PET(TXLA OP) CO(068596)		100.0	
	X	BP ENERGY CO.(085349)	0001	50.0	
	X	SEQUENT ENERGY MANAGEMENT, L.P.(767539)	0001	50.0	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
TRAFIGURA AG INC.(864322)	90.0
SHELL TRADING (US) COMPANY(774715)	10.0

RRC USE ONLY: Reviewer's initials: _____ Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print) Sr. Regulatory Specialist — Signature Diann Flowers

Title — ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)

diann.flowers@bhpbilliton.com — 03/10/2015 — (713) 983-2508

E-mail Address (optional) — Date — Phone with area code

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 130116

This facsimile P-15 was generated electronically from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BHP BILLITON PET(TXLA OP) CO (OPERATOR), STATE CALDWELL 57-T2-26 (LEASE), No. 5H (WELL); that such well is completed in the PHANTOM (WOLFCAMP) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 128.0 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 03/10/2015 Signature Diann Flowers

Telephone (713) 983-2508 (AREA CODE) Title Sr. Regulatory Specialist

P-15 STATEMENT OF PRODUCTIVITY OF ACREAGE

OPERATOR: BHP BILLITON PET (TXLA OP) CO (068596)
COUNTY: REEVES – DISTRICT 08
FIELD NAME: PHANTOM (WOLFCAMP)
LEASE NAME: STATE CALDWELL 57-T2-26
LEASE ACRES: 642.71

LEASE ID	DRILLING PERMIT #	WELL NO.	DEDICATED ACRES
PENDING	785955	2H	128
PENDING	785965	3H	128
PENDING	785968	4H	128
PENDING	791559	5H	128

TOTAL ALLOCATED:	512.00
TOTAL AVAILABLE:	130.71

Cementer: Fill in shaed areas
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton PET (TXLA OP) CO	068596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (WOLFCAMP)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
STATE CALDWELL 57-T2-26			#5H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date	9/10/2014					
13. ●Drilling hole size	14 3/4					
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)	11 3/4					
15. Top of liner (ft.)						
16. Setting depth (ft.)	934					
17. Number of centralizers used	7					
18. Hrs. waiting on cement before drill-out	35					
19. API cement used: No. of sacks ▸	1735					
Class ▸	Class C					
Additives ▸	Remarks					
No. of sacks ▸						
Class ▸						
Additives ▸						
No. of sacks ▸						
Class ▸						
Additives ▸						
20. Slurry pumped: Volume (cu. ft.) ▸	680					
Height (ft.) ▸	5182					
Volume (cu. ft.) ▸						
Height (ft.) ▸						
Volume (cu. ft.) ▸						
Height (ft.) ▸						
Volume (cu. ft.) ▸	680					
Height (ft.) ▸	5182					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?	Yes					

t ###
d 94lb/skD903+.01%d177
120 BBLS BACK TO SURFACE=507 SACKS

aaa

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

DAVID CECELSKI, FS	Dowell Schlumberger		
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	10-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers	
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150 Houston, TX 77056		(713) 783-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In undeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TxLA OP) Co	068596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (Wolfcamp)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			5H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
		#1	Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		9/14/2014				
13. ●Drilling hole size		10 5/8				
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)		9 5/8				
15. Top of liner (ft.)						
16. Setting depth (ft.)		4192				
17. Number of centralizers used						
18. Hrs. waiting on cement before drill-out		12				
19. API cement used: No. of sacks		244				
Class		C				
Additives		Remarks				
No. of sacks		158				
Class		C				
Additives		Remarks				
No. of sacks						
Class						
Additives						
20. Slurry pumped: Volume (cu. ft.)		644				
Height (ft.)		5832.3				
Volume (cu. ft.)		256				
Height (ft.)		2317.5				
Volume (cu. ft.)						
Height (ft.)						
Volume (cu. ft.)		900				
Height (ft.)		8149.8				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		No				

Class C + 5% D20 + 2gps D47 + 2% S1 + 5% D154
Class C +1.5% D20 + .2% D46 + .2% D13 + .1% D65
0
0

OVER

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Marcus Chavis, FE1	Dowell Schlumberger	
Name and title of cementer's representative	Cementing Company	Signature

32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	14-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diana Flowers	Sr. Regulatory Specialist	Diana Flowers
Typed or printed name of operator's representative	Title	Signature

Post Oak Blvd., Ste 150 Houston, TX 77056		(713)983-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton PET (TXLA OP) Co	068596	08	REEVES

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (WOLFCAMP)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			5H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING #2	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		9/25/2014				
13. ●Drilling hole size		8 3/4				
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)		7 5/8				
15. Top of liner (ft.)						
16. Setting depth (ft.)		9730				
17. Number of centralizers used						
18. Hrs. waiting on cement before drill out		89				
1st Slurry — 19. API cement used: No. of sacks		245				
1st Slurry — Class		TXI				
1st Slurry — Additives		Remarks				
2nd Slurry — No. of sacks		100				
2nd Slurry — Class		C				
2nd Slurry — Additives		Remarks				
3rd Slurry — No. of sacks						
3rd Slurry — Class						
3rd Slurry — Additives						
1st — 20. Slurry pumped: Volume (cu. ft.)		590				
1st — Height (ft.)		5876.5				
2nd — Volume (cu. ft.)		264				
2nd — Height (ft.)		2622.5				
3rd — Volume (cu. ft.)						
3rd — Height (ft.)						
Total — Volume (cu. ft.)		853.95				
Total — Height (ft.)		8499.1				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		No				

1st LiteCRETE
2nd C + 3% M117 + .7% D238 + .4% D65 + .15% D201
3rd 0
4th 0

RECEIVED
NOV 14 2014
REGULATORY DEPT.

OVER

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Scott Cornwell, FS	Dowell Schlumberger	Scott Cornwell	
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	25-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers	
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150 Houston, Tx 77056		(713)983-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TXLA OP) Co	068596	08	**Reeves**

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (Wolfcamp)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			**5H**

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date				10/8/2014			
13. ●Drilling hole size				6 3/4"			
●Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)				4 1/2"x 5 1/2"			
15. Top of liner (ft.)							
16. Setting depth (ft.)				15086			
17. Number of centralizers used				132			
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▸			1007			
	Class ▸			TXI + Adds			
	Additives ▸			Remarks			
2nd Slurry	No. of sacks ▸			200			
	Class ▸			35/65 D035-H			
	Additives ▸			Remarks			
3rd Slurry	No. of sacks ▸						
	Class ▸						
	Additives ▸						
1st	20. Slurry pumped: Volume (cu. ft.) ▸			1299			
	Height (ft.) ▸			11583			
2nd	Volume (cu. ft.) ▸			428			
	Height (ft.) ▸			3816			
3rd	Volume (cu. ft.) ▸						
	Height (ft.) ▸						
Total	Volume (cu. ft.) ▸			1727			
	Height (ft.) ▸			15399			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?				Yes			

1st **75lb/skD049+3%M117+0.4%D046+0.65%D238+0.28%D201+0.5%D065**
2nd **61lb/skD909+29lb/skD035+3%M117+7%D020+0.2%D046+0.1%D065+0.4%D201+0.05%D208**

Cement to Surface = 5bbl 13sks

OVER ▸

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26 Sacks of cement used (each plug)								
27 Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31 Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

David Cecelski, FS	Dowell Schlumberger		8-Oct-14
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	
Address	City, State, Zip Code	Tel. Area Code Number	Date mo day yr

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diana Flowers	Sr. Regulatory Specialist		
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150 Houston, Tx 77056		(713) 983-2508	1-28-2015
Address	City, State, Zip Code	Tel. Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

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1. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:
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   - Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
   - Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

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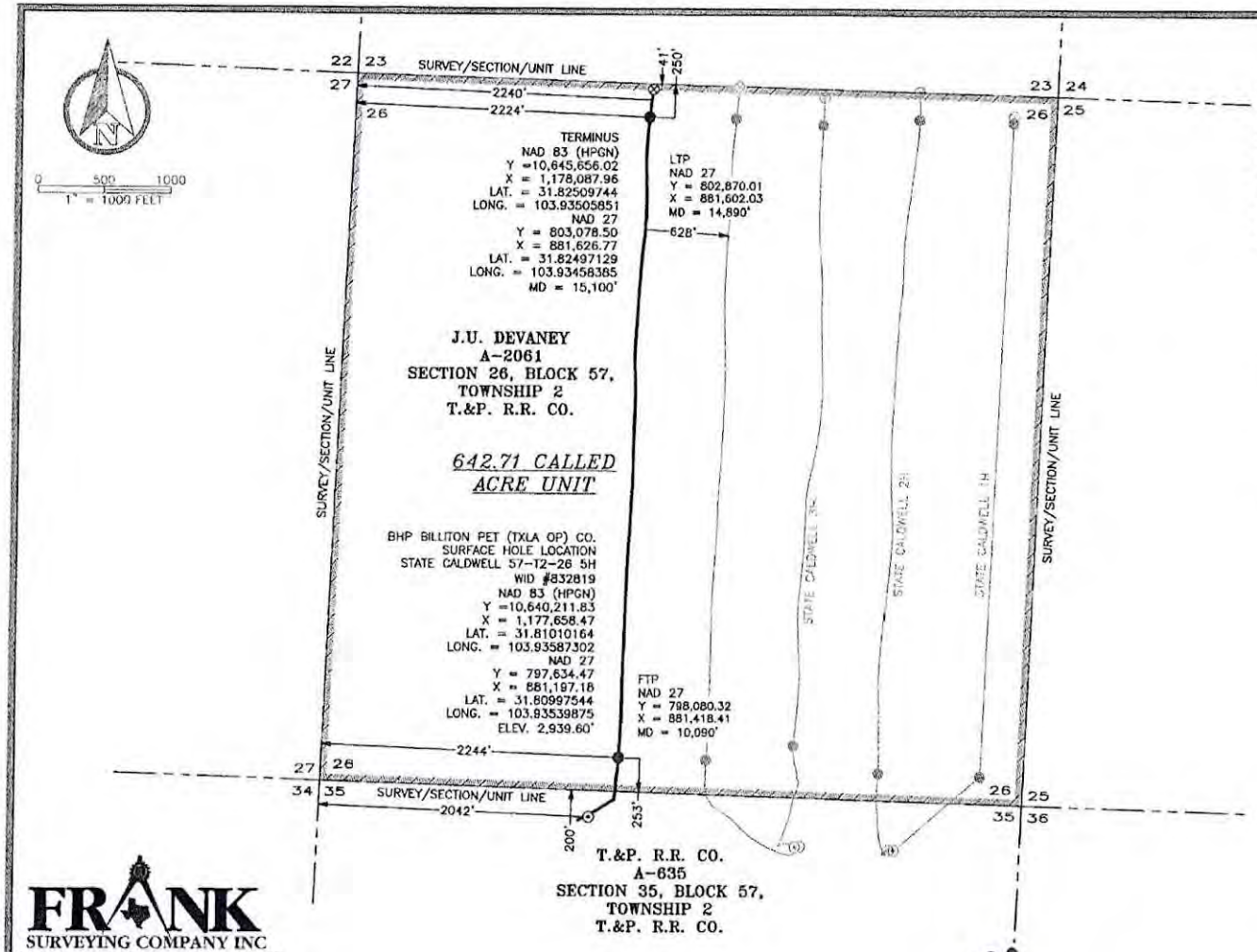
To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.



GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999845145
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

STATE OF TEXAS · REGISTERED · ROBERT GLEN MALOY 6028 PROFESSIONAL LAND SURVEYOR

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

REVISION	DATE	BY	DETAILS
A	10/17/14	RP	MAKE PRELIMINARY PLAT
B	02/03/15	GG	REVISED LATERAL

PLAT OF:

AN AS-DRILLED WELL LOCATION FOR:

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-26 5H

WID# 832819

SITUATED IN T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, AND THE J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.7 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK
SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	02/03/15	PROJECT NO:	201406577
DRAWN BY:	GG	SCALE:	1" = 1000'
CHECKED BY:	JK	SHEET:	1 OF 1
FIELD CREW:	RE/MR	REVISION:	1

API No. 42-389-34423
Drilling Permit # 791559
SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No: 068596
2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO
3. Operator Address (include street, city, state, zip): 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000
4. Lease Name: STATE CALDWELL 57-T2-26
5. Well No.: 5H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08
12. County: REEVES
13. Surface Location: [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
35	57 T2	T&P RR CO	A-635	200 ft.	642.71

21. Lease Perpendiculars: 206 ft from the N OFF LEASE line and 2038 ft from the W OFF LEASE line.
22. Survey Perpendiculars: 206 ft from the N line and 2038 ft from the WEST line.

23. Is this a pooled unit? [ ] Yes [X] No
24. Unitization Docket No:
25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	673.00	5

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks
[FILER Jul 11, 2014 4:49 PM]: Est MD 19500'

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer
Jul 11, 2014 — Date submitted
(713)5524537 — Phone
lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only — Data Validation Time Stamp: Aug 18, 2014 9:42 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 791559
Approved Date: Aug 16, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	5H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO/DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the W line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the W line

13. Penetration Point Lease Line Perpendiculars
2310 ft. from the W line. and 250 ft. from the S line

API No. 42-389-34423

Drilling Permit # 791559

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.: 068596

2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO

3. Operator Address (include street, city, state, zip): 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

4. Lease Name: STATE CALDWELL 57-T2-26

5. Well No.: 5H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08

12. County: REEVES

13. Surface Location: [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section: 35

16. Block: 57 T2

17. Survey: T&P RR CO

18. Abstract No.: A-635

19. Distance to nearest lease line: 200 ft.

20. Number of contiguous acres in lease, pooled unit, or unitized tract: 642.71

21. Lease Perpendiculars: 206 ft from the N OFF LEASE line and 2038 ft from the W OFF LEASE line.

22. Survey Perpendiculars: 206 ft from the N line and 2038 ft from the WEST line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No.:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION

List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	673.00	5

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks
[FILER Jul 11, 2014 4:49 PM]: Est MD 19500'

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

Jul 11, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only — Data Validation Time Stamp: Aug 18, 2014 9:42 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 791559

Approved Date: Aug 16, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	5H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO/DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line, and 2310 ft. from the W line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line, and 2310 ft. from the W line

13. Penetration Point Lease Line Perpendiculars
2310 ft. from the W line, and 250 ft. from the S line

75.

File No. MF035430

Reeves County

Drilling Permit / Completion Report API 389-34423

Date Filed: 6-3-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Work In Progress
Date:
Tracking No.: 130116

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34423 **County:** REEVES
Well No.: 5H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57 T2, Survey: T&P RR CO, Abstract: 635

Latitude: 31.81010 **Longitude:** -103.93587
This well is located 1.7 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/25/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	08/16/2014	791559
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 09/09/2014 **Date of first production after rig released:** 11/25/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 09/09/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 10/09/2014
Number of producing wells on this lease in this field (reservoir) including this well: 4 **Distance to nearest well in lease & reservoir (ft.):** 673.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2938 GL
Total depth TVD (ft.): 9980 **Total depth MD (ft.):** 15100
Plug back depth TVD (ft.): 9984 **Plug back depth MD (ft.):** 14889
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 176.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)
Electric Log Other Description: CBL
Location of well, relative to nearest lease boundaries of lease on which this well is located: **Off Lease:** Yes
206.0 **Feet from the** North **Line and**
2038.0 **Feet from the** West **Line of the**
STATE CALDWELL 57-T2-26 **Lease.**

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A

PACKET: N/A

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

GAU Groundwater Protection Determination	**Depth (ft.):** 800.0	**Date:** 05/14/2014
SWR 13 Exception	**Depth (ft.):**	

GAS MEASUREMENT DATA

Date of test: 12/09/2014

Gas production during test (MCF): 10491

Was the well preflowed for 48 hours? Yes

Gas measurement method(s): Orifice Meter, Flange Taps

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.250	10032.66	1082.0	130.0	129.0	0.9396	0.9129	1.084	3497.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.717

Gas-Liquid Hydro Ratio (CF/Bbl): 4275

Avg. shut in temp. (°F): 105.0

Gravity (liquid hydrocarbons) (Deg. API): 50.1

Gravity (mixture): Gmix= 1.231

Bottom hole temp. and depth: 154.0 **°F@** 9976.0 **FT**

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440		3242	56.0
1	4320	36/64	2917	129.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	11 3/4	14 3/4	934			C	1735	680.0	SURF	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4192			C	402	900.0	300	Calculation
3	Intermediate	7 5/8	8 3/4	9730			TXI, C	345	854.0	7033	Calculation
4	Tapered Production	4 1/2	6 3/4	15086			TXI, H	1207	1727.0	2450	Cement Evaluation Log

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By

N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9328	9304 / BRANTON BT-1XW

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L2 10089	14890

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 12000

Actual maximum pressure (PSIG) during hydraulic fracturing: 10584

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	FRAC 15 STAGES: 6,017,860# PROPPANT + 5,808,059 GAL FLUID	10089.0	14890.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2500.0	Yes	
CASTILLE	Yes	2800.0	2800.0	Yes	
BELL CANYON	Yes	2972.0	2972.0	Yes	
DELAWARE	Yes	2939.0	2939.0	Yes	
DELAWARE CONSOLIDATED GAS	No			No	NOT ENCOUNTERED
CHERRY CANYON	Yes	3668.0	3668.0	Yes	
BONE SPRINGS	Yes	6613.0	6646.0	Yes	
PERMIAN	No			No	NOT ENCOUNTERED
WOLFCAMP	Yes	9616.0	9992.0	No	PRODUCING ZONE
PENNSYLVANIAN	No			No	NOT ENCOUNTERED
MISSISSIPPIAN	No			No	NOT ENCOUNTERED
DEVONIAN	No			No	NOT ENCOUNTERED
FUSSELMAN	No			No	NOT ENCOUNTERED
ELLENBURGER	No			No	NOT ENCOUNTERED

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

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

REMARKS

INITIAL COMPLETION. 5 1/2 & 4 1/2 TAPERED PRODUCTION STRING, W/ CROSSOVER AT 9818'. 3/2/2015 - 3/6/2015 RAN PACKER AND TUBING.

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Diann Flowers	**Title:** Sr. Regulatory Specialist
Telephone No.: (713) 983-2508	**Date Certified:** 03/10/2015

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 130116

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 5H	6. API NO. 42- 389-34423
	7. COUNTY OF WELL SITE REEVES	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO , A-635	11. PIPELINE CONNECTION OR USE OF GAS BHP BILLITON PETROLEUM (TX GATH)

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	12/09/2014	
B. Gas Volume	3497.0	(Mcf)
C. Oil or Condensate Volume	817.8	(Bbl)
D. Water Volume	3018.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	4275	(Cf/Bbl)
F. Flowing Tubing Pressure	2917	(psia)
G. Choke Size	36/64	(in.)
H. Casing Pressure	2954.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3242	(psia)
J. Separator Operating Pressure	1000.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	50.1	°API
M. Gravity of Stock Tank Liquid		°API
N. Specific Gravity of the Gas (Air = 1)	0.717	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 01/02/2015

Where Obtained: [X] Separator [ ] Stock Tank

	% Over Temp. (deg. F)		% Over Temp. (deg. F)
Initial Boiling Temp.	104.0	60	480.0
10	199.0	70	563.0
20	245.0	80	662.0
30	285.0	90	720.0
40	339.0	95	720.0
50	403.0	End Point	724.0

Total Recovery	93.6	percent
Residue	4.6	percent
Loss	1.8	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

03/10/2015
DATE

NAME (Type or Print): Diann Flowers

SIGNATURE

Sr. Regulatory Specialist
TITLE

(713) 983-2508
CONTACT PERSON PHONE NUMBER

RRC USE ONLY

FESCO, Ltd.
Petroleum Engineers

CORPORATE HEADQUARTERS: 1000 FESCO AVE. • ALICE, TEXAS 78332-7318 • (361) 661-7000
ALICE LABORATORY: (361) 661-7015 • FAX (361) 661-7019

ALICE (361) 664-3479	CORPUS CHRISTI	KILGORE (903) 984-4814	ODESSA (432) 332-3211
ALICE HYDRAULICS (361) 661-1538	PROD. TEST (361) 882-4124	LAFAYETTE, LA (337) 896-3836	OZONA (325) 392-3773
BEAUMONT (409) 842-3000	WIRELINE (361) 452-1631	LAREDO (956) 724-7501	PECOS (432) 445-1993
BRIDGEPORT, WV (304) 592-3366	EDINBURG (956) 383-8378	LIBERAL, KS (580) 778-3384	REFUGIO (361) 526-4644
BRYAN (979) 775-1825	EL CAMPO (979) 543-9451	LUFKIN (936) 632-7036	VICTORIA (361) 575-7533
CANADIAN (806) 323-5050	HOUSTON SALES (281) 565-1115	MANSFIELD, LA (318) 872-0734	WOODWARD, OK (580) 256-0848

January 26, 2015

Mr. James Melear
BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

Re:	Well:	State Caldwell 57-T2-26 No. 5H
	Field:	Phantom (Wolfcamp)
	Location:	Reeves County, Texas
	Formation:	Wolfcamp
	Lateral:	10089 – 14890 ft
	Test Type:	Mathematically Recombined C_7+ Wellstream Analysis

Dear Mr. Melear:

As instructed, FESCO collected gas and hydrocarbon (HC) liquid samples from the first-stage lease separator on January 12, 2015 then sent the samples to its laboratory in Alice, Texas for C_7+ compositional analysis. FESCO then determined the corresponding wellstream fluid composition by mathematically recombining the separator gas and separator HC liquid compositions at the producing GOR of 4715 Scf/Sep Bbl (5921 Scf/STB). The attached report contains the separator gas, separator liquid and wellstream fluid compositions through C_{7+}. The operator provided the GOR value used to determine the wellstream composition. The resulting molar volume of the C_{7+} wellstream pseudo-component was 7.611 mole percent.

Thank you for this opportunity to serve BHP Billiton - Petroleum (TXLA OP) Co. Please call me if you have any questions or concerns regarding this report.

Sincerely,

FESCO, Ltd.

Conan Pierce
Corporate Engineer
Alice, Texas
Phone: 361-661-7000 Ext. 125
Email: Conan.Pierce@Fescolnc.com

January 26, 2015

FESCO, Ltd.
1100 FESCO Avenue - Alice, Texas 78332

For: BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

COMPOSITIONAL ANALYSIS OF THE SEPARATOR GAS, HC LIQUID, AND MATHEMATICALLY RECOMBINED WELLSTREAM THROUGH C_{7+}

Well Information For Sample Date of: 01/12/15

Well Name:	State Caldwell 57-T2-26 No. 5H	Formation:	Wolfcamp	
Field:	Phantom (Wolfcamp)	Lateral:	10089 - 14890	ft
County:	Reeves, Texas	FWHP:	2024	psig

Separator Effluents at: 1000 psig & 113°F
Production Data Furnished by: Operator

Stock Tank GOR:	5921	SCF / STB	Separator Gas Rate:	5418	MCF/Day
Separator GOR:	4715	SCF / Sep Bbl	Separator HC Liquid Rate:	1149.0	Bbls/Day
			Stock Tank HC Liquid Rate:	915.0	Bbls/Day
Stock Tank HC SG:	50.1	°API @ 60 °F	Water Rate:	3196.0	Bbls/Day
Stock Tank HC Color:	Straw		Sep HC Liquid Recovery:	79.634	%

	GAS		HC LIQUID		WELLSTREAM	
Component	Mole%	GPM	Mole %	Liquid Volume %	Mole %	GPM
Hydrogen Sulfide	< 0.001		----	----	----	
Nitrogen	0.667		0.074	0.019	0.565	
Carbon Dioxide	0.110		0.053	0.021	0.100	
Methane	80.847		21.514	8.477	70.641	
Ethane	10.788	2.869	10.110	6.287	10.671	2.838
Propane	4.248	1.164	9.193	5.889	5.099	1.397
Iso-butane	0.579	0.188	2.138	1.627	0.847	0.276
N-butane	1.222	0.383	5.833	4.276	2.015	0.632
2-2 Dimethylpropane	0.007	0.003	0.128	0.114	0.028	0.011
Iso-pentane	0.273	0.099	2.431	2.067	0.644	0.234
N-pentane	0.325	0.117	3.422	2.884	0.858	0.309
Hexanes	0.339	0.139	3.722	3.564	0.921	0.377
Heptanes Plus	0.595	0.262	41.383	64.774	7.611	4.981
TOTALS	100.000	5.224	100.000	100.000	100.000	11.054

HEPTANES PLUS (C_{7+}) FRACTION CHARACTERISTICS

	GAS	HC LIQUID	WELLSTREAM
Molecular Weight	103.8 lb/lb-mol	169.7 lb/lb-mol	165.5 lb/lb-mol
Specific Gravity	3.5959 (Air=1)	0.7990 (Water=1)	0.7965 (Water=1)
Vapor Volume	22.680 Scf/Gal	14.942 Scf/Gal	15.280 Scf/Gal

TOTAL SAMPLE CHARACTERISTICS

	GAS		HC LIQUID	WELLSTREAM
Molecular Weight	20.7 lb/lb-mol		93.0 lb/lb-mol	33.1 lb/lb-mol
Specific Gravity	0.7178 (Air=1)		0.6852 (Water=1)	1.1486 (Air=1)
Vapor Volume	191.422 Scf/Gal		23.387 Scf/Gal	90.463 Scf/Gal
Gross Heating Value	Dry BTU/Scf	Sat BTU/Scf		
	1247	1226		

**Hydrogen Sulfide tested on location by: Stained Tube Method (GPA 2377)
<0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 14.650 psia and 60 °F

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

Job No. 51117

Tracking No.: 130116

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing
☐ Survey ☐ Retest
☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:
Due Date:
Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		12/09/2014	3497 MCF	818.0 BBL	3018.0 BBL	3242
STATE CALDWELL 57-T2-26	5H		0.717	50.1		2917
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

G.W. WIRELINE, INC.

Signature: JERRY GRAY Title: Phone: (940) 325-3617 Date: 03/10/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG STATUS REPORT

FORM L-1

Tracking No.: 130116

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:
- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:
- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:
- with the appropriate Commission district office

Filling out Form L-1:
- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:
- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: BHP BILLITON PET(TXLA OP) CO	District No. 08	Completion Date: 11/25/2014
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 791559	
Lease Name STATE CALDWELL 57-T2-26	Lease/ID No.	Well No. 5H
County REEVES	API No. 42- 389-34423	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

- ☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- ☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- ☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- ☐ 4. Log attached to (select one):
  - ☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____
    Check here if attached log is being submitted after being held confidential. ☐
  - ☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.
  - ☐ (c) Form W-4, Application for Multiple Completion:
    Lease or ID No(s). _____
    Well No(s). _____

Diann Flowers Signature	Sr. Regulatory Specialist Title
Name (print)	(713) 983-2508 Phone 03/10/2015 Date

-FOR RAILROAD COMMISSION USE ONLY-

LEAM Drilling Systems LLC

BHP Billiton
2027A Airport Rd
Conroe, TX 77301

CO-141117

5":100' - MD
10/5/2014 2:13:02 PM

Oper. Company:	Leam Drilling Systems, LLC	**API/UWI:**	42-389-34423
Country:	US	**Field:**	Shale
State / Province:	TX	**Well:**	State Caldwell 57-T2-26 #5H
County / Parish:	Reeves	**Rig:**	H&P 602
Started:	09/29/2014 01:30 PM	**Ended:**	10/05/2014 02:30 PM

Max Temp: 182°
Mud Weigt: 11.3
Mud Visc: 43
Mud Type: WBM

Personnel

Day Hand:	Arturo Deleon
Night Hand:	Justin Tyler
Comp. Emp:	Leam Drilling Systems

Location

Latitude:	31° 48' 35.899
Longitude:	103° 56' 7.447
Elev. GL:	2939
Elev. DF:	25
Elev. KB:	2964

Hole Data

Size	From	To
11.75	0	4200
9.625	4200	10323
7.625	10323	15100

Casing Data

Size	From	To
9 5/8	0	4200
7 5/8	4200	9730

Bit Sizes

Size	From	To
8 3/4	4200	9740
6 3/4	9740	15100

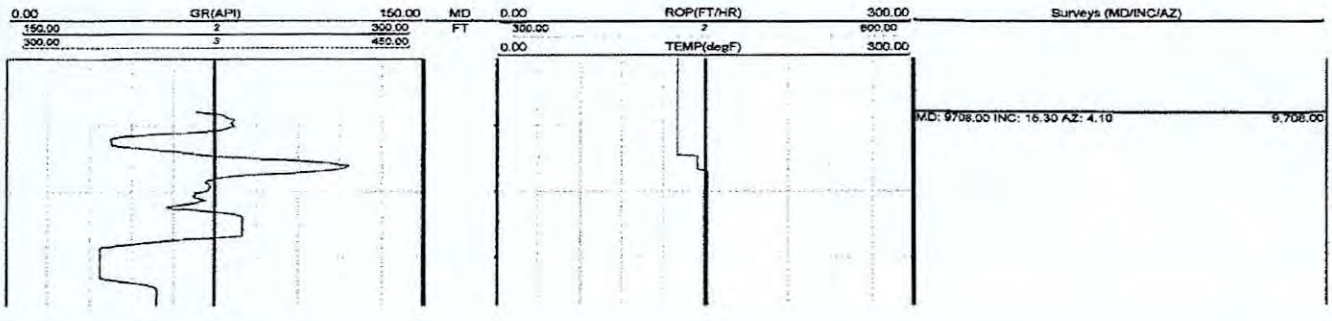
Mud Data

Type	Weight	Density	Viscosity	Rm	Rmf	Rmc	From	To
WBM	11.3		43				9730	10500

Tool Run Data

Serial Number	Gamma Offset	Resist. Offset	Start Time	Start Depth	End Time	End Depth
DG98	8.5	0	9/27/2014 7:00:12 PM	9755	10/1/2014 3:45:12 AM	10323
DG98	8.5	0	10/1/2014 8:30:48 PM	10323	10/5/2014 2:30:48 PM	15100

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not except in the case of gross or wilful negligence on our part, be liable or responsible for any loss, cost damages or expenses incurred or sustained by anyone resulting from an interpretation made by any of our officers, agents, or employees.



CEMENT BOND LOG

JC Fodale Energy Services, LLC

Company BHP BILLITON
Well STATE CALDWELL 57-T2-26 5H
Field DELAWARE BASIN-UPPER WOLF CREEK
County REEVES State TEXAS

Location: API # : 42-389-34423
LAT 31.81009822 N LON 103.93587578 W
206' FNL 2038' FWL OF SEC 35 BLK 57
SEC 26 TWP 57 RGE 2

Other Services: NONE

Elevation
K.B. 2964'
D.F. 2963'
G.L. 2939'

Permanent Datum GROUND LEVEL Elevation 2939'
Log Measured From KB 25'
Drilling Measured From KELLY BUSHING

Company BHP BILLITON
Well STATE CALDWELL 57-T2-26 5H
Field DELAWARE BASIN-UPPER WOLF CREEK
County REEVES
State TEXAS

Date	OCTOBER 14 2014		
Run Number	ONE		
Depth Driller	15100'		
Depth Logger	10180'		
Bottom Logged Interval	10180'		
Top Log Interval	1860'		
Open Hole Size	8 3/4"		
Type Fluid	BRINE		
Density / Viscosity	9-9.4#		
Max. Recorded Temp.	175 DEG F		
Estimated Cement Top	2450'		
Time Well Ready	1000		
Time Logger on Bottom	1145		
Equipment Number	50-290		
Location	DILLEY TX		
Recorded By	MATT BOHN		
Witnessed By	JOE BURLESON		

Borehole Record				Tubing Record			
Run Number	Bit	From	To	Size	Weight	From	To

Casing Record	Size	Wgt/Ft	Top	Bottom
Surface String	11 3/4" J55	47#	SURFACE	934'
Prot. String	7.625" P110	29.7#	SURFACE	9730'
Production String	5.5" P110	20#	SURFACE	9818'
Liner	4.5" P110	13.5#	9818'	15085'
Intermediate #1	9 5/8" J55	40#	SURFACE	4190'

<<< Fold Here >>>

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

KOP 9730 '
MARKER JOINT 9594' (NOT FOUND)

Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
CCL	20.91		STNDRD Standard Cable Head	1.00	1.69	10.00

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 130116

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no	6. County	7. RRC district
BHP BILLITON PET(TXLA OP) CO	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) (see instruction E)			
1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5H			
	10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 11/25/2014

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from _____
☐ lease name from _____

OR

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		BHP BILLITON PET(TXLA OP) CO(068596)		100.0	
	X	BP ENERGY CO.(085349)	0001	50.0	
	X	SEQUENT ENERGY MANAGEMENT, L.P.(767539)	0001	50.0	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
TRAFIGURA AG INC.(864322)	90.0
SHELL TRADING (US) COMPANY(774715)	10.0

RRC USE ONLY: Reviewer's initials: _____ Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print) _____ Signature Diann Flowers

Title Sr. Regulatory Specialist ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)

E-mail Address (optional) diann.flowers@bhpbilliton.com Date 03/10/2015 Phone with area code (713) 983-2508

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 130116

This facsimile P-15 was generated electronically from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BHP BILLITON PET(TXLA OP) CO (OPERATOR), STATE CALDWELL 57-T2-26 (LEASE), No. 5H (WELL); that such well is completed in the PHANTOM (WOLFCAMP) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 128.0 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 03/10/2015 Signature Diann Flowers

Telephone (713) 983-2508 (AREA CODE) Title Sr. Regulatory Specialist

P-15 STATEMENT OF PRODUCTIVITY OF ACREAGE

OPERATOR: BHP BILLITON PET (TXLA OP) CO (068596)
COUNTY: REEVES – DISTRICT 08
FIELD NAME: PHANTOM (WOLFCAMP)
LEASE NAME: STATE CALDWELL 57-T2-26
LEASE ACRES: 642.71

LEASE ID	DRILLING PERMIT #	WELL NO.	DEDICATED ACRES
PENDING	785955	2H	128
PENDING	785965	3H	128
PENDING	785968	4H	128
PENDING	791559	5H	128

TOTAL ALLOCATED:	512.00
TOTAL AVAILABLE:	130.71

Cementer: Fill in shaed areas
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton PET (TXLA OP) CO	068596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (WOLFCAMP)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
STATE CALDWELL 57-T2-26			#5H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date	9/10/2014					
13. ●Drilling hole size	14 3/4					
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)	11 3/4					
15. Top of liner (ft.)						
16. Setting depth (ft.)	934					
17. Number of centralizers used	7					
18. Hrs. waiting on cement before drill-out	35					
19. API cement used: No. of sacks	1735					
Class	Class C					
Additives	Remarks					
No. of sacks						
Class						
Additives						
No. of sacks						
Class						
Additives						
20. Slurry pumped: Volume (cu. ft.)	680					
Height (ft.)	5182					
Volume (cu. ft.)						
Height (ft.)						
Volume (cu. ft.)						
Height (ft.)						
Volume (cu. ft.)	680					
Height (ft.)	5182					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?	Yes					

t ###
d 94lb/skD903+.01%d177
120 BBLS BACK TO SURFACE=507 SACKS

aaa

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

DAVID CECELSKI, FS	Dowell Schlumberger		
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	10-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers	
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150	Houston, TX 77056	(713) 783-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c)

. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

. **Where to file.** The appropriate Commission District Office for the county in which the well is located

. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In undeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program **An operator must obtain approval of any exception before beginning casing and cementing operations.**

Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TXLA OP) CO	068596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (Wolfcamp)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			5H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING #1	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		9/14/2014				
13. ●Drilling hole size		10 5/8				
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)		9 5/8				
15. Top of liner (ft.)						
16. Setting depth (ft.)		4192				
17. Number of centralizers used						
18. Hrs. waiting on cement before drill-out		12				
19. API cement used: No. of sacks		244				
Class		C				
Additives		Remarks				
No. of sacks		158				
Class		C				
Additives		Remarks				
No. of sacks						
Class						
Additives						
20. Slurry pumped: Volume (cu. ft.)		644				
Height (ft.)		5832.3				
Volume (cu. ft.)		256				
Height (ft.)		2317.5				
Volume (cu. ft.)						
Height (ft.)						
Volume (cu. ft.)		900				
Height (ft.)		8149.8				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		No				

c Class C + 5% D20 + 2gps D47 + 2% S1 + 5% D154
d Class C +1.5% D20 + .2% D46 + .2% D13 + .1% D65
l 0
1 0

OVER ▶

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Marcus Chavis, FE1	Dowell Schlumberger	
Name and title of cementer's representative	Cementing Company	Signature

32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	14-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers
Typed or printed name of operator's representative	Title	Signature

Post Oak Blvd., Ste 150 Houston, Tx 77056	(713)983-2508	1-28-2015
Address City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a muliple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton PET (TXLA OP) Co	068596	08	REEVES

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (WOLFCAMP)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			5H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING #2	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			9/25/2014				
13. ●Drilling hole size			8 3/4				
●Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			7 5/8				
15. Top of liner (ft.)							
16. Setting depth (ft.)			9730				
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out			89				
1st Slurry	19. API cement used: No. of sacks ▸		245				
	Class ▸		TXI				
	Additives ▸		Remarks				
2nd Slurry	No. of sacks ▸		100				
	Class ▸		C				
	Additives ▸		Remarks				
3rd Slurry	No. of sacks ▸						
	Class ▸						
	Additives ▸						
1st	20. Slurry pumped: Volume (cu. ft.) ▸		590				
	Height (ft.) ▸		5876.5				
2nd	Volume (cu. ft.) ▸		264				
	Height (ft.) ▸		2622.5				
3rd	Volume (cu. ft.) ▸						
	Height (ft.) ▸						
Total	Volume (cu. ft.) ▸		853.95				
	Height (ft.) ▸		8499.1				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			No				

st LiteCRETE
2nd C + 3% M117 + .7% D238 + .4% D65 + .15% D201
3rd 0
4th 0

RECEIVED
NOV 14 2014
REGULATORY DEPT.

OVER ▸

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Scott Cornwell, FS	Dowell Schlumberger	Scott Cornwell	
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	25-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers	
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150 Houston, Tx 77056		(713)783-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a muliple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton PET (TXLA OP) CO	06B596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (Wolfcamp)	42-389-34423	791559

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			5H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date				10/8/2014			
13. ●Drilling hole size				6 3/4"			
●Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)				4 1/2"x 5 1/2"			
15. Top of liner (ft.)							
16. Setting depth (ft.)				15086			
17. Number of centralizers used				132			
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▸			1007			
	Class ▸			TXI + Adds			
	Additives ▸			Remarks			
2nd Slurry	No. of sacks ▸			200			
	Class ▸			35/65 D035-H			
	Additives ▸			Remarks			
3rd Slurry	No. of sacks ▸						
	Class ▸						
	Additives ▸						
1st	20. Slurry pumped: Volume (cu. ft.) ▸			1299			
	Height (ft.) ▸			11583			
2nd	Volume (cu. ft.) ▸			428			
	Height (ft.) ▸			3816			
3rd	Volume (cu. ft.) ▸						
	Height (ft.) ▸						
Total	Volume (cu. ft.) ▸			1727			
	Height (ft.) ▸			15399			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?				Yes			

1st 75lb/skD049+3%M117+0.4%D046+0.65%D238+0.28%D201+0.5%D065
2nd 61lb/skD909+29lb/skD035+3%M117+7%D020+0.2%D046+0.1%D065+0.4%D201+0.05%D208

Cement to Surface = 5bbl 13sks

OVER ▶

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26 Sacks of cement used (each plug)								
27 Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31 Type cement								

CEMENTER'S CERTIFICATE I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

David Cecelski, FS	Dowell Schlumberger		
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	8-Oct-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo day yr

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Diann Flowers	Sr. Regulatory Specialist	Diann Flowers	
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd, Ste 150 Houston, TX 77056		(713) 963-2508	1-28-2015
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

Instructions to Form W-15, Cementing Report

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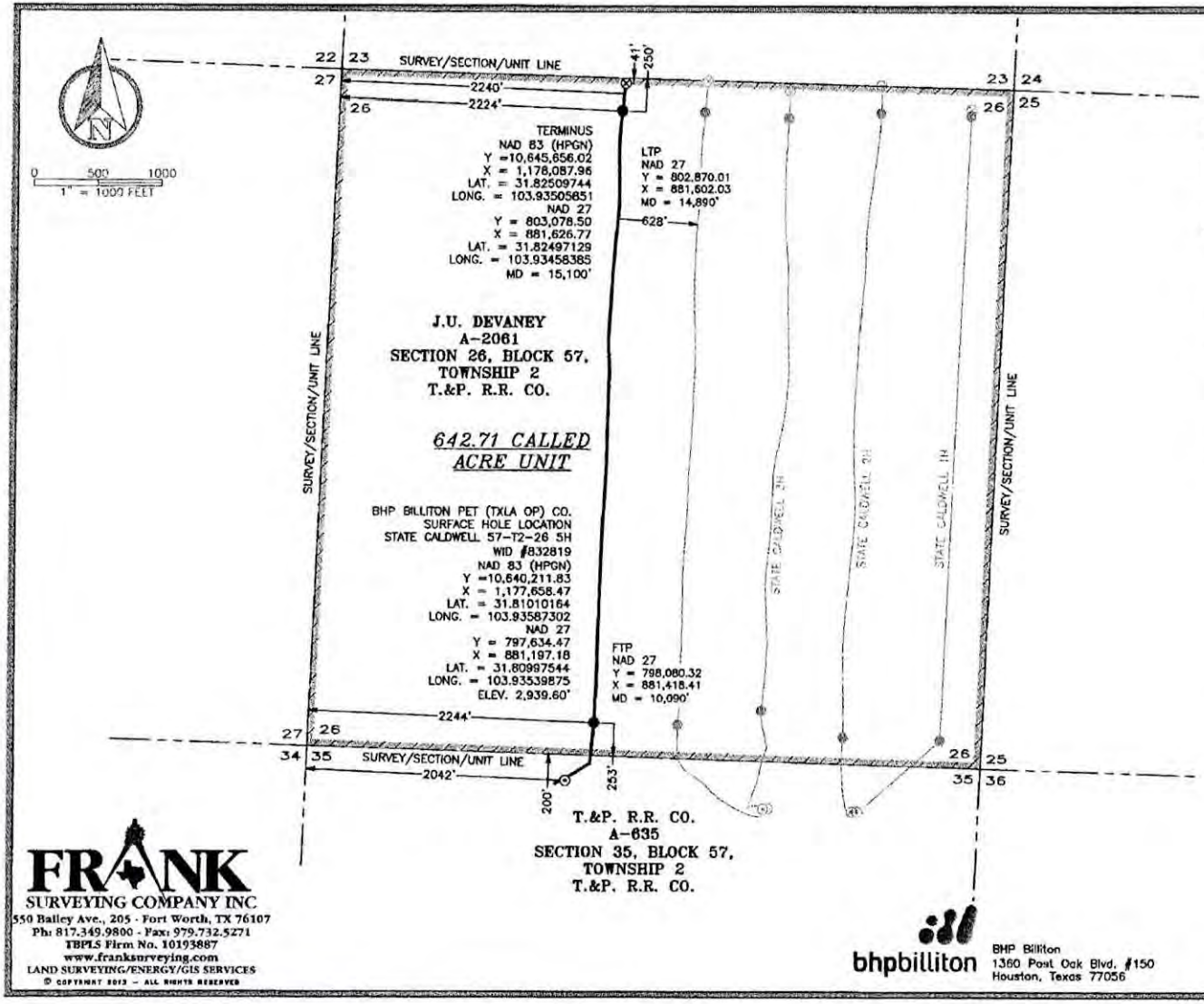

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999845145
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

STATE OF TEXAS · REGISTERED · ROBERT GLEN MALOY · 6028 · PROFESSIONAL LAND SURVEYOR

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

REVISION	DATE	BY	DETAILS
A	10/17/14	RP	MAKE PRELIMINARY PLAT
B	02/03/15	GG	REVISED LATERAL

PLAT OF:

AN AS-DRILLED WELL LOCATION FOR:

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-26 5H

WID# 832819

SITUATED IN T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, AND THE J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.7 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK
SURVEYING COMPANY INC
550 Bailey Ave., 205 · Fort Worth, TX 76107
Ph: 817.349.9800 · Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	02/03/15	PROJECT NO:	201406577
DRAWN BY:	GG	SCALE:	1" = 1000'
CHECKED BY:	JK	SHEET:	1 OF 1
FIELD CREW:	RE/MR	REVISION:	1

API No. 42-389-34423
Drilling Permit # 791559
SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.	2. Operator's Name (as shown on form P-5, Organization Report)	3. Operator Address (include street, city, state, zip)
068596	BHP BILLITON PET(TXLA OP) CO	1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

4. Lease Name	5. Well No.
STATE CALDWELL 57-T2-26	5H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08

12. County: REEVES

13. Surface Location: [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line	20. Number of contiguous acres in lease, pooled unit, or unitized tract
35	57 T2	T&P RR CO	A-635	200 ft.	642.71

21. Lease Perpendiculars: 206 ft from the N OFF LEASE line and 2038 ft from the W OFF LEASE line.

22. Survey Perpendiculars: 206 ft from the N line and 2038 ft from the WEST line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No.:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	673.00	5

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks
[FILER Jul 11, 2014 4:49 PM]: Est MD 19500'

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer
Jul 11, 2014 — Date submitted
(713)5524537 — Phone
lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only — Data Validation Time Stamp: Aug 18, 2014 9:42 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 791559
Approved Date: Aug 16, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	5H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO/DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the W line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the W line

13. Penetration Point Lease Line Perpendiculars
2310 ft. from the W line. and 250 ft. from the S line

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26999

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34423

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
791559

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
5H

12. Drilling completed on 10/09/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[x] Form P-4 attached
[x] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [x] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 9/9/2014
RR DATE 10/9/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	5H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	
			11/21/14	

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s) *(See instruction G).*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s) *(See instruction G).*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

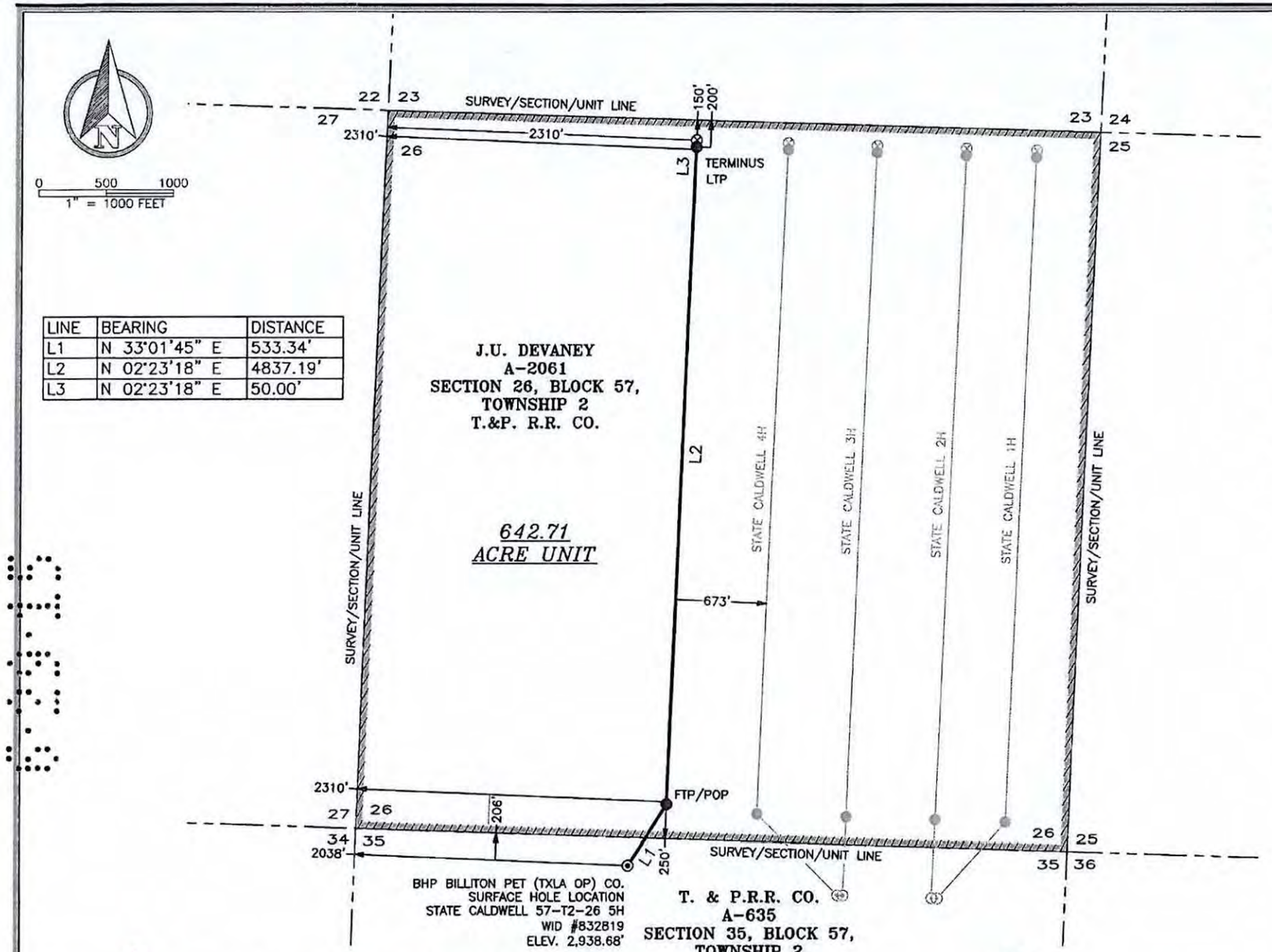
Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Name (print)
Leslie Montemayor — Signature
REGULATORY TECH ASSNT — Title
☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
LESLIE.MONTEMAYOR@BHPBILLITON.CO — E-mail Address (optional)
11/21/14 — Date
(713) 585-7567 — Phone with area code



LINE	BEARING	DISTANCE
L1	N 33°01'45" E	533.34'
L2	N 02°23'18" E	4837.19'
L3	N 02°23'18" E	50.00'

GENERAL NOTES

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ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

STATE OF TEXAS
REGISTERED
ROBERT GLEN MALOY
6028
PROFESSIONAL
LAND SURVEYOR

REVISION	DATE	BY	DETAILS
A	06/18/14	RP	MAKE PRELIMINARY PLAT
B	06/26/14	JK	MAKE QCC AND REV
C	07/11/14	JK	MAKE REV AND FINAL

PLAT OF:

A PROPOSED WELL LOCATION FOR:

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-26 5H

WID# 832819

SITUATED IN T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, AND THE J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.7 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
© COPYRIGHT 2013 - ALL RIGHTS RESERVED

bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	07/11/14	PROJECT NO:	201406577
DRAWN BY:	RP	SCALE:	1" = 1000'
CHECKED BY:	JK	SHEET:	1 OF 2
FIELD CREW:	RE/MR	REVISION:	1

SECTION CORNERS TABLE, TEXAS COORDINATE SYSTEM, CENTRAL ZONE							
LOCATION	DESCRIPTION	NAD 83 (1986)			NAD 27		
		STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)	STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)
NW COR 57-T2-26	CALCULATED CORNER	Y=10,645,761.43 X=1,175,849.15	LAT: 31.82518763°N LONG: 103.94227379°W	LAT:31°49'30.6755"N LONG:103°56'32.1856"W	Y=803,183.94 X=879,387.81	LAT: 31.82506159°N LONG: 103.94179943°W	LAT:31°49'30.2217"N LONG:103°56'30.4780"W
SW COR 57-T2-26	CALCULATED CORNER	Y=10,640,482.66 X=1,175,628.96	LAT: 31.81066494°N LONG: 103.94243101°W	LAT:31°48'38.3938"N LONG:103°56'32.7516"W	Y=797,905.33 X=879,167.53	LAT: 31.81053884°N LONG: 103.94195706°W	LAT:31°48'37.9398"N LONG:103°56'31.0454"W
NE COR 57-T2-26	CALCULATED CORNER	Y=10,645,598.79 X=1,181,145.92	LAT: 31.82521194°N LONG: 103.92521231°W	LAT:31°49'30.7630"N LONG:103°55'30.7643"W	Y=803,021.28 X=884,684.50	LAT: 31.82508577°N LONG: 103.92473863°W	LAT:31°49'30.3088"N LONG:103°55'29.0591"W
SE COR 57-T2-26	CALCULATED CORNER	Y=10,640,311.61 X=1,180,916.67	LAT: 31.81066536°N LONG: 103.92540044°W	LAT:31°48'38.3953"N LONG:103°55'31.4416"W	Y=797,734.25 X=884,455.15	LAT: 31.81053913°N LONG: 103.92492717°W	LAT:31°48'37.9409"N LONG:103°55'29.7378"W

LATERAL POINTS TABLE, TEXAS COORDINATE SYSTEM, CENTRAL ZONE							
LOCATION	OFFSETS	NAD 83 (1986)			NAD 27		
		STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)	STATE PLANE	GEOGRAPHIC (D-D)	GEOGRAPHIC (D-M-S)
SURFACE HOLE LOCATION	206' FNL OF 57-T2-35 2038' FWL OF 57-T2-35	Y=10,640,210.62 X=1,177,657.57	LAT: 31.81009822°N LONG: 103.93587578°W	LAT:31°48'36.3536"N LONG:103°56'09.1528"W	Y=797,633.28 X=881,196.10	LAT: 31.80997207°N LONG: 103.93540210°W	LAT:31°48'35.8995"N LONG:103°56'07.4476"W
FIRST TAKE POINT/ POP	250' FSL OF 57-T2-26 2310' FWL OF 57-T2-26	Y=10,640,657.77 X=1,177,948.28	LAT: 31.81135262°N LONG: 103.93498705°W	LAT:31°48'40.8694"N LONG:103°56'05.9534"W	Y=798,080.42 X=881,486.82	LAT: 31.81122647°N LONG: 103.93451337°W	LAT:31°48'40.4153"N LONG:103°56'04.2481"W
LAST TAKE POINT	200' FNL OF 57-T2-26 2310' FWL OF 57-T2-26	Y=10,645,490.75 X=1,178,149.86	LAT: 31.82464889°N LONG: 103.93484208°W	LAT:31°49'28.7360"N LONG:103°56'05.4315"W	Y=802,913.26 X=881,688.49	LAT: 31.82452279°N LONG: 103.93436804°W	LAT:31°49'28.2821"N LONG:103°56'03.7249"W
TERMINUS	150' FNL OF 57-T2-26 2310' FWL OF 57-T2-26	Y=10,645,540.71 X=1,178,151.94	LAT: 31.82478634°N LONG: 103.93484060°W	LAT:31°49'29.2308"N LONG:103°56'05.4262"W	Y=802,963.22 X=881,690.57	LAT: 31.82466024°N LONG: 103.93436655°W	LAT:31°49'28.7769"N LONG:103°56'03.7196"W

REVISION	DATE	BY	DETAILS
A	06/18/14	RP	MAKE PRELIMINARY PLAT
B	06/26/14	JK	MAKE QCC AND REV
C	07/11/14	JK	MAKE REV AND FINAL

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999845145
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

PLAT OF:

A PROPOSED WELL LOCATION FOR:

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-26 5H

WID# 832819

SITUATED IN T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, AND THE J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.7 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	07/11/14	PROJECT NO:	201406577
DRAWN BY:	RP	SCALE:	
CHECKED BY:	JK	SHEET:	2 OF 2
FIELD CREW:	RE/MR	REVISION:	1

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
791559	Aug 16, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34423	Jul 11, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71

OPERATOR 068596

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-26	5H
LOCATION	TOTAL DEPTH
1.7 miles SW direction from ORLA	14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
206 ft. N 2038 ft. WEST	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
206 ft. N OFF LEASE 2038 ft. W OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	5H	08
STATE CALDWELL 57-T2-26	200		673	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

```
Lateral: TH1
Penetration Point Location
  Lease Lines:       2310.0 F W L
                      250.0 F S L
Terminus Location
  BH County: REEVES
  Section: 26            Block: 57 T2          Abstract: 2061
  Survey: T&P RR CO/DEVANEY, J U
  Lease Lines:        150.0 F N L
                     2310.0 F W L
  Survey Lines:       150.0 F N L
                     2310.0 F W L
```

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
791559	Aug 16, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34423	Jul 11, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71

OPERATOR 068596

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-26	5H
LOCATION	TOTAL DEPTH
1.7 miles SW direction from ORLA	14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
206 ft. N 2038 ft. WEST	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
206 ft. N OFF LEASE 2038 ft. W OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

File No. MF035430 76

Reeves County

Completion Report API 389-34423

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Work in Progress
Date:
Tracking No.: 137822

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34363 **County:** REEVES
Well No.: 2H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57 T2, Survey: T&P RR CO, Abstract: 635

Latitude: 31.80950 **Longitude:** -103.92812
This well is located 1.6 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/21/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	06/17/2014	785955
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 08/20/2014 **Date of first production after rig released:** 11/21/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 08/20/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 09/26/2014
Number of producing wells on this lease in this field (reservoir) including this well: 4 **Distance to nearest well in lease & reservoir (ft.):** 529.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2919 GL
Total depth TVD (ft.): 10008 **Total depth MD (ft.):** 15200
Plug back depth TVD (ft.): 10007 **Plug back depth MD (ft.):** 15099
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 162.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries of lease on which this well is located: 370.0 **Feet from the** North **Line and** 985.0 **Feet from the** East **Line of the** STATE CALDWELL 57-T2-26 **Lease.** **Off Lease:** No

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A
PACKET: N/A

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

GAU Groundwater Protection Determination	**Depth (ft.):** 750.0	**Date:** 06/06/2014
SWR 13 Exception	**Depth (ft.):**	

GAS MEASUREMENT DATA

Date of test: 12/22/2014
Gas production during test (MCF): 15762
Was the well preflowed for 48 hours? Yes
Gas measurement method(s): Orifice Meter, Flange Taps

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.500	14734.79	1063.0	135.0	123.0	0.9444	0.9129	1.092	5254.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.718
Gas-Liquid Hydro Ratio (CF/Bbl): 5877
Avg. shut in temp. (°F): 109.0
Gravity (liquid hydrocarbons) (Deg. API): 49.0
Gravity (mixture): Gmix= 1.117
Bottom hole temp. and depth: 154.0 **°F@** 10002.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	48/64	3211	63.0
1	4320	48/64	2283	123.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	11 3/4	14 3/4	935			C	1316	680.0	SURF	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	5952			LITE; C	985	2074.0	500	Calculation
3	Intermediate	7 5/8	8 3/4	9758			TXI; C	413	846.7	2500	Calculation
4	Tapered Production	5 1/2	6 3/4	9844			H; TXI	1340	1899.0	SURF	Circulated to Surface
5	Tapered Production	4 1/2	6 3/4	15143			H; TXI	1340	1899.0	SURF	Circulated to Surface

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
N/A									

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
1	2 7/8	9769	9745 / BRANTON BT-1XW

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L2 10148	14959

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? Yes

If yes, actuation pressure (PSIG): 8550.0

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 11250

Actual maximum pressure (PSIG) during hydraulic fracturing: 10565

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

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	FRAC 15 STAGES: 5,953,484# PROPPANT; 5,657,500 GALLONS FLUID	10148.0	14959.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	No			No	NOT LOGGED
CASTILLE	No			No	NOT LOGGED
BELL CANYON	No			No	NOT LOGGED
DELAWARE	No			No	NOT LOGGED
DELAWARE CONSOLIDATED GAS	Yes	2920.0	2920.0	Yes	
AVALON SHALE	Yes	6687.0	6688.0	Yes	
3RD BONE SPRING	Yes	9345.0	9380.0	Yes	
CHERRY CANYON	No			No	NOT LOGGED
BONE SPRINGS	No			No	NOT LOGGED
PERMIAN	No			No	NOT LOGGED
WOLFCAMP	Yes	9665.0	9700.0	Yes	TARGET ZONE
PENNSYLVANIAN	No			No	NOT ENCOUNTERED
MISSISSIPPIAN	No			No	NOT ENCOUNTERED
DEVONIAN	No			No	NOT ENCOUNTERED
FUSSELMAN	No			No	NOT ENCOUNTERED
ELLENBURGER	No			No	NOT ENCOUNTERED

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

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

REMARKS

INITIAL G-1 COMPLETION. KOP AT 9800'. CROSSOVER AT 9844'.

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Diann Flowers
Title: Sr. Regulatory Specialist
Telephone No.: (713) 983-2508
Date Certified: 06/29/2015

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 137822

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 2H	6. API NO. 42- 389-34363
	7. COUNTY OF WELL SITE REEVES	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO , A-635	11. PIPELINE CONNECTION OR USE OF GAS BHP BILLITON PETROLEUM (TX GATH)

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	12/22/2014	
B. Gas Volume	5254.0	(Mcf)
C. Oil or Condensate Volume	894.0	(Bbl)
D. Water Volume	3287.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	5877	(Cf/Bbl)
F. Flowing Tubing Pressure	2283	(psia)
G. Choke Size	48/64	(in.)
H. Casing Pressure	2283.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3211	(psia)
J. Separator Operating Pressure	1070.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	49.0	°API
M. Gravity of Stock Tank Liquid		°API
N. Specific Gravity of the Gas (Air = 1)	0.718	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE.
Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 12/22/2014

Where Obtained: [X] Separator [ ] Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	106.0	60	485.0
10	197.0	70	573.0
20	245.0	80	674.0
30	286.0	90	725.0
40	337.0	95	725.0
50	405.0	End Point	729.0

Total Recovery	93.8	percent
Residue	3.6	percent
Loss	2.6	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

NAME (Type or Print): Diann Flowers

SIGNATURE

TITLE: Sr. Regulatory Specialist

06/29/2015
DATE

CONTACT PERSON

(713) 983-2508
PHONE NUMBER

RRC USE ONLY

FESCO, Ltd.
Petroleum Engineers

CORPORATE HEADQUARTERS: 1000 FESCO AVE. • ALICE, TEXAS 78332-7318 • (361) 661-7000
ALICE LABORATORY: (361) 661-7015 • FAX (361) 661-7019

ALICE.....(361) 664-3479	CORPUS CHRISTI.....	KILGORE.....(903) 984-4814	ODESSA.....(432) 332-3211
ALICE HYDRAULICS (361) 661-1538	PROD. TEST (361) 882-4124	LAFAYETTE, LA.....(337) 896-3838	OZONA.....(325) 392-3773
BEAUMONT.....(409) 842-3000	WIRELINE (361) 452-1631	LAREDO.....(956) 724-7501	PECOS.....(432) 445-1993
BRIDGEPORT, WV....(304) 592-3366	EDINBURG.....(956) 383-8378	LIBERAL, KS.....(580) 778-3384	REFUGIO.....(361) 526-4644
BRYAN.....(979) 775-1825	EL CAMPO.....(979) 543-9451	LUFKIN.....(936) 632-7036	VICTORIA.....(361) 575-7533
CANADIAN.....(806) 323-5050	HOUSTON SALES (281) 565-1115	MANSFIELD, LA.....(318) 872-0734	WOODWARD, OK..(580) 256-0848

January 15, 2015

Mr. James Melcar
BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

Re:	Well:	State Caldwell 57-T2-26 No. 2H
	Field:	Phantom (Wolfcamp)
	Location:	Reeves County, Texas
	Formation:	Wolfcamp
	Lateral:	10148 – 14959 ft
	Test Type:	Mathematically Recombined C_{7+} Wellstream Analysis

Dear Mr. Melear:

As instructed, FESCO collected gas and hydrocarbon (HC) liquid samples from the first-stage lease separator on December 22, 2014 then sent the samples to its laboratory in Alice, Texas for C_{7+} compositional analysis. FESCO then determined the corresponding wellstream fluid composition by mathematically recombining the separator gas and separator HC liquid compositions at the producing GOR of 4684 Scf/Sep Bbl (5881 Scf/STB). The attached report contains the separator gas, separator liquid and wellstream fluid compositions through C_{7+}. The operator provided the GOR value used to determine the wellstream composition. The resulting molar volume of the C_{7+} wellstream pseudo-component was 7.405 mole percent.

Thank you for this opportunity to serve BHP Billiton - Petroleum (TXLA OP) Co. Please call me if you have any questions or concerns regarding this report.

Sincerely,

FESCO, Ltd.

Conan Pierce
Corporate Engineer
Alice, Texas
Phone: 361-661-7000 Ext. 125
Email: Conan.Pierce@FescoInc.com

January 15, 2015

FESCO, Ltd.
1100 FESCO Avenue - Alice, Texas 78332

For: BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

COMPOSITIONAL ANALYSIS OF THE SEPARATOR GAS, HC LIQUID, AND MATHEMATICALLY RECOMBINED WELLSTREAM THROUGH C_{7+}

Well Information For Sample Date of : 12/22/14

Well Name:	State Caldwell 57-T2-26 No. 2H	Formation:	Wolfcamp		
Field:	Phantom (Wolfcamp)	Lateral:	10148 - 14959	ft	
County:	Reeves, Texas	FWHP:	2283	psig	

Separator Effluents at: 1070 psig & 123°F
Production Data Furnished by: Operator

Stock Tank GOR:	5881	SCF / STB	Separator Gas Rate:	5258	MCF/Day
Separator GOR:	4684	SCF / Sep Bbl	Separator HC Liquid Rate:	1122.6	Bbls/Day
			Stock Tank HC Liquid Rate:	894.0	Bbls/Day
Stock Tank HC SG:	49	°API @ 60 °F	Water Rate:	3368.0	Bbls/Day
Stock Tank HC Color:	Straw		Sep HC Liquid Recovery:	79.634	%

	GAS		HC LIQUID		WELLSTREAM	
Component	**Mole%**	**GPM**	**Mole %**	**Liquid Volume %**	**Mole %**	**GPM**
Hydrogen Sulfide	< 0.001		----	----	----	
Nitrogen	0.590		0.071	0.018	0.501	
Carbon Dioxide	0.102		0.000	0.000	0.085	
Methane	80.784		22.221	8.708	70.699	
Ethane	10.805	2.873	10.240	6.333	10.707	2.847
Propane	4.372	1.198	9.303	5.927	5.221	1.430
Iso-butane	0.578	0.188	2.110	1.597	0.842	0.274
N-butane	1.269	0.398	5.890	4.294	2.065	0.647
2-2 Dimethylpropane	0.006	0.002	0.104	0.092	0.023	0.009
Iso-pentane	0.273	0.099	2.329	1.970	0.627	0.228
N-pentane	0.336	0.121	3.327	2.789	0.851	0.307
Hexanes	0.336	0.138	4.045	3.853	0.975	0.399
Heptanes Plus	0.550	0.239	40.361	64.419	7.405	4.967
TOTALS	100.000	5.256	100.000	100.000	100.000	11.108

HEPTANES PLUS (C_{7+}) FRACTION CHARACTERISTICS

	GAS	HC LIQUID	WELLSTREAM
Molecular Weight	101.8 lb/lb-mol	175.0 lb/lb-mol	170.5 lb/lb-mol
Specific Gravity	3.5272 (Air=1)	0.8037 (Water=1)	0.8011 (Water=1)
Vapor Volume	23.036 Scf/Gal	14.573 Scf/Gal	14.910 Scf/Gal

TOTAL SAMPLE CHARACTERISTICS

	GAS		HC LIQUID	WELLSTREAM
Molecular Weight	20.7 lb/lb-mol		93.7 lb/lb-mol	33.3 lb/lb-mol
Specific Gravity	0.7178 (Air=1)		0.6867 (Water=1)	1.1533 (Air=1)
Vapor Volume	190.276 Scf/Gal		23.259 Scf/Gal	90.026 Scf/Gal
Gross Heating Value	Dry BTU/Scf	Sat BTU/Scf		
	1248	1227		

**Hydrogen Sulfide tested on location by: Stained Tube Method (GPA 2377)
<0.013 Gr/100 CF, <0.2 PPMV or <0.001 Mol %

Base Conditions: 14.650 psia and 60 °F

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

Job No. 46862

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date: June 6, 2014

GAU File No.: 5276

***** EXPEDITED APPLICATION *****

API Number: 38934347

Attention: LILLIAN GARCIA

RRC Lease No.: 000000

SC_068596_38934347_000000_5276.pdf

BHP BILLITON PET TXLA OP CO
1360 POST OAK BLVD
HOUSTON TX 77056

P-5# 068596

--Measured--
1316 ft FEL
2284 ft FSL
MRL:SECTION

Digital Map Location:
X-coord/Long: 1179700
Y-coord/Lat: 10642636
Datum: 83 Zone: C

County: REEVES

Lease & Well No.: STATE CALDWELL 57-T2-26 #1&ALL

Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-26,--[TD=14000],[RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the RUSTLER, which is estimated to occur at a depth between 700 and 750 feet, must be protected.

This recommendation is adequate for wells drilled in this section 26.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.06.06 13:32:54 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 6/6/2014
Note: Alteration of this electronic document will invalidate the digital signature.

51.9 .2

Tracking No.: 137822

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing: ☐ Survey ☐ Retest ☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		12/22/2014	5254 MCF	894.0 BBL	3287.0 BBL	3211
STATE CALDWELL 57-T2-26	2H		0.718	49.0		2283
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: G W WIRELINE, INC. JERRY GRAY Title: Phone: (940) 325-3617 Date: 06/29/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG STATUS REPORT

FORM L-1

Tracking No.: 137822

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:
- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:
- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:
- with the appropriate Commission district office

Filling out Form L-1:
- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:
- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: BHP BILLITON PET(TXLA OP) CO	District No. 08	Completion Date: 11/21/2014
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 785955	
Lease Name STATE CALDWELL 57-T2-26	Lease/ID No.	Well No. 2H
County REEVES	API No. 42- 389-34363	

SECTION II. LOG STATUS (Complete either A or B)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN. (Select one)

☒ 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.

☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).

☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).

☐ 4. Log attached to (select one):

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential. ☐

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion:

Lease or ID No(s). _____

Well No(s). _____

Diann Flowers Signature	Sr. Regulatory Specialist Title
_____ Name (print)	(713) 983-2508 Phone 06/29/2015 Date

-FOR RAILROAD COMMISSION USE ONLY-

Leam Drilling Systems LLC
2027 A Airport Rd
Conroe, TX 77304

CO-140975

5":100' - MD
9/16/2014 8:46:20 AM

Oper. Company:	BHP	**API/UWI:**	42389343250000
Country:	USA	**Field:**	Phantom
State / Province:	TX	**Well:**	State Caldwell 57_T2_26 2H
County / Parish:	Reeves	**Rig:**	H&P 490
Started:	09/07/2014 12:30 PM	**Ended:**	09/16/2014 08:00 AM

Personnel

Day Hand:	Michael Beaver
Night Hand:	Gary Parris
Comp. Emp:	Leam Drilling Systems

Location

Latitude:	31 48 34.230 N
Longitude:	103 55 41.258 W
Elev. GL:	2925
Elev. DF:	2945
Elev. KB:	25

Hole Data

Size	From	To
6.75	9765	15200

Casing Data

Size	From	To
7.625	0	9765

Bit Sizes

Size	From	To
6.75	9765	15200

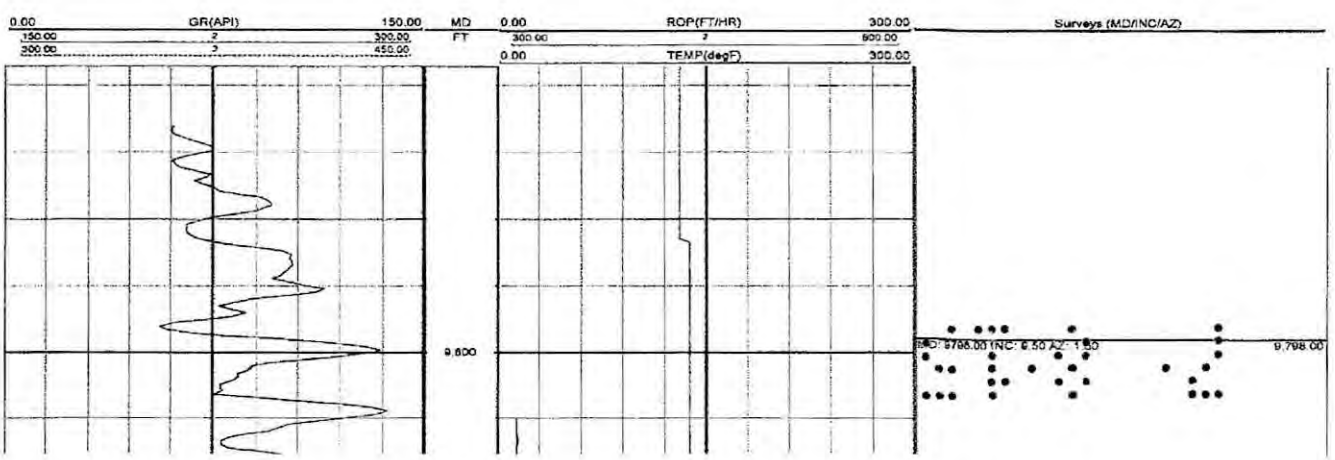
Mud Data

Type	Weight	Density	Viscosity	Rm	Rmf	Rmc	From	To
WBM	11.8		52				9765	15200

Tool Run Data

Serial Number	Gamma Offset	Resist. Offset	Start Time	Start Depth	End Time	End Depth
DG85	44	0	9/7/2014 12:30:17 PM	9810	9/11/2014 11:00:17 AM	12695
DG13	44	0	9/11/2014 12:00:29 PM	12695	9/16/2014 8:00:29 AM	15200

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not except in the case of gross or willful negligence on our part, be liable or responsible for any loss, cost damages or expenses incurred or sustained by anyone resulting from an interpretation made by any of our officers, agents, or employees.



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 137822

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no	6. County	7. RRC district
BHP BILLITON PET(TXLA OP) CO	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) (see instruction E)			
1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	2H			
	10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 11/21/2014

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from _____
☐ lease name from _____

OR

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		BHP BILLITON PET (TX GATH), LLC(068595)		100.0	
	X	REGENCY FIELD SERVICES LLC(698769)	0001	100.0	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
TRAFIGURA TRADING LLC(864315)	90.0
SHELL TRADING (US) COMPANY(774715)	10.0

RRC USE ONLY: Reviewer's initials: _____ Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator

Signature

Name (print)

☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)

Title

Date

Phone with area code

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print)
Sr. Regulatory Specialist

Signature
Diann Flowers

Title
diann.flowers@bhpbilliton.com

☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)

E-mail Address (optional)

06/29/2015
Date

(713) 983-2508
Phone with area code

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 137822

This facsimile P-15 was generated electronically from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BHP BILLITON PET(TXLA OP) CO (OPERATOR), STATE CALDWELL 57-T2-26 (LEASE), No. 2H (WELL); that such well is completed in the PHANTOM (WOLFCAMP) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 128.0 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 06/29/2015 Signature Diann Flowers

Telephone (713) 983-2508 (AREA CODE) Title Sr. Regulatory Specialist

P-15 STATEMENT OF PRODUCTIVITY OF ACREAGE

OPERATOR: BHP BILLITON PET (TXLA OP) CO (068596)
COUNTY: REEVES – DISTRICT 08
FIELD NAME: PHANTOM (WOLFCAMP)
LEASE NAME: STATE CALDWELL 57-T2-26
LEASE ACRES: 642.71

LEASE ID	DRILLING PERMIT #	WELL NO.	DEDICATED ACRES
PENDING	785955	2H	128.00
PENDING	785965	3H	128.00
PENDING	785968	4H	128.00
PENDING	791559	5H	128.00

TOTAL ALLOCATED:	512.00
TOTAL AVAILABLE:	130.71

Cementer: Fill in shaed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TX & OP) Co	0685960	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Phantom (wolfcamp)	42-389-34363	785955

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
STATE CALDWELL 57-T2-26			#2H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		8/21/2014					
13. ●Drilling hole size		14.750					
●Est. % wash or hole enlargement		10%					
14. Size of casing (in. O.D.)		11.750					
15. Top of liner (ft.)							
16. Setting depth (ft.)		935					
17. Number of centralizers used		6					
18. Hrs. waiting on cement before drill-out		44					
1st Slurry	19. API cement used: No. of sacks	1316					
	Class	Class C					
	Additives	Remarks					
2nd Slurry	No. of sacks						
	Class						
	Additives						
3rd Slurry	No. of sacks						
	Class						
	Additives						
1st	20. Slurry pumped: Volume (cu. ft.)	680					
	Height (ft.)	3898					
2nd	Volume (cu. ft.)						
	Height (ft.)						
3rd	Volume (cu. ft.)						
	Height (ft.)						
Total	Volume (cu. ft.)	680					
	Height (ft.)	3898					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		Yes					

1st ###
2nd 94lb/skD903+.08%D0201
120 BBLS BACK TO SURFACE=507 SACKS

aaa

OVER ▶

518 .2

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

DAVID CECELSKI, FS	Dowell Schlumberger		21-Aug-14
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	Date: mo. day yr.
Address	City, State, Zip Code	Tel: Area Code Number	

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Nicole Vail	Reg. Specialist		1/6/15
Typed or printed name of operator's representative	Title	Signature	
13160 Post Oak Blvd	Houston TX 77056	(713)3770602	Date: mo. day yr.
Address	City, State, Zip Code	Tel.: Area Code Number	

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a muliple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaed areas
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TEXAS OP) Co	068596	08	**Reeves**

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No. 42-	7. Drilling Permit No.
Phantom (Wolfcamp)	389-34363	785955

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-72-26			**#2H**

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			8/28/2014				
13. ●Drilling hole size			10.625				
●Est. % wash or hole enlargement			25%				
14. Size of casing (in. O.D.)			9.625				
15. Top of liner (ft.)							
16. Setting depth (ft.)			5952				
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out			38				
1st Slurry	19. API cement used: No. of sacks		711				
	Class		LiteCRETE				
	Additives		Remarks				
2nd Slurry	No. of sacks		274				
	Class		Class C+Adds				
	Additives		Remarks				
3rd Slurry	No. of sacks						
	Class						
	Additives						
1st	20. Slurry pumped Volume (cu. ft.)		1706				
	Height (ft.)		15450				
2nd	Volume (cu. ft.)		367.16				
	Height (ft.)		3324				
3rd	Volume (cu. ft.)						
	Height (ft.)						
Total	Volume (cu. ft.)		2074				
	Height (ft.)		18774				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				

1st **54ppsD049+23ppsD209+.02gpsD177+.5%D167+.3%D065+.2%D046+.21%D201+23ppsD163**
2nd **.2%D013+94ppsD903+.2%D046+.5%D020**
3rd **0**

ST.9 .2

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

David Sanchez, FS3	Dowell Schlumberger		28-Aug-14
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	Date mo. day yr.
Address	City, State, Zip Code	Tel.: Area Code Number	

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Nicole Vail	Regulatory Spkst		1/6/15
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd	Houston TX 77056	713 499 5391	Date: mo. day yr.
Address	City, State, Zip Code	Tel.: Area Code Number	

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following.

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a muliple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

ST.9 .2

COFC-00301

Cementer: Fill in shsed areas.
Operator: Fill in other items

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TXLA OP) Co	0168596	08	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No. 42-	7. Drilling Permit No.
Phantom (Wolfcamp)	389-34363	785955

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			2H

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			9/5/2014				
13. •Drilling hole size			8.750				
•Est. % wash or hole enlargement			10%				
14. Size of casing (in. O.D.)			7.625				
15. Top of liner (ft.)							
16. Setting depth (ft.)			9758				
17. Number of centralizers used			0				
18. Hrs. waiting on cement before drill-out			35				
1st Slurry	19. API cement used: No. of sacks		243				
	Class		TXI				
	Additives		Remarks				
2nd Slurry	No. of sacks		170				
	Class		C				
	Additives		Remarks				
3rd Slurry	No. of sacks						
	Class						
	Additives						
1st	20. Slurry pumped: Volume (cu. ft.)		583				
	Height (ft.)		5804.4				
2nd	Volume (cu. ft.)		264				
	Height (ft.)		2622.5				
3rd	Volume (cu. ft.)						
	Height (ft.)						
Total	Volume (cu. ft.)		846.7				
	Height (ft.)		8426.9				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			No				

st TXI LiteCRETE+0.3%D167+0.02%D65+0.04gpsD206+0.4%D201+0.2%D46+0.02%D208
nd Class C + 0.2% D46 + 3% M117 + 0.55% D238 + 0.3% D65 + 0.25% D201+0.02gpsD177
rd 0
th 0

OVER ➤

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Johnny M. Mares, FS3	Dowell Schlumberger				
Name and title of cementer's representative	Cementing Company	Signature			
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	5-Sep-14		
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo.	day	yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

NICOLE Vail	Reg. specialist				
Typed or printed name of operator's representative	Title	Signature			
1360 Postoak Blvd	Houston TX 77056	713 3770602	1/6/15		
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo.	day	yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

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- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

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E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

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Cementer: Fill in shaded areas
Operator: Fill in other items

CBQ9-00379

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Divsion

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
BHP Billiton Pet (TX) LP	068596	08	Reeves

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Phantom (Wolfcamp)	389-34363	785955

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
State Caldwell 57-T2-26			#2H

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			9/25/2014			
13. ●Drilling hole size			6.750			
●Est. % wash or hole enlargement						
14. Size of casing (in. O.D.)			5.50			
15. Top of liner (ft.)						
16. Setting depth (ft.)			15143			
17. Number of centralizers used			63			
18. Hrs. waiting on cement before drill-out						
1st Slurry — 19. API cement used: No. of sacks			200			
1st Slurry — Class			35:65POZ:H			
1st Slurry — Additives			Remarks			
2nd Slurry — No. of sacks			1140			
2nd Slurry — Class			TXI+ADDS			
2nd Slurry — Additives			Remarks			
3rd Slurry — No. of sacks						
3rd Slurry — Class						
3rd Slurry — Additives						
1st — 20. Slurry pumped Volume (cu. ft.)			428			
1st — Height (ft.)			5125			
2nd — Volume (cu. ft.)			1471			
2nd — Height (ft.)			17608			
3rd — Volume (cu. ft.)						
3rd — Height (ft.)						
Total — Volume (cu. ft.)			1899			
Total — Height (ft.)			22733			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			Yes	7bbl=18sk		

st 61lb/sk D909+7%D020+3%M117+29lb/skD035+0.4%D201+0.2%D046+0.1%D065+0.05%D208
nd 3%M117+0.4%D046+0.65%D238+0.5%D065+75lb/skD049+0.28%D201

RECEIVED
NOV 14 2014
REGULATORY DEPT.

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
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29. Measured top of plug, if tagged (ft.)								
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David Sanchez, FS	Dowell Schlumberger		
Name and title of cementer's representative	Cementing Company	Signature	
32 E. Industrial Loop	Midland, Texas 79701	(432) 683-1887	25-Sep-14
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

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Nicole Vail	Reg. Specialist		
Typed or printed name of operator's representative	Title	Signature	
1360 Post Oak Blvd	Houston TX 77056	713 499 5391	1/6/15
Address	City, State, Zip Code	Tel.: Area Code Number	Date: mo. day yr.

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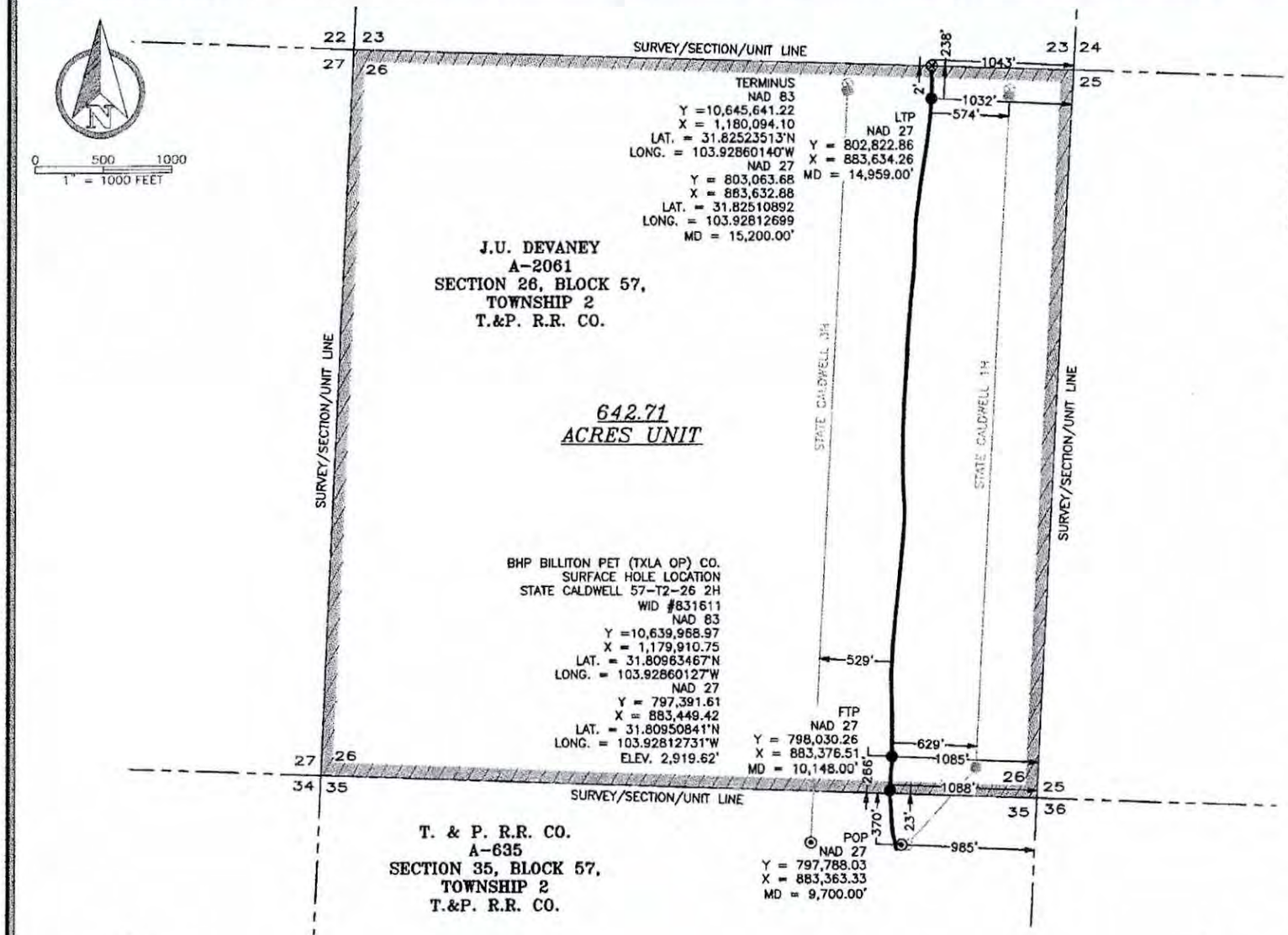

GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 27 STATE PLANE "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 798,953.56, X = 876,026.89)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999845435
4. LATITUDE AND LONGITUDE ARE NAD 27 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

STATE OF TEXAS
REGISTERED
ROBERT GLEN MALOY
6028
PROFESSIONAL
LAND SURVEYOR

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

REVISION	DATE	BY	DETAILS
A	10/17/14	RP	MAKE PRELIMINARY PLAT
B	06/22/15	RP	REVISE LATERAL INFO

PLAT OF:

AN AS-DRILLED WELL LOCATION FOR:

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-26 2H

WID# 831611

SITUATED IN T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, AND THE J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.6 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES
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bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	06/22/15	PROJECT NO:	201403244
DRAWN BY:	RP	SCALE:	1" = 1000'
CHECKED BY:	RM	SHEET:	1 OF 2
FIELD CREW:	RE/MR	REVISION:	M

File No. MF035430 17

Reeves County

CompletionReport API 389-34363

Date Filed: 7-8-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
788168	Jun 24, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34347	May 29, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Vertical	642.71
OPERATOR	068596	NOTICE
BHP BILLITON PET(TXLA OP) CO		This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		1
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		20000

Section, Block and/or Survey
SECTION 26 BLOCK 57 T2 ABSTRACT 2061
SURVEY T&P RR CO/DEVANEY, J U

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
1320 ft. EAST 2575 ft. S	1320 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
1320 ft. EAST 2575 ft. SOUTH	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
CHAPMAN, DEEP (MORROW)	642.71	20,000	1	08
STATE CALDWELL 57-T2-26	1320		0	

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

API No. 42-389-34347

Drilling Permit # 788168

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No. 068596

2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO

3. Operator Address (include street, city, state, zip):

4. Lease Name: STATE CALDWELL 57-T2-26

5. Well No. 1

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [X] Vertical [ ] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth 20000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No. 08

12. County: REEVES

13. Surface Location [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.6 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section 26

16. Block 57 T2

17. Survey: T&P RR CO/DEVANEY, J U

18. Abstract No. A-2061

19. Distance to nearest lease line: 1320 ft.

20. Number of contiguous acres in lease, pooled unit, or unitized tract: 642.71

21. Lease Perpendiculars: 1320 ft from the EAST line and 2575 ft from the SOUTH line.

22. Survey Perpendiculars: 1320 ft from the EAST line and 2575 ft from the S line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION

List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	17030450	CHAPMAN, DEEP (MORROW)	Gas Well	20000	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS

Remarks

[FILER May 22, 2014 1:22 PM]: Observation well. Possible conversion to SWD.

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

May 29, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only

Data Validation Time Stamp: Jun 25, 2014 7:14 AM(Current Version)

Groundwater Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Date: June 6, 2014

GAU File No.: 5276

***** EXPEDITED APPLICATION *****

API Number: 38934347

Attention: LILLIAN GARCIA

RRC Lease No.: 000000

SC_068596_38934347_000000_5276.pdf

BHP BILLITON PET TXLA OP CO
1360 POST OAK BLVD
HOUSTON TX 77056

--Measured--
1316 ft FEL
2284 ft FSL
MRL:SECTION

Digital Map Location:
X-coord/Long: 1179700
Y-coord/Lat: 10642636
Datum: 83 Zone: C

P-5# 068596

County: REEVES

Lease & Well No.: STATE CALDWELL 57-T2-26 #1&ALL

Purpose: ND

Location: SUR-T&P,BLK-57,TSHP-2,SEC-26,--[TD=14000],[RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from land surface to the base of the RUSTLER, which is estimated to occur at a depth between 700 and 750 feet, must be protected.

This recommendation is adequate for wells drilled in this section 26.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-463-2741, gau@rrc.state.tx.us, or by mail.

Sincerely,

Digitally signed by Jack Oswalt
DN: c=US, st=TEXAS, l=Austin, o=Railroad Commission of Texas, ou=Groundwater Advisory Unit, cn=Jack Oswalt, email=jack.oswalt@rrc.state.tx.us
Date: 2014.06.06 13:38:54 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit
Oil & Gas Division

GEOLOGIST SEAL

STATE OF TEXAS
Jack M. Oswalt
Geology
897
LICENSED
PROFESSIONAL GEOSCIENTIST

The seal appearing on this document was authorized by Jack M. Oswalt on 6/6/2014
Note: Alteration of this electronic document will invalidate the digital signature.

21-03

File No. MF035430 78

Reeves County

Drilling Permit for API 389-34347

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

Railroad Commission of Texas
Oil And Gas Division
Form P-8
Request for Clearance of Storage Tanks
Prior to Potential Test

Reference No. 26996

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34363

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785955

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
2H

12. Drilling completed on 09/28/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/20/2014
RR DATE 9/28/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	2H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	
			11/21/14	

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. **Change of:** ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. **New RRC Number for:** ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). *(See instruction G)*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s). *(See instruction G)*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Leslie Montemayor
Name (print) — Signature

REGULATORY TECH ASSNT — ☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
Title

LESLIE.MONTEMAYOR@BHPBILLITON.CO — 11/21/14 — (713) 585-7567
E-mail Address (optional) — Date — Phone with area code

API No. 42-389-34363

Drilling Permit # 785955

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No. 068596

2. Operator's Name (as shown on form P-5, Organization Report): BHP BILLITON PET(TXLA OP) CO

3. Operator Address (include street, city, state, zip):

4. Lease Name: STATE CALDWELL 57-T2-26

5. Well No.: 2H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08

12. County: REEVES

13. Surface Location [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.6 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section: 35

16. Block: 57 T2

17. Survey: T&P RR CO

18. Abstract No.: A-635

19. Distance to nearest lease line: 200 ft.

20. Number of contiguous acres in lease, pooled unit, or unitized tract: 642.71

21. Lease Perpendiculars: 375 ft from the N OFF LEASE line and 990 ft from the E OFF LEASE line.

22. Survey Perpendiculars: 375 ft from the N line and 990 ft from the E line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	660.00	2

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

[FILER May 1, 2014 9:33 AM]: Est MD 19500'; [RRC STAFF Jun 13, 2014 12:27 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2014 12:23 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 14, 2014 12:23 PM]: REVISED PLAT ATTACHED SHOWING POP TO BE ON LEASE.

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

May 01, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only Data Validation Time Stamp: Jun 18, 2014 8:49 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 785955

Approved Date: Jun 17, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	2H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO - DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line. and 990 ft. from the E line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line. and 990 ft. from the E line

13. Penetration Point Lease Line Perpendiculars
200 ft. from the S line. and 990 ft. from the E line

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		2H
LOCATION		TOTAL DEPTH
1.6 miles SW direction from ORLA		14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	2H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:
Lateral: TH1
Penetration Point Location
Lease Lines: 200.0 F S L
990.0 F E L
Terminus Location
BH County: REEVES
Section: 26 Block: 57 T2 Abstract: 2061
Survey: T&P RR CO - DEVANEY, J U
Lease Lines: 150.0 F N L
990.0 F E L
Survey Lines: 150.0 F N L
990.0 F E L

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785955	Jun 17, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34363	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME: STATE CALDWELL 57-T2-26		WELL NUMBER: 2H
LOCATION: 1.6 miles SW direction from ORLA		TOTAL DEPTH: 14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N 990 ft. E	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 990 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

21·03·9

File No. MF035430

Reeves County

P-8 for API 389-34363

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785965	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34364	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		3H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE) 1650 ft. (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. E OFF LEASE 1650 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	3H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:
Lateral: TH1
Penetration Point Location
Lease Lines: 200.0 F S L
1650.0 F E L
Terminus Location
BH County: REEVES
Section: 26 Block: 57 T2 Abstract: 2061
Survey: T&P RR CO -DEVANEY, J U
Lease Lines: 150.0 F N L
1650.0 F E L
Survey Lines: 150.0 F N L
1650.0 F E L

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785965	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34364	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		3H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO

DISTANCE TO SURVEY LINES		DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE)	1650 ft. (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES		DISTANCE TO NEAREST WELL ON LEASE
375 ft. E OFF LEASE	1650 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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.

API No. 42-389-34364
Drilling Permit # 785965
SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004
Permit Status: Approved

1. RRC Operator No.	2. Operator's Name (as shown on form P-5, Organization Report)	3. Operator Address (include street, city, state, zip):
068596	BHP BILLITON PET(TXLA OP) CO	

4. Lease Name	5. Well No.
STATE CALDWELL 57-T2-26	3H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth	9. Do you have the right to develop the minerals under any right-of-way ?	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?
14000	[X] Yes [ ] No	[ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.	12. County	13. Surface Location
08	REEVES	[X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
35	57 T2	T&P RR CO	A-635	200 ft.	642.71

21. Lease Perpendiculars: 375 ft from the E OFF LEASE line and 1650 ft from the E OFF LEASE line.
22. Survey Perpendiculars: 375 ft from the N (OFFLEASE) line and 1650 ft from the (OFFLEASE) line.

23. Is this a pooled unit?	24. Unitization Docket No:	25. Are you applying for Substandard Acreage Field?
[ ] Yes [X] No		[ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION **List all fields of anticipated completion including Wildcat. List one zone per line.**

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	660.00	3

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks
[FILER May 1, 2014 9:58 AM]: Est MD 19500'; [RRC STAFF Jun 13, 2014 12:29 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2014 12:52 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 14, 2014 12:52 PM]: REVISED PLAT ATTACHED SHOWING POP TO BE ON LEASE.

RRC Use Only Data Validation Time Stamp: Jun 19, 2014 11:29 AM(Current Version)

Certificate:
I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer
May 01, 2014 — Date submitted
(713)5524537 — Phone
lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

Permit Status:	Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit #	785965
Approved Date:	Jun 19, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	3H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO -DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line, and 1650 ft. from the E line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line, and 1650 ft. from the E line

13. Penetration Point Lease Line Perpendiculars
200 ft. from the S line, and 1650 ft. from the E line

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

9.1.22.9

File No. MF035430 fv.

Reeves County

Drilling Permit API 389-343164

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Submitted
Date: 02/23/2015
Tracking No.: 124738

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34364 **County:** REEVES
Well No.: 3H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57.T2, Survey: T&P RR CO, Abstract: 635

Latitude: **Longitude:**
This well is located 1.7 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/27/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	06/19/2014	785965
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 08/02/2014 **Date of first production after rig released:** 11/27/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 08/02/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 11/27/2014
Number of producing wells on this lease in this field (reservoir) including this well: 2 **Distance to nearest well in lease & reservoir (ft.):** 660.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2919 GL
Total depth TVD (ft.): 10001 **Total depth MD (ft.):** 14993
Plug back depth TVD (ft.): 9998 **Plug back depth MD (ft.):** 14992
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 40.0
Is Cementing Affidavit (Form W-15) attached? Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: None
Electric Log Other Description:
Location of well, relative to nearest lease boundaries of lease on which this well is located: **Off Lease:** Yes
375.0 **Feet from the** North **Line and**
1650.0 **Feet from the** East **Line of the**
STATE CALDWELL 57-T2-26 **Lease.**

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A

PACKET: N/A

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

GAU Groundwater Protection Determination **Depth (ft.):** 800.0 **Date:** 05/19/2014

SWR 13 Exception **Depth (ft.):**

GAS MEASUREMENT DATA

Date of test: 01/12/2015 **Gas measurement method(s):**

Gas production during test (MCF): 9573 Orifice Meter, Flange Taps

Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.500	14734.79	1019.0	51.0	113.0	0.9526	0.9161	1.092	3191.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.714 **Gravity (liquid hydrocarbons) (Deg. API):** 50.3

Gas-Liquid Hydro Ratio (CF/Bbl): 3266 **Gravity (mixture): Gmix=** 1.347

Avg. shut in temp. (°F): 113.0 **Bottom hole temp. and depth:** 155.0 **°F@** 10065.0 **FT**

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	4320		3271	70.0
1	4320	48/64	1568	113.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
3	Intermediate	7 5/8	8 3/4	9745			LITE CRETE/C	415	852.0	9626	Calculation
4	Tapered Production	5 1/2	6 3/4	9844			TX1	1038	1339.0	3300	Calculation
5	Tapered Production	4 1/2	6 3/4	14980			TX1	1038	1339.0	3300	Calculation
1	Surface	11 3/4	14 3/4	998			C	766	0.0	0	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4252			C	411	924.0	4080	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By

N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
			/

N/A

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10120	14783

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 8350

Actual maximum pressure (PSIG) during hydraulic fracturing: 5510

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	PLEASE REFER TO FRAC FOCUS	10120.0	14783.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2504.0	Yes	
CASTILLE	Yes	2800.0	2804.0	Yes	
BELL CANYON	Yes	3011.0	3015.0	Yes	
DELAWARE	Yes	2500.0	2504.0	Yes	
DELAWARE CONSOLIDATED GAS	Yes	6500.0	6527.0	Yes	
CHERRY CANYON	Yes	3707.0	3712.0	Yes	
BONE SPRINGS	Yes	6652.0	6680.0	Yes	
PERMIAN	No			No	DID NOT ENCOUNTER
WOLFCAMP	Yes	9641.0	9683.0	Yes	
PENNSYLVANIAN	No			No	DID NOT ENCOUNTER
MISSISSIPPIAN	No			No	DID NOT ENCOUNTER
DEVONIAN	No			No	DID NOT ENCOUNTER
FUSSELMAN	No			No	DID NOT ENCOUNTER
ELLENBURGER	No			No	DID NOT ENCOUNTER

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

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

REMARKS

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

FIELD RULES, 6 MONTH EXCEPTION.

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Leslie Montemayor	**Title:** Regulatory Technical Assistant
Telephone No.: (713) 585-7567	**Date Certified:** 02/18/2015

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 124738

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 3H	6. API NO. 42- 389-34364
	7. COUNTY OF WELL SITE REEVES	
8. FIELD NAME (as per RRC Records) PHANTOM (WOLFCAMP)	9. LEASE NAME STATE CALDWELL 57-T2-26	
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO , A-635	11. PIPELINE CONNECTION OR USE OF GAS	

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	01/12/2015	
B. Gas Volume	3191.0	(Mcf)
C. Oil or Condensate Volume	977.0	(Bbl)
D. Water Volume	3233.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	3266	(Cf/Bbl)
F. Flowing Tubing Pressure	1568	(psia)
G. Choke Size	48/64	(in.)
H. Casing Pressure	3212.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3271	(psia)
J. Separator Operating Pressure	1019.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	50.3	$^{o}_{API}$
M. Gravity of Stock Tank Liquid		$^{o}_{API}$
N. Specific Gravity of the Gas (Air = 1)	0.714	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE.
Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 01/12/2015

Where Obtained: [X] Separator [ ] Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	112.0	60	479.0
10	201.0	70	559.0
20	244.0	80	655.0
30	286.0	90	714.0
40	337.0	95	
50	405.0	End Point	719.0

Total Recovery	93.4	percent
Residue	4.8	percent
Loss	1.8	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

02/18/2015
DATE

NAME (Type or Print): Leslie Montemayor

SIGNATURE

Regulatory Technical Assistant
TITLE

(713) 585-7567
CONTACT PERSON PHONE NUMBER

RRC USE ONLY

ST.62.9

Tracking No.: 124738

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing: ☐ Survey ☐ Retest ☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		01/12/2015	3191 MCF	977.0 BBL	3233.0 BBL	3271
STATE CALDWELL 57-T2-26	3H		0.714	50.3	7023	1568
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: GW WIRELINE JERRY GRAY Title: Phone: (940) 325-3617 Date: 02/18/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

2-20-15

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

ELECTRIC LOG STATUS REPORT

FORM L-1

Tracking No.: 124738

This facsimile L-1 was generated electronically from data submitted to the RRC.

Instructions

When to File Form L-1:
- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period for confidentiality has not yet expired.

When is Form L-1 NOT required:
- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas or geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to File Form L-1:
- with the appropriate Commission district office

Filling out Form L-1:
- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required:
- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SECTION I. IDENTIFICATION

Operator Name: BHP BILLITON PET(TXLA OP) CO	District No. 08	Completion Date: 11/27/2014
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 785965	
Lease Name STATE CALDWELL 57-T2-26	Lease/ID No.	Well No. 3H
County REEVES	API No. 42- 389-34364	

SECTION II. LOG STATUS (Complete either A or B)

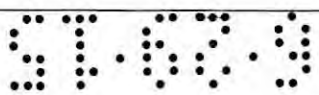
[X] A. BASIC ELECTRIC LOG NOT RUN

[ ] B. BASIC ELECTRIC LOG RUN. (Select one)

- [ ] 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- [ ] 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).
- [ ] 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).
- [ ] 4. Log attached to (select one):
  - [ ] (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____
    Check here if attached log is being submitted after being held confidential. [ ]
  - [ ] (b) Form P-7, Application for Discovery Allowable and New Field Designation.
  - [ ] (c) Form W-4, Application for Multiple Completion:
    Lease or ID No(s). _____
    Well No(s). _____

Leslie Montemayor Signature	Regulatory Technical Assistant Title
_____ Name (print)	(713) 585-7567 Phone 02/18/2015 Date

-FOR RAILROAD COMMISSION USE ONLY-



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

P-4

This facsimile P-4 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Tracking No.: 124738

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no	6. County	7. RRC district
BHP BILLITON PET(TXLA OP) CO	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) (see instruction E)			
1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	3H			
	10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)		11. Effective Date	11/27/2014

12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from _____
☐ lease name from _____

OR

b. New RRC Number for: ☐ oil lease ☒ gas well ☐ other well (specify) _____ Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X		BHP BILLITON PET(TXLA OP) CO(068596)		100.0	
	X	BP ENERGY CO.(085349)	0001	50.0	
	X	SEQUENT ENERGY MANAGEMENT, L.P.(767539)	0001	50.0	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take
TRAFIGURA AG INC.(864322)	90.0
SHELL TRADING (US) COMPANY(774715)	10.0

RRC USE ONLY: Reviewer's initials: _____ Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator

Signature

Name (print)

☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G)

Title

Date

Phone with area code

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print): Leslie Montemayor

Title: Regulatory Technical Assistant

Signature

☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G)

E-mail Address (optional): leslie.montemayor@bhpbilliton.com

Date: 02/23/2015

Phone with area code: (713) 585-7567

8.30.12

Railroad Commission of Texas
Oil And Gas Division
Request for Clearance of Storage Tanks
Prior to Potential Test

Form P-8

Reference No. 26997

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34364

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785965

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
3H

12. Drilling completed on 08/30/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/2/2014
RR DATE 8/30/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	3H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date	
			11/21/14	

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). *(See instruction G).*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s). *(See instruction G).*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Name (print)
Leslie Montemayor — Signature
REGULATORY TECH ASSNT — Title
☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
LESLIE.MONTEMAYOR@BHPBILLITON.CO — E-mail Address (optional)
11/21/14 — Date
(713) 585-7567 — Phone with area code

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 124738

This facsimile P-15 was generated electronically from data submitted to the RRC.

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BHP BILLITON PET(TXLA OP) CO (OPERATOR), STATE CALDWELL 57-T2-26 (LEASE), No. 3H (WELL); that such well is completed in the PHANTOM (WOLFCAMP) Field, REEVES County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 160.68 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction,

Date 02/18/2015 Signature Leslie Montemayor

Telephone (713) 585-7567 (AREA CODE) Title Regulatory Technical Assistant

51-623

File No. MF035430 81

Reeves County

Completion Report for API 389-34364

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785968	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34365	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME		WELL NUMBER
STATE CALDWELL 57-T2-26		4H
LOCATION		TOTAL DEPTH
1.7 miles SW direction from ORLA		14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO - HALL, J G

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE) 1690 ft. E (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 1690 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	642.71	12,500	4H	08
STATE CALDWELL 57-T2-26	200		660	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

```
Lateral: TH1
Penetration Point Location
  Lease Lines:        200.0 F S L
                     2310.0 F E L
Terminus Location
  BH County: REEVES
  Section: 26              Block: 57 T2          Abstract: 2061
  Survey: T&P RR CO - DEVANEY, J U
  Lease Lines:        150.0 F N L
                     2310.0 F E L
  Survey Lines:       150.0 F N L
                     2310.0 F E L
```

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
785968	Jun 19, 2014	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-34365	May 01, 2014	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	642.71
OPERATOR: BHP BILLITON PET(TXLA OP) CO — 068596		NOTICE: This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. **District Office Telephone No:** (432) 684-5581
LEASE NAME: STATE CALDWELL 57-T2-26		WELL NUMBER: 4H
LOCATION: 1.7 miles SW direction from ORLA		TOTAL DEPTH: 14000

Section, Block and/or Survey

SECTION 35 BLOCK 57 T2 ABSTRACT 635

SURVEY T&P RR CO - HALL, J G

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
375 ft. N (OFFLEASE) 1690 ft. E (OFFLEASE)	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
375 ft. N OFF LEASE 1690 ft. E OFF LEASE	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

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.

API No. 42-389-34365

Drilling Permit # 785968

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.	2. Operator's Name (as shown on form P-5, Organization Report)	3. Operator Address (include street, city, state, zip):
068596	BHP BILLITON PET(TXLA OP) CO	

4. Lease Name: STATE CALDWELL 57-T2-26 — 5. Well No.: 4H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [ ] Yes [X] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.: 08

12. County: REEVES

13. Surface Location [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 1.7 miles in a SW direction from Orla which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
35	57 T2	T&P RR CO - HALL, J G	A-635	200 ft.	642.71

21. Lease Perpendiculars: 375 ft from the N OFF LEASE line and 1690 ft from the E OFF LEASE line.

22. Survey Perpendiculars: 375 ft from the N (OFFLEASE) line and 1690 ft from the E (OFFLEASE) line.

23. Is this a pooled unit? [ ] Yes [X] No

24. Unitization Docket No:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION — List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	660.00	4

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

FILER May 1, 2014 10:04 AM]: Est MD 19500'; [RRC STAFF Jun 13, 2014 12:30 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Jun 14, 2014 12:50 PM]: Problems identified with this permit are resolved.; [RRC STAFF Jun 14, 2014 12:50 PM]: REVISED PLAT ATTACHED SHOWING POP TO BE ON LEASE.

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Lillian Garcia, Regulatory Technical Assistant — Name of filer

May 01, 2014 — Date submitted

(713)5524537 — Phone

lillian.garcia@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only Data Validation Time Stamp: Jun 19, 2014 11:31 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 785968

Approved Date: Jun 19, 2014

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-26	4H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
26	57 T2	T&P RR CO - DEVANEY, J U	2061	REEVES

11. Terminus Lease Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the E line

12. Terminus Survey Line Perpendiculars
150 ft. from the N line. and 2310 ft. from the E line

13. Penetration Point Lease Line Perpendiculars
200 ft. from the S line. and 2310 ft. from the E line

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

This is a dynamic table that will be updated continuously. It is the operators responsibility to make sure that at time of spudding the well the most current table is being referenced.

51.62.9

82

File No. MF035430

Reeves County

Drilling Permit for API 389-34365

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

RAILROAD COMMISSION OF TEXAS

Form G-1

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

Status: Submitted
Date: 02/03/2015
Tracking No.: 125595

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT, AND LOG

OPERATOR INFORMATION

Operator Name: BHP BILLITON PET(TXLA OP) CO **Operator No.:** 068596
Operator Address: 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056-0000

WELL INFORMATION

API No.: 42-389-34365 **County:** REEVES
Well No.: 4H **RRC District No.:** 08
Lease Name: STATE CALDWELL 57-T2-26 **Field Name:** PHANTOM (WOLFCAMP)
RRC Gas ID No.: **Field No.:** 71052900
Location: Section: 35, Block: 57 T2, Survey: T&P RR CO - HALL, J G, Abstract: 635

Latitude: **Longitude:**
This well is located 1.7 **miles in a** SW **direction from** ORLA, **which is the nearest town in the county.**

FILING INFORMATION

Purpose of filing: Initial Potential
Type of completion: New Well
Well Type: Producing **Completion or Recompletion Date:** 11/24/2014

Type of Permit	Date	Permit No.
Permit to Drill, Plug Back, or Deepen	06/19/2014	785968
Rule 37 Exception		
Fluid Injection Permit		
O&G Waste Disposal Permit		
Other:		

COMPLETION INFORMATION

Spud date: 08/31/2014 **Date of first production after rig released:** 11/24/2014
Date plug back, deepening, recompletion, or drilling operation commenced: 08/31/2014 **Date plug back, deepening, recompletion, or drilling operation ended:** 11/24/2014
Number of producing wells on this lease in this field (reservoir) including this well: 4 **Distance to nearest well in lease & reservoir (ft.):** 660.0
Total number of acres in lease: 642.71 **Elevation (ft.):** 2926 GL
Total depth TVD (ft.): 9961 **Total depth MD (ft.):** 15152
Plug back depth TVD (ft.): 9968 **Plug back depth MD (ft.):** 15007
Was directional survey made other than inclination (Form W-12)? Yes **Rotation time within surface casing (hours):** 23.0 **Is Cementing Affidavit (Form W-15) attached?** Yes
Recompletion or reclass? No **Multiple completion?** No
Type(s) of electric or other log(s) run: Gamma Ray (MWD)
Electric Log Other Description:
Location of well, relative to nearest lease boundaries of lease on which this well is located: **Off Lease:** Yes
375.0 **Feet from the** North **Line and**
1690.0 **Feet from the** East **Line of the**
STATE CALDWELL 57-T2-26 **Lease.**

FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO.

Field & Reservoir	Gas ID or Oil Lease No.	Well No.	Prior Service Type

G1: N/A

PACKET: N/A

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

GAU Groundwater Protection Determination **Depth (ft.):** 800.0 **Date:** 05/19/2014

SWR 13 Exception **Depth (ft.):**

GAS MEASUREMENT DATA

Date of test: 12/22/2014 **Gas measurement method(s):**

Gas production during test (MCF): 13824 Orifice Meter, Flange Taps

Was the well preflowed for 48 hours? Yes

Run No.	Line size	Orif. or Choke Size (in.)	24 hr. Coeff. Orif. Or Choke (in.)	Static Pm or Choke (in.)	Diff (hw)	Flow Temp (°F)	Temp. (Ftf)	Gravity (Fg)	Compress (Fpv)	Volume (MCF/day)
1	3.068	1.250	10032.66	1067.0	229.0	126.0	0.9420	0.9129	1.081	4608.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.717 **Gravity (liquid hydrocarbons) (Deg. API):** 49.6

Gas-Liquid Hydro Ratio (CF/Bbl): 4576 **Gravity (mixture): Gmix=** 0.831

Avg. shut in temp. (°F): 106.0 **Bottom hole temp. and depth:** 154.0 **°F@** 9961.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	4320		3237	58.0
1	4320	48/64	2420	126.0

CASING RECORD

Row	Type of Casing	Casing Size (in.)	Hole Size (in.)	Setting Depth (ft.)	Multi - Stage Tool Depth (ft.)	Multi - Stage Shoe Depth (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	11 3/4	14 3/4	993			C	1013	1347.0	0	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4256			C+ADDS	402	900.0	317	Calculation
3	Intermediate	7 5/8	8 3/4	9776			LITE CRETE/C+ ADDS	415	854.0	1277	Calculation
4	Tapered Production	5 1/2	6 3/4	9865			H/TX1	1195	1713.0	3300	Calculation
5	Tapered Production	4 1/2	6 3/4	15152			H/TX1	1195	1713.0	3300	Calculation

LINER RECORD

Row	Liner Size (in.)	Hole Size (in.)	Liner Top (ft.)	Liner Bottom (ft.)	Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By

N/A

TUBING RECORD

Row	Size (in.)	Depth Size (ft.)	Packer Depth (ft.)/Type
			/

N/A

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10098	14910

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

Was hydraulic fracturing treatment performed? Yes

Is well equipped with a downhole actuation sleeve? No

If yes, actuation pressure (PSIG):

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 9070

Actual maximum pressure (PSIG) during hydraulic fracturing: 9375

Has the hydraulic fracturing fluid disclosure been reported to FracFocus disclosure registry (SWR29)? Yes

Row	Type of Operation	Amount and Kind of Material Used	Depth Interval (ft.)	
1	Fracture	CHECK FRAC FOCUS	10098.0	14910.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2505.0	Yes	
CASTILLE	Yes	2800.0	2807.0	Yes	
BELL CANYON	Yes	4800.0	4820.0	Yes	
DELAWARE	Yes	2500.0	2505.0	Yes	
DELAWARE CONSOLIDATED GAS	Yes	6500.0	6551.0	Yes	
CHERRY CANYON	Yes	3800.0	3810.0	Yes	
BONE SPRINGS	Yes	6644.0	6697.0	Yes	
PERMIAN	No			No	DID NOT ENCOUNTER
WOLFCAMP	Yes	9641.0	9709.0	Yes	
PENNSYLVANIAN	No			No	DID NOT ENCOUNTER
MISSISSIPPIAN	No			No	DID NOT ENCOUNTER
DEVONIAN	No			No	DID NOT ENCOUNTER
FUSSELMAN	No			No	DID NOT ENCOUNTER
ELLENBURGER	No			No	DID NOT ENCOUNTER

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

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

REMARKS

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

XO @ 9865'

TUBING RECORD:

A SIX MONTH EXCEPTION TO SWR 13(B)(5)(A) REGARDIGN THE REQUIREMENT OF HAVING TO BE PRODUCED THROUGH TUBING.

PRODUCING/INJECTION/DISPOSAL INTERVAL :

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

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

Printed Name: Leslie Montemayor	**Title:** Regulatory Technical Assistant
Telephone No.: (713) 585-7567	**Date Certified:** 02/03/2015

2-5-15

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL CLASSIFICATION REPORT

Form G-5

Tracking No.: 125595

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report)	3. RRC DISTRICT NO.	4. OIL LEASE NO OR GAS WELL ID NO.
BHP BILLITON PET(TXLA OP) CO	08	
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056	5. WELL NO. 4H	6. API NO. 42- 389-34365
	7. COUNTY OF WELL SITE REEVES	

8. FIELD NAME (as per RRC Records)	9. LEASE NAME
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26
10. LOCATION (Section, Block and Survey) 35 , 57 T2 , T&P RR CO - HALL, J G , A-635	11. PIPELINE CONNECTION OR USE OF GAS

PRODUCTION TEST AT RATE ELECTED BY OPERATOR
(data on 24-hour basis)

A. Date of Test	12/22/2014	
B. Gas Volume	4608.0	(Mcf)
C. Oil or Condensate Volume	1007.0	(Bbl)
D. Water Volume	3288.0	(Bbl)
E. Gas/Liquid Hydrocarbon Ratio	4576	(Cf/Bbl)
F. Flowing Tubing Pressure	2420	(psia)
G. Choke Size	48/64	(in.)
H. Casing Pressure	3237.0	(psia)
I. Shut-in Wellhead Pressure--Tubing	3237	(psia)
J. Separator Operating Pressure	229.0	(psia)
K. Color of Stock Tank Liquid	Straw	
L. Gravity of Separator Liquid	49.6	°API
M. Gravity of Stock Tank Liquid		°API
N. Specific Gravity of the Gas (Air = 1)	0.717	

A.S.T.M. DISTILLATION OF LIQUID SAMPLE

A.S.T.M. DISTILLATION OF LIQUID SAMPLE. Distillation test is required for gas wells ONLY if the producing gas-liquid hydrocarbon ratio is less than 100,000 CF/barrel.

Date Liquid Sample Obtained: 12/22/2014

Where Obtained: [X] Separator [ ] Stock Tank

% Over	Temp. (deg. F)	% Over	Temp. (deg. F)
Initial Boiling Temp.	106.0	60	481.0
10	198.0	70	566.0
20	244.0	80	662.0
30	285.0	90	718.0
40	338.0	95	0.0
50	406.0	End Point	722.0

Total Recovery	94.7	percent
Residue	3.8	percent
Loss	1.5	percent

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

02/02/2015
DATE

NAME (Type or Print): Leslie Montemayor

SIGNATURE

Regulatory Technical Assistant
TITLE

(713) 585-7567
CONTACT PERSON PHONE NUMBER

RRC USE ONLY

Tracking No.: 125595

OPERATOR NAME AND ADDRESS including city, state and zip

BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150
HOUSTON, TX 77056

GAS WELL STATUS REPORT

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
P.O. Box 12967
Austin, Texas 78711-2967

This facsimile G-10 was generated electronically from data submitted to the RRC.

Reason for Filing: ☐ Survey ☐ Retest ☒ Initial Test ☐ Correction

Operator P-5 Organization No.: 068596

RRC Dist. No.: 08

G-10

Test Period:

Due Date:

Effective Date:

FIELD NAME / * LEASE NAME	RRC IDENT NO. / WELL NO.	DATE TESTED MO/DAY/YR / MARK X FOR SHUT-IN WELL	GAS PRODUCED MCF/DAY ** / GAS SPEC. GRAVITY	CONDENSATE PRODUCED / CONDENSATE GRAVITY (API)	WATER PROD BBL/DAY / X BOTTOMHOLE PRESSURE PSIA	***SIWH PRESSURE PSIA / ***FLOWING PRESSURE PSIA
PHANTOM (WOLFCAMP)		12/22/2014	4608 MCF	1007.0 BBL	3288.0 BBL	3237
STATE CALDWELL 57-T2-26	4H		0.717	49.6		2420
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	
			MCF	BBL	BBL	

CERTIFICATION: I declare under penalties prescribed in Texas Natural Resources Code, Sec. 91.143, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: GW WIRELINE JERRY GRAY Title: _____ Phone: (940) 325-3617 Date: 02/02/2015

* AN ASTERISK PREPRINTED ON A SURVEY IDENTIFIES WELL SUBJECT TO COMMINGLING TEST REQUIREMENT

** GAS PRODUCTION RATE, IN MCF, IS TO BE REPORTED FULL-WELL STREAM, INCLUDING CONDENSATE *** PRESSURE FOR THE TEXAS HUGOTON FIELD IS REPORTED IN PSIG

X AN 'X' PREPRINTED ON A SURVEY IN THE BOTTOMHOLE PRESSURE BOX INDICATES A BOTTOMHOLE PRESSURE MUST BE REPORTED FOR THE WELL

2-5-15

Railroad Commission of Texas
Oil And Gas Division
Form P-8
Request for Clearance of Storage Tanks
Prior to Potential Test

Reference No. 26998

1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)
BHP BILLITON PET(TXLA OP) CO
1360 POST OAK BLVD STE 150
HOUSTON, TX 77056-0000
2. RRC Operator Number: 068596

3. RRC District No.
08

4. County of Well Site
REEVES

5. API No.
42-389-34365

6. Field Name (Wildcat or exactly as shown on RRC records)
PHANTOM
(WOLFCAMP)

7. Drilling Permit No.
785968

8. Rule 37 Case No.

9. Lease Name
STATE CALDWELL
57-T2-26

10. Oil lease No.

11. Well No.
4H

12. Drilling completed on 09/25/2014

13. Completion report--Form W-2 or G-1--will be filed on 12/05/2014

14. Oil or condensate gatherer's name and address
TRAFIGURA AG INC.
1401 MCKINNEY SUITE 1500
HOUSTON, TX 77010
(832) 203-6400

15. Authorization to transport oil or condensate (mark one)
[X] Form P-4 attached
[X] Form P-4 Filed on 11/21/2014

16. This request is for
50000 barrels of [ ] crude oil OR [X] condensate

17. Amount of oil/condensate in tanks
0 barrels on 11/21/2014

18. Storage capacity in bbls. Tank battery 2000 Test tanks 0 Total 2000

19. Previous request for clearance. Amount 50000 barrels granted on 11/21/2014

20. Reason for current request for clearance (explain briefly)
SPUD DATE 8/31/2014
RR DATE 9/25/2014

Leslie Montemayor
Name of operator's representative

REG TECH ASSNT
Title of person

(713) 585-7567
Telephone

11/21/2014
Date

RRC District Office Action

Status: Approved Barrels recommended 50000 RRC Staff 11/21/2014
Date

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin TX 78711-2967
www.rrc.state.tx.us

CERTIFICATE OF COMPLIANCE AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4
5/02—WWW-1

1. Field name exactly as shown on proration schedule	2. Lease name as shown on proration schedule			
PHANTOM (WOLFCAMP)	STATE CALDWELL 57-T2-26			
3. Current operator name exactly as shown on P-5 Organization Report	4. Operator P-5 no.	5. Oil Lse/Gas ID no.	6. County	7. RRC district
BHP BILLITON	068596		REEVES	08
8. Operator address including city, state, and zip code	9. Well no(s) *(see instruction E)*			
1350 POST OAK BLVD SUITE 150 HOUSTON, TEXAS 77056	4H			
	10. Classification ☐ Oil ☐ Gas ☐ Other *(see instruction A)*		11. Effective Date 11/21/14	

12. Purpose of Filing. (Complete section a or b below.) *(See instructions B and G)*

a. Change of: ☐ operator ☐ oil or condensate gatherer ☐ gas gatherer ☐ gas purchaser ☐ gas purchaser system code
☐ field name from: _____
☐ lease name from: _____

OR

b. New RRC Number for: ☐ oil lease ☐ gas well ☐ other well (specify)_____ **Due to:** ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ consolidation, unitization, or subdivision (oil lease only)

13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s) *(See instruction G)*

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left *(Attach an additional sheet in same format if more space is needed)*	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream

14. Authorized OIL or CONDENSATE Gatherer(s). *(See instruction G).*

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First *(Attach an additional sheet in same format if more space is needed)*	Percent of Take
TRAFIGURA AG (864322)	90
SHELL TRADING (US) COMPANY	10

RRC USE ONLY
Reviewer's initials: _____
Approval date: _____

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator _____ Signature _____

Name (print) _____ ☐ **Authorized Employee of previous operator** ☐ **Authorized agent of previous operator** *(see instruction G)*

Title _____ Date _____ Phone with area code _____

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

LESLIE MONTEMAYOR — Name (print)
Leslie Montemayor — Signature
REGULATORY TECH ASSNT — Title
☒ **Authorized Employee of current operator** ☐ **Authorized agent of current operator** *(see instruction G)*
LESLIE.MONTEMAYOR@BHPBILLITON.CO — E-mail Address (optional)
11/21/14 — Date
(713) 585-7567 — Phone with area code

North American Shale Permian Production Division

June 22, 2015

Texas General Land Office
1700 N Congress Ave.
Austin, Texas 78702
Attn: Joy McCauley

Re: Regulatory Filings
State Caldwell 57-T2-26 4H
MF035430

Documents Included:
W-1
P-8
P-4
Permit Approval
G-1
G-5
G-10

Ms. McCauley:

Please find attached Regulatory documents associated with the above-named well.

Should you need any further information, you may contact me by phone at 713-993-3713 or by email at daniel.pena@bhpbilliton.com.

Sincerely,

Daniel Peña
Land Intern

P. O. Box 22719 • Houston, TX 77027-9998 Phone: 713-552-4470 • Fax: 713-966-2914
www.bhpbilliton.com

51.62.9

83

File No. MF035430

Reeves County

Completion Report API 389-34365

Date Filed: 6-29-15

George P. Bush, Commissioner

By JM

North America Shale Production Division

October 7, 2015

Via FedEx (Trkg #7746 8660 9280)
Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan

Re: Production Sharing Agreement
State Caldwell 57-T2-35x26 SA 1H M-35430
Reeves County, Texas

Dear Mr. Morgan:

Enclosed you will find:

Certified Copy of Recorded Original, Production Sharing Agreement, State Caldwell 57-T2-35x26 SA 1H, Reeves County, Texas filed of record under File 15-05560, Reeves County Clerk's Office for your records.

Should you need any additional information, please feel free to contact, Guy F. Aldrich, Permian Transaction Manager by calling 713 96-82741 or email guy.aldrich@bhpbilliton.com .

Sincerely,

Lynn Latiolais

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure

BHP Billiton • Land Department-Permian • P O Box 22719 • Houston, TX 77027-9998
1360 Post Oak Blvd, Office 2107A • Houston, TX 77056 • Direct 713.297.6557 • Fax 713.966.2914
Email: Lynn.Latiolais@bhpbilliton.com • www.bhpbilliton.com

215 01

(84)

File No. M-35430

County

Ltr. From BITP

Date Filed: 10/8/15

George P. Bush, Commissioner

By

15-05560
FILED FOR RECORD
REEVES COUNTY, TEXAS
Jun 24, 2015 at 03:58:00 PM

PRODUCTION SHARING AGREEMENT

STATE CALDWELL 57-T2-35x26 SA 1H

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

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

The undersigned party ("**Interest Owner**") and BHP Billiton Petroleum Properties (N.A.), LP ("**BHP**") enter into this Production Sharing Agreement ("**Agreement**") on the terms set forth herein.

WHEREAS, BHP owns an interest in the lease, minerals, royalties and/or executive rights in and under an Oil and Gas Lease dated February 3, 1950, between Guy Caldwell, et al, Lessors, and L. C. Wahlenmaier, as Lessee, recorded in Volume 128, Page 604 of the Deed Records of Reeves County, Texas, covering 640 acres, more or less, being all of Section 26, 57-T2 and limited to depths between 6,590 feet and 11,238 feet as shown on the Electric Log of the Atlantic Richfield Co.- Agnes Beckham #26-1 Well (API No. 42-389-30422), hereinafter referred to as the "Lease"; and,

WHEREAS, to date, BHP has drilled the State Caldwell 57-T2-2H, 3H, 4H and 5H Wells on the Lease within the past 12 months; and,

WHEREAS, the Interest Owner and BHP wish to encourage further development of the Lease via the drilling of horizontal wells, and in order to:

a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) from the Lease; and
b) protect the correlative rights of all Interest Owners so that each may receive a fair share of the oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) production in and under the Lease;

WHEREAS, it is advantageous to position some of the future horizontal wells (any well having a lateral length of greater than 100') such that said horizontal wells may traverse lands both within and outside the boundaries of the Lease (singularly a "**Sharing Well**" or collectively the "**Sharing Wells**"), and the Interest Owner and BHP desire to establish a basis for sharing in the oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) production proceeds from each such Sharing Well;

NOW THEREFORE, the undersigned, for Ten Dollars ($10.00), and the recitals, promises, performances, payments, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

1) The Interest Owner shall share in each Sharing Well on the basis of such Interest Owner's ownership in the Lease multiplied by an Allocation Factor; such **"Allocation Factor"** being defined as a fraction, the numerator of which is equal to the length of that portion of the Lateral Line Equivalent that lies within the Lease under which the Interest

Owner owns, and the denominator being the total length of the Lateral Line Equivalent. "**Lateral Line Equivalent**" is defined as a line drawn, using map view perspective that begins at the actual first take point of a well and run laterally towards the last Take Point of the well along the actual surveyed well path to the last take point of such well based on the as-drilled surveyor plat. A **"Take Point"** in a horizontal drain hole well is defined as any point along a horizontal drain hole where oil and/or gas and liquid hydrocarbons (including condensate, distillate, and other liquids) can be produced into the wellbore from the reservoir or field interval. The first Take Point may be at a different location than the penetration point and the last Take Point may be a location different than the Terminus point. The "**Terminus point**" is defined as the farthest point in the wellbore from the actual surface location.

2) Operations on or production from each Sharing Well shall be treated as if they were actual operations on or production from the Lease and the proceeds from production from such Sharing Well shall be paid in accordance with the Allocation Factor set out hereinabove.

3) Production from any and all Sharing Wells drilled hereunder 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. The undersigned further agrees that this Agreement affects only production from each Sharing Well drilled hereunder and in no way affects ownership or allocation of production attributable to an interest in and under any other wells drilled or to be drilled which lie solely within the Lease.

4) An operator of a Sharing Well drilled hereunder, and its successors and assigns, shall have the right to make reasonable use of the surface and subsurface of the Lease where any Sharing Wells are located on or under for the purpose of exploring, drilling, completing, producing, transporting and marketing hydrocarbons and their constituent elements or byproducts from any Sharing Wells.

5) The provisions of the Lease, agreements, division orders, transfer orders, and pooling agreements covering or affecting the lands and leases governed by this Production Sharing Agreement are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.

6) It is the intention of the parties hereto that this Agreement is limited to and covers the producing interval in the horizontal section of the wellbore. Any completion above the horizontal interval and resulting production from the vertical section of the wellbore of any well drilled on the Lease shall not be subject to this Agreement, nor be considered a Sharing Well, but rather shall be treated as a Lease well, drilled on the premises of the Lease, or a lease well located on the drill site lease or leases. Also, in the event any Sharing Well shall be plugged back or recompleted in such manner that the well no longer falls within the above definition of a Sharing Well or of a horizontal well, then such well shall no longer be considered a Sharing Well for purposes of this Agreement but rather shall be treated as a Lease well, drilled on the premises of the Lease, or a lease

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

well located on the drill site lease or leases.

7) This Agreement shall become effective if and when BHP files same of record in Reeves County, Texas and shall remain in effect for so long as there is production in paying quantities from or operations on any Lease well drilled on the premises of the Lease, regardless if it be a Sharing Well or not.

8) This Agreement shall not create or cause a cross-conveyance of real property interests.

9) This Agreement reflects the final agreement of the parties and supersedes any prior discussions, memoranda or other agreements (whether oral, written or other) concerning the subject hereof. No modifications or amendments of this Agreement will be binding or enforceable unless made in writing and signed by all of the parties.

10) Each of the undersigned expressly warrants and represents, and does hereby affirm and stipulate, that (i) no representation, promise or agreement, or statement of a past or existing fact, not expressed in this written Agreement, was made to induce the execution of same, and (ii) they have not relied upon any representation, promise or agreement, or statement of a past or existing fact, which is not expressed in this Agreement. Furthermore, each of the undersigned is relying upon his, her or its own judgment, has had a full, fair and adequate opportunity to read and understand this Agreement, and recognizes 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.

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 party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party 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.

*****REMAINDER OF PAGE LEFT INTENTIONALLY BLANK*****

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COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

EXECUTED on this the 18 day of May 2015, but effective as provided for in item 7 herein above.

BHP Billiton Petroleum Properties, (N.A.), LP

By: BHP Billiton Petroleum Properties (GP), LLC, its general partner

By: _____
Stephen L. Mahanay
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 18 day of May, 2015, by Stephen L. Mahanay, as Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties, (N.A.), LP, a Texas limited partnership, on behalf of said limited partnership.

_____
Notary Public, State of Texas

LYNN LATIOLAIS
Notary Public, State of Texas
My Commission Expires
October 10, 2017

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DATE EXECUTED 5/7/15

STATE OF TEXAS

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

Approved
Legal
Contents
Min. Leasing
Executive

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of May, 2015, 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 6th day of May, 2015.

_____
Secretary of School Land Board

*****REMAINDER OF PAGE LEFT INTENTIONALLY BLANK*****

Inst No. 15-05560
DIANNE O. FLOREZ
COUNTY CLERK
2015 Jun 24 at 03:58 PM
REEVES COUNTY, TEXAS
By: NC _____, DEPUTY

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

After Recording please return to:
BHP Billiton
ATTN: Lynn Latiolais
1360 Post Oak Blvd., Suite 150
Houston, TX 77065

(85)

File No. M-35430

_____ County

Recorded PSA

Date Filed: 10/8/15

George P. Bush, Commissioner

By _____

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Purchase Sharing Agreement dated May 18, 2015 filed for record in my office this 24th day of June, 2015 at 2:50 P.M., under Clerk's File No. 15-05560, to be recorded in the Official Public Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 24th day of June, 2015.

By _____, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

Information for processing an Internal Non Unit Transaction (iNut)

Length of Lateral

iNut No. 9199

GENERAL INFORMATION

Name of Well: State Caldwell 57-T2-35X26 (SA) 1H API # 42-389-34797

Name of Operator: BHP Billiton Pet (TXLA OP) Co. RRC # 804246

Operator Contact Person: Guy Aldrich Phone: 713-993-4139

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 Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
RAL	MF035430	7354	5059	0.06250000	0.06250000	0.68792494	0.04299531
Totals:							0.04299531
Effective Date: 09/01/2015							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments:

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: SW GIS updated by: MC

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU150062

Unit Number	*9199*				
Operator Name	*BHP Billiton Petroleum (TXLA Operating) Company*			*Effective Date*	*09/01/2015*
Customer ID	*C000046383*			*Unitized For*	*Oil And Gas*
Unit Name	*State Caldwell 57-T2-35X26 SA 1H*			*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*	*0.04299531*			
State Part in Unit		*0.00000000*			
Unit Depth	*Allow All Depths*				
From Depth					
To Depth					

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*
MF035430		0.000000	0.000000	0.00000000	O/G	0.06250000	0.04299531	No

API Number

4238934797

Remarks:

Prepared By:	JM	*Prepared Date:*	12/15/2015
GLO Base Updated By:	JM	*GLO Base Date:*	12/15/2015
RAM Approval By:	SW	*RAM Approval Date:*	12.17.15
GIS By:		*GIS Date:*	
Well Inventory By:	JM	*WI Date:*	12/15/2015

Pooling Committee Report

To:	**School Land Board**	**INU150062**
Date of Board Meeting:		**Unit Number: 9199**
Effective Date:	**09/01/2015**	
Unit Expiration Date:		
Applicant:	**BHP Billiton Pet (TXLA OP) Co.**	
Attorney Rep:		
Operator:	**BHP Billiton Petroleum (TXLA Operating) Company,**	
Unit Name:	**State Caldwell 57-T2-35X26 SA 1H**	
Field Name:	**PHANTOM (WOLFCAMP)**	

County: Reeves

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
RAL	MF035430	0.06250000	02/03/1960	10 years	640.000000	0.000000	0.04299531

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	0.00%
State Net Revenue Interest:	4.30%

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

RRC Rules:	Spacing Acres:
No	

Daryl Morgan

From: Aldrich, Guy <Guy.Aldrich@bhpbilliton.com>
Sent: Thursday, December 10, 2015 9:07 PM
To: Daryl Morgan; Robert Hatter
Cc: Schnell, Karen; Frey, Victoria
Subject: State Caldwell 57-T2-35X26 SA 1H
Attachments: PSA (GLO Form-State Caldwell 57-T2-35x26 SA 1H).pdf; 2014111313-State_Caldwell_57-T2-35X26_1H-As-Drill-2015-12-03-Final.pdf

Daryl:

With respect to Paragraph 1 of the attached PSA dated May 18, 2015, between BHP Billiton Petroleum Properties (N.A.), LP and the State of Texas, attached find a certified "as drilled" surveyor plat depicting the lateral length of the State Caldwell 57-T2-35X26 SA 1H Wellbore from the FTP in the NW/4 of Section 35 to the LTP in Section 26. The total perforated lateral distance is 7,354'. The perforated lateral length in Tract 2 (GLO Tract) is 5,059' resulting in the Allocation Factor, as that term is defined in the PSA, being 68.79% (5,059'/7,354' = 68.79%).

BHP is in the process of preparing Division Orders with the intent to have same completed and sent to the GLO before the end of the year. In calculating the GLO's royalty interest, the attached, certified "as drilled" surveyor plat will be supporting documentation included with the Division Order.

If you should have any questions, please advise.

Thanks.

* iNut 9199

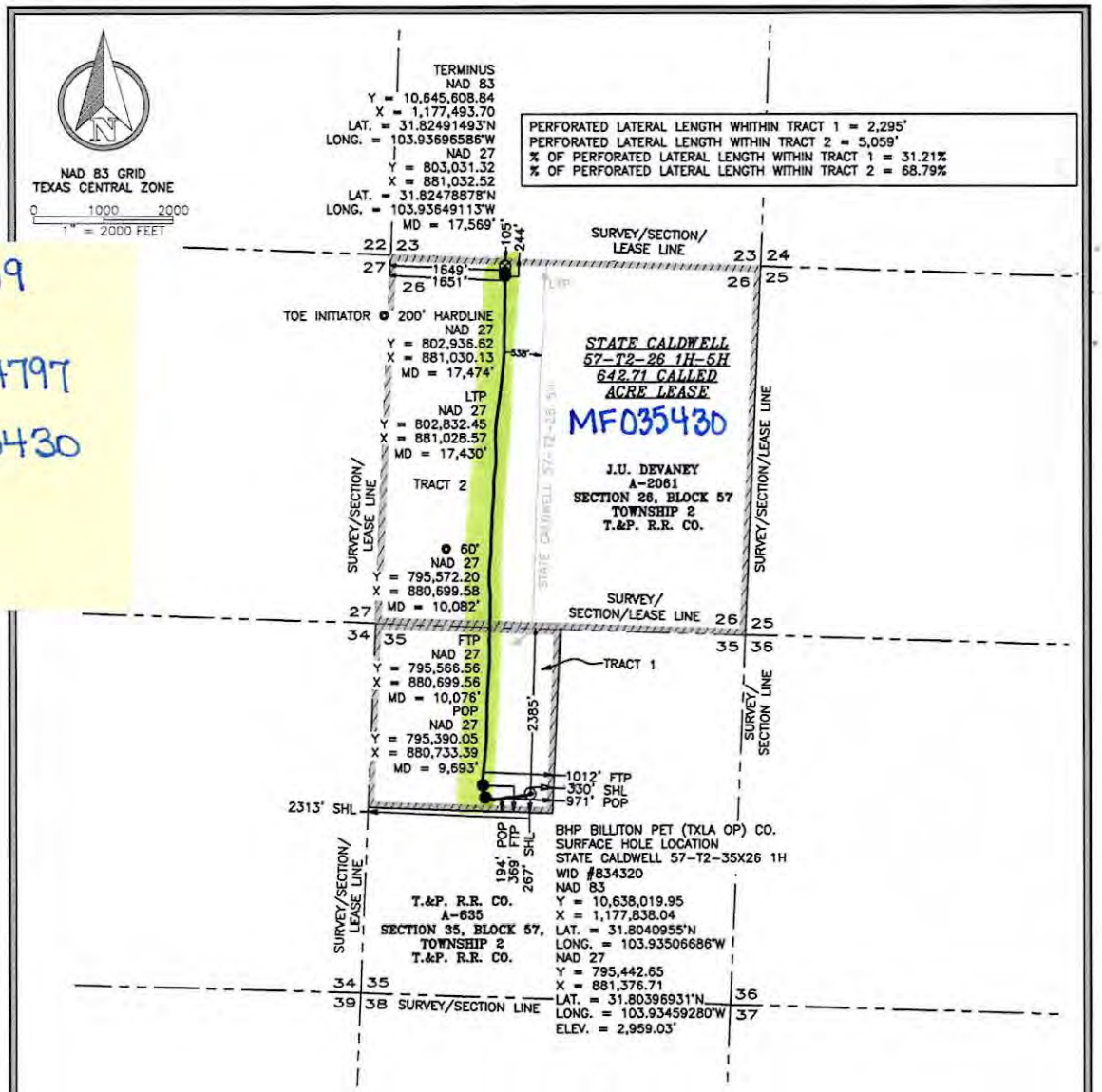
bhpbilliton
resourcing the future

Guy F. Aldrich
Transaction Manager

BHP Billiton Petroleum
1360 Post Oak Blvd.
Houston, Texas 77056
Direct: 713.968.2741
Cell: 832.415.6705

This message and any attached files may contain information that is confidential and/or subject of legal privilege intended only for use by the intended recipient. If you are not the intended recipient or the person responsible for delivering the message to the intended recipient, be advised that you have received this message in error and that any dissemination, copying or use of this message or attachment is strictly forbidden, as is the disclosure of the information therein. If you have received this message in error please notify the sender immediately and delete the message.

iNut 9199
API #
389-34797
MF035430



GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 10,641,530.97, X = 1,172,488.01)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999842169
4. LATITUDE AND LONGITUDE ARE NAD 83 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".
8. ELEVATIONS SHOWN IN LINE TABLES REPRESENT THE ELEVATION AT THE END OF THAT LINE SEGMENT IN THE DIRECTION FROM THE PREVIOUS POINT.

REVISION	DATE	BY	DETAILS
A	10/14/15	RP	MAKE PRELIMINARY PLAT
B	12/01/15	RP	ADD NEW DATA

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

Robert Glen Maloy

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 5028

STATE OF TEXAS
REGISTERED
ROBERT GLEN MALOY
6028
PROFESSIONAL
LAND SURVEYOR

PLAT OF:
AN AS-DRILLED FOR:
BHP BILLITON PET (TXLA OP) CO.
STATE CALDWELL 57-T2-35X26 SA 1H
WID# 834320

SITUATED IN THE T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.9 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK
SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
TBPLS Firm No. 10193887
www.franksurveying.com
LAND SURVEYING/ENERGY/GIS SERVICES

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bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	10/14/15
DRAWN BY:	RP
CHECKED BY:	RM
FIELD CREW:	RE/MR
PROJECT NO:	2014111313
SCALE:	1" = 2000'
SHEET:	1 OF 1
REVISION:	0

86.

File No. MF035430

Reeves County

iNut 9199

Date Filed: 2/19/2016

George P. Bush, Commissioner

By JM

12.22.15 MF 035430

DIVISION ORDER

bhpbilliton
resourcing the future

To: **BHP Billiton Petroleum**
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

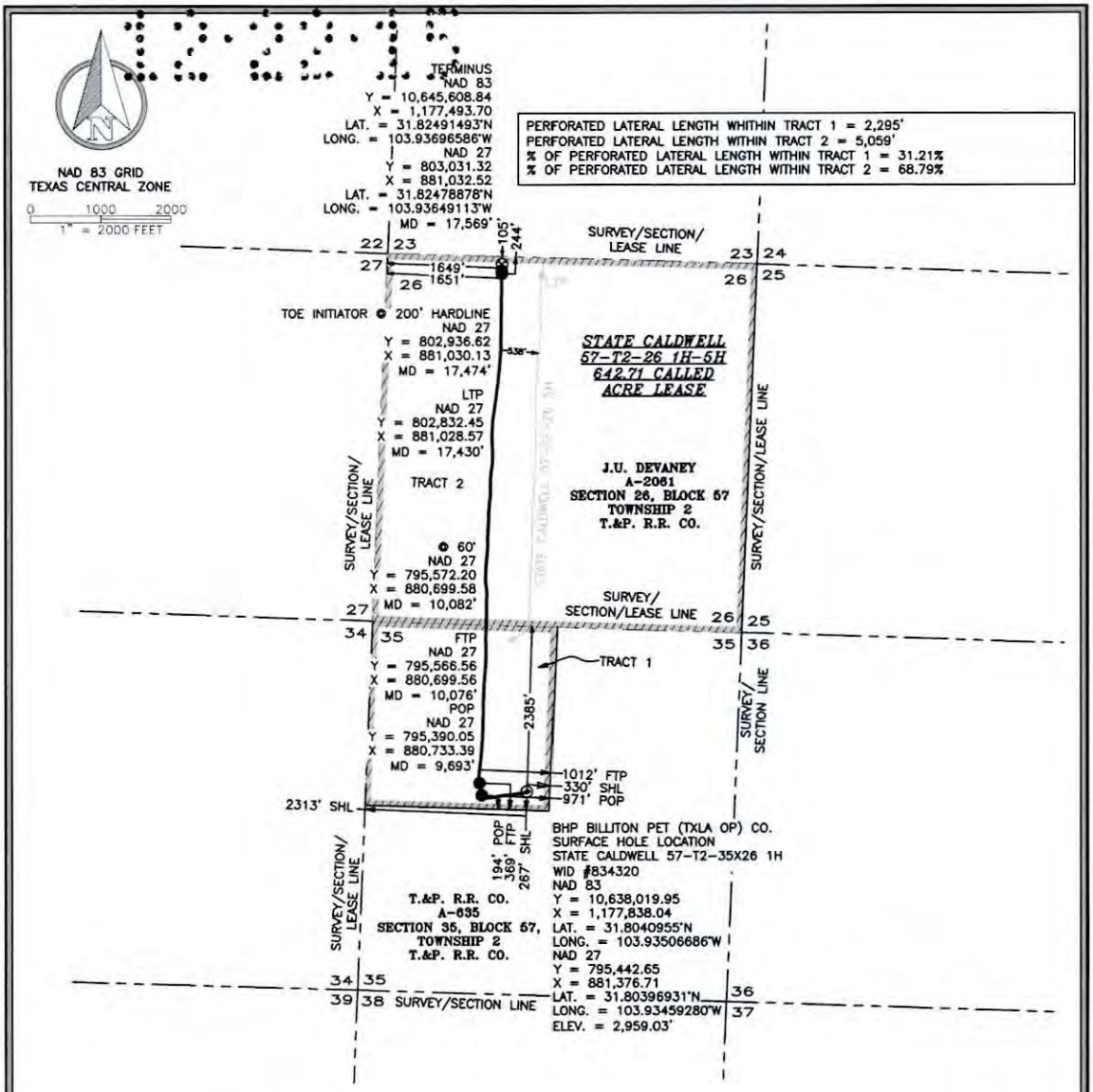
Issue Date:	12/15/2015
Property Name:	STATE CALDWELL 57-T2-35X26 SA 1H
Property #:	P1M712
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY, TEXAS (642.71 ACRES); T&P RR CO ABST/ID# 635 Grantee T. & P.R.R.CO. Twsp T2 Blk 57 Sec 35 REEVES COUNTY, TEXAS (160.96 ACRES)

API 389-34797

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date	Legal Description	File Suffix	Section Allocation(%)
0.04299375	RI	PAY		11/1/2015	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26	00502	68.790000

PLEASE KEEP THIS COPY FOR YOUR RECORDS



GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 "TEXAS CENTRAL ZONE", AND BASED ON "ORLA" NGS MONUMENT (Y = 10,641,530.97, X = 1,172,488.01)
2. VERTICAL DATUM IS NAVD 88
3. COMBINED SCALE FACTOR = 0.999842169
4. LATITUDE AND LONGITUDE ARE NAD 83 AS SHOWN
5. AREA, DISTANCES, AND COORDINATES ARE "GRID"
6. UNITS ARE UNITED STATES SURVEY FOOT.
7. ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD INFORMATION ONLY. ALL ACREAGES SHOWN ARE BY DEED AND LEASE CALL, EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".
8. ELEVATIONS SHOWN IN LINE TABLES REPRESENT THE ELEVATION AT THE END OF THAT LINE SEGMENT IN THE DIRECTION FROM THE PREVIOUS POINT.

REVISION	DATE	BY	DETAILS
A	10/14/15	RP	MAKE PRELIMINARY PLAT
B	12/01/15	RP	ADD NEW DATA

I HEREBY STATE THAT THIS PLAT SHOWS THE SUBJECT LOCATION BASED ON INFORMATION PROVIDED BY THE CLIENT.

ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028

STATE OF TEXAS · REGISTERED · ROBERT GLEN MALOY · 6028 · PROFESSIONAL · LAND SURVEYOR

PLAT OF:

AN AS-DRILLED FOR:

BHP BILLITON PET (TXLA OP) CO.

STATE CALDWELL 57-T2-35X26 SA 1H

WID# 834320

SITUATED IN THE T.&P. R.R. CO. SURVEY, ABSTRACT NO. 635, SECTION 35, BLOCK 57, TOWNSHIP 2, J.U. DEVANEY SURVEY, ABSTRACT NO. 2061, SECTION 26, BLOCK 57, TOWNSHIP 2, T.&P. R.R. CO. LANDS, LOCATED APPROX. 1.9 MILES SOUTHWEST OF ORLA, IN REEVES COUNTY, TEXAS

FRANK
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© COPYRIGHT 2014 - ALL RIGHTS RESERVED

bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

DATE:	10/14/15
DRAWN BY:	RP
CHECKED BY:	RM
FIELD CREW:	RE/MR
PROJECT NO:	2014111313
SCALE:	1" = 2000'
SHEET:	1 OF 1
REVISION:	0

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 17, 2016

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P O BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF035430 State Caldwell 57-T2 35X26 SA 1H;
MF114881 State Chevy 56-T2 10X15 SA 1H; and
MF109172/MF087169 and MF116840 State Cumberland 57-T2-16 2H

Dear Mr. Brown:

The Texas General Land Office (GLO) has received your Division Orders for the referenced units. These Division Orders have 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

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

File No. MF 035430
Division Order

Date Filed: 5-18-16

George P. Bush, Commissioner

By VH

7008 0150 0003 1019 9420

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	$	MF03543U
Certified Fee		MF040133
Return Receipt Fee (Endorsement Required)		Postmark Here
Restricted Delivery Fee (Endorsement Required)		MF048344
Total Postage & Fees	$	ATTN: Holly Dutton

Sent To BHP Billiton Petroleum (TXLA Operating) Co...

Street, Apt. No.; or PO Box No. 1360 Post Oak Blvd Ste 150

City, State, ZIP+4 Houston, TX 77056-3030

PS Form 3800, August 2006 See Reverse for Instructions

Certified Mail Provides:

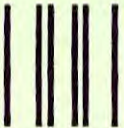
- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement *"Restricted Delivery"*.
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 *(Reverse)* PSN 7530-02-000-9047



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States Postal Service

Texas General Land Office
George P. Bush, Commissioner
P.O. Box 12873
Austin, Texas 78711-2873

ATTN: Aurora Jordan

MF035430
MF040133

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

BHP Billiton Petroleum (TXLA Operating) Company
ATTN: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

9590 9402 1749 6074 7811 70

7008 0150 0003 1019 9420

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Cyd Canale

☑ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery 7/13/17

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

MF 035430 MF 048344
MF 040133

3. Service Type

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

Texas General Land Office
Reconciliation Billing

George P. Bush, Commissioner

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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 7/7/2017
Billing Due Date: 8/6/2017
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00419	MF035430	$0.00	$1,316.86	$140.75	$70.03	$1,527.64
17I00420	MF040133	$0.00	$8,710.68	$895.83	$288.65	$9,895.16
Total Due		$0.00	$10,027.54	$1,036.58	$358.68	**$11,422.80**

Penalty and interest have been calculated thru 7/31/2017. Payment remitted after 7/31/2017 will result in additional penalty and interest charges.

Contact Info: Sabrina Garcia (512) 475-1510 or Sabrina.Garcia@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company
Billing Date: 7/7/2017
Billing Due Date: 8/6/2017
Customer Number: C000046383

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
17I00419	MF035430	$0.00	$1,316.86	$140.75	$70.03	$1,527.64
17I00420	MF040133	$0.00	$8,710.68	$895.83	$288.65	$9,895.16
Total Due		$0.00	$10,027.54	$1,036.58	$358.68	**$11,422.80**
Amt. Paid						

Customer ID: C000046383
Invoice Number: 17I00419
GLO Lease: MF035430
GLO Review: BHP Billiton Petroleum (TXLA Operating) Company
Review Period: September 2015 - August 2016

Category Oil
Auditor/AE: Sgarcia
Billing Date: 7/5/2017
P&I Calculation Date: 7/31/2017
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Oct-15	08-21021	297	1.00000000	$ 44.511010	1.00	$13,219.77	$826.24	$0.00	$826.24	604	4.25%	$82.62	$52.43	$961.29
Jun-16	08-21021	117	1.00000000	$ 45.310120	1.00	$5,301.28	$331.33	$0.00	$331.33	360	4.50%	$33.13	$12.30	$376.76
Jul-16	08-21021	62	1.00000000	$ 41.107370	1.00	$2,548.66	$159.29	$0.00	$159.29	329	4.50%	$25.00	$5.30	$189.59
TOTALS		**476**				**$21,069.71**	**$1,316.86**	**$0.00**	**$1,316.86**			**$140.75**	**$70.03**	**$1,527.64**

ATTN: Cristen Steele
CERTIFIED MAIL: 7008 0150 0003 1019 9420

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3)	VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS # 08-780096, 08-30820, 08-45912, 08-21021.
COLUMN (5)	PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
COLUMNS (12),(13),(14)	PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT: http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

(88)

File No. MF 035430

County

Recon Billing

Date Filed: 7/10/17

George P. Bush, Commissioner

By

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

$

Extra Services & Fees *(check box, add fee as appropriate)*

- ☐ Return Receipt (hardcopy) $ _____
- ☐ Return Receipt (electronic) $ _____
- ☐ Certified Mail Restricted Delivery $ _____
- ☐ Adult Signature Required $ _____
- ☐ Adult Signature Restricted Delivery $ _____

Postage -

$

Total Postage and Fees

$

MF035430
MF040133
MF048344

Postmark Here

ATTN: Holly Dutton

Sent To
BHP Billiton Petroleum (TX LA Operating) Co.

Street and Apt. No., or PO Box No.
1360 Post Oak Blvd, Ste 150

City, State, ZIP+4®
Houston, TX 77056-3030

PS Form 3800, April 2015 PSN 7530-02-000-9047 **See Reverse for Instructions**

7014 2070 0000 7390 5281

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
  - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt;* attach PS Form 3811 to your mailpiece; for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
  - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
  - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
  - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States Postal Service

Texas General Land Office
George P. Bush, Commissioner
P.O. Box 12873
Austin, Texas 78711-2873

ATTN: Aurora Jordan 7th flr Energy
MF035430

MF 035430
MF 040183

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

BHP Billiton Petroleum (TX LA Operating) Co.
ATTN: Holly Dutton
1360 Post Oak Blvd, Ste 150
Houston, TX 77056-3030

9590 9402 1749 6074 7591 31

7016 2070 0000 7390 5281

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☑ Agent
☐ Addressee

B. Received by (Printed Name) April Canales

C. Date of Delivery 3/8/18

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

3. Service Type

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

Texas General Land Office
Reconciliation Billing

George P. Bush, Commissioner

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

BHP Billiton Petroleum (TXLA Operating) Company
Attn: Holly Dutton
1360 Post Oak Blvd Ste 150
Houston, TX 77056-3030

Billing Date: 3/2/2018
Billing Due Date: 4/1/2018
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00345	MF035430	$0.00	$35,806.58	$3,580.66	$689.64	$40,076.88
18I00346	MF040133	$39,097.98	$0.00	$3,909.81	$1,456.53	$44,464.32
18I00347	MF040133	$0.00	$45,826.10	$4,582.61	$1,700.67	$52,109.38
18I00348	MF048344	$39,095.70	$0.00	$3,909.58	$1,456.48	$44,461.76
18I00349	MF048344	$0.00	$45,828.79	$4,582.90	$1,700.79	$52,112.48
Total Due		$78,193.68	$127,461.47	$20,565.56	$7,004.11	**$233,224.82**

Penalty and interest have been calculated thru 3/31/2018. Payment remitted after 3/31/2018 will result in additional penalty and interest charges.

Contact Info: Sabrina Garcia (512) 475-1510 or Sabrina.Garcia@GLO.TEXAS.GOV

NOTICE

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

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

Detach and return with payment

Reconciliation Billing

BHP Billiton Petroleum (TXLA Operating) Company

Billing Date: 3/2/2018

Billing Due Date: 4/1/2018

Customer Number: C000046383

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00345	MF035430	$0.00	$35,806.58	$3,580.66	$689.64	$40,076.88
18I00346	MF040133	$39,097.98	$0.00	$3,909.81	$1,456.53	$44,464.32
18I00347	MF040133	$0.00	$45,826.10	$4,582.61	$1,700.67	$52,109.38
18I00348	MF048344	$39,095.70	$0.00	$3,909.58	$1,456.48	$44,461.76

Texas General Land Office

George P. Bush, Commissioner

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

18I00349	MF048344	$0.00	$45,828.79	$4,582.90	$1,700.79	$52,112.48
Total Due		$78,193.68	$127,461.47	$20,565.56	$7,004.11	**$233,224.82**
Amt. Paid						

Customer ID:	C000046383	**Category**	Oil
Invoice Number:	18I00345	**Auditor/AE:**	Sgarcia
GLO Lease:	MF035430	**Billing Date:**	2/23/2018
GLO Review:	BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY	**P&I Calculation Date:**	3/31/2018
Review Period:	September 2016 through August 2017	**Royalty Rate:**	6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	**RRC Number**	**Gas/Oil Volume**	**Tract Participa**	**Price**	**BTU**	**Gross Value**	**Royalty Due**	**Royalty Paid**	**Additional Ro**	**Number of Da**	**Interest Rate For /**	**Penalty Rate Fron**	**Interest Rate Fron**	**Revenue Due**
Jul-17	08-30820	0	1.00000000	$ -	$ -	$596,354.99	$37,272.19	$1,465.61	$35,806.58	207	4.75%	$3,580.66	$689.64	$40,076.88
TOTALS		**0**				**$596,354.99**	**$37,272.19**	**$1,465.61**	**$35,806.58**			**$3,580.66**	**$689.64**	**$40,076.88**

ATTN: Holly Dutton
CERTIFIED MAIL: 7016 2070 0000 7390 5281

COMMENTS: BILLING FOR DUE VS PAID, NON-PAYMENT OF ROYALTIES.

COLUMNS (2) RRC NUMBERS 08-30820 08-21021 08-282290 08-277467 08-278251 08-277583 08-276866 08-115055 08-31249

COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

Customer ID:	C000046383	**Category**	Oil
Invoice Number:	18I00347	**Auditor/AE:**	Sgarcia
GLO Lease:	MF040133	**Billing Date:**	2/23/2018
GLO Review:	BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY	**P&I Calculation Date:**	3/31/2018
Review Period:	September 2016 through August 2017	**Royalty Rate:**	6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	**RRC Number**	**Gas/Oil Volume**	**Tract Participa**	**Price**	**BTU**	**Gross Value**	**Royalty Due**	**Royalty Paid**	**Additional Ro**	**Number of Da**	**Interest Rate For**	**Penalty Rate Fron**	**Interest Rate Fron**	**Revenue Due**
Sep-16	08-45912	1,525	1.00000000	$ 40.730503	$ 1.000000	$62,114.02	$3,882.13	$0.00	$3,882.13	511	4.50%	$388.21	$216.34	$4,486.68
Oct-16	08-45912	1,394	1.00000000	$ 42.362572	$ 1.000000	$59,053.43	$3,690.84	$0.00	$3,690.84	481	4.50%	$369.08	$192.02	$4,251.94
Nov-16	08-45912	1,594	1.00000000	$ 44.179339	$ 1.000000	$70,421.87	$4,401.37	$0.00	$4,401.37	450	4.75%	$440.14	$223.96	$5,065.47
Dec-16	08-45912	1,308	1.00000000	$ 43.188089	$ 1.000000	$56,490.02	$3,530.63	$0.00	$3,530.63	419	4.75%	$353.06	$165.41	$4,049.10
Jan-17	08-45912	1,408	1.00000000	$ 49.706162	$ 1.000000	$69,986.28	$4,374.14	$0.00	$4,374.14	391	4.75%	$437.41	$188.99	$5,000.54
Feb-17	08-45912	1,300	1.00000000	$ 50.651895	$ 1.000000	$65,847.46	$4,115.47	$0.00	$4,115.47	360	4.75%	$411.55	$161.21	$4,688.23
Mar-17	08-45912	1,287	1.00000000	$ 50.178376	$ 1.000000	$64,579.57	$4,036.22	$0.00	$4,036.22	330	4.75%	$403.62	$142.35	$4,582.19
Apr-17	08-45912	1,206	1.00000000	$ 47.662316	$ 1.000000	$57,480.75	$3,592.55	$0.00	$3,592.55	299	4.75%	$359.26	$112.21	$4,064.02
May-17	08-45912	1,108	1.00000000	$ 46.947904	$ 1.000000	$52,018.28	$3,251.14	$0.00	$3,251.14	269	4.75%	$325.11	$88.85	$3,665.10
Jun-17	08-45912	920	1.00000000	$ 44.202716	$ 1.000000	$40,666.50	$2,541.66	$0.00	$2,541.66	238	4.75%	$254.17	$59.21	$2,855.04
Jul-17	08-45912	1,097	1.00000000	$ 42.858424	$ 1.000000	$47,015.69	$2,938.48	$0.00	$2,938.48	207	4.75%	$293.85	$56.60	$3,288.93
Jul-17	08-45912	0	1.00000000	$ -	$ -	$56,939.49	$3,558.72	$1,124.61	$2,434.11	207	4.75%	$243.41	$46.88	$2,724.40
Aug-17	08-45912	1,099	1.00000000	$ 44.219967	$ 1.000000	$48,597.74	$3,037.36	$0.00	$3,037.36	177	4.75%	$303.74	$46.64	$3,387.74
TOTALS		**15,246**				**$751,211.09**	**$46,950.71**	**$1,124.61**	**$45,826.10**			**$4,582.61**	**$1,700.67**	**$52,109.38**

ATTN: Holly Dutton
CERTIFIED MAIL: 7016 2070 0000 7390 5281

COMMENTS: BILLING ON DUE VS PAID, UNDER PAID ROYALTIES FOR JULY 2017.

BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3)	VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS	08-45912	08-276286
COLUMN (5)	PRICE - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.		
COLUMNS (12), (13), (14)	PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:		
	http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf		

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

Invoice Number: 18I00347
GLO Lease: MF040133
GLO Review: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
Review Period: September 2016 through August 2017

Auditor/AE: Sgarcia
Billing Date: 2/23/2018
P&I Calculation Date: 3/31/2018
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For /	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-16	08-45912	21,045	1.00000000	$ 2.568123	$ 1.038100	$56,105.31	$3,506.58	$0.00	$3,506.58	501	4.50%	$350.66	$191.08	$4,048.32
Oct-16	08-45912	21,869	1.00000000	$ 2.691856	$ 1.038100	$61,111.08	$3,819.44	$0.00	$3,819.44	471	4.50%	$381.94	$194.01	$4,395.39
Nov-16	08-45912	19,374	1.00000000	$ 2.236483	$ 1.023800	$44,360.87	$2,772.55	$0.00	$2,772.55	440	4.75%	$277.26	$137.47	$3,187.28
Dec-16	08-45912	21,561	1.00000000	$ 3.380031	$ 1.023300	$74,574.88	$4,660.93	$0.00	$4,660.93	409	4.75%	$466.09	$212.30	$5,339.32
Jan-17	08-45912	24,626	1.00000000	$ 3.115135	$ 1.023700	$78,531.42	$4,908.21	$0.00	$4,908.21	381	4.75%	$490.82	$205.67	$5,604.70
Feb-17	08-45912	17,822	1.00000000	$ 2.571756	$ 1.023700	$46,920.10	$2,932.51	$0.00	$2,932.51	350	4.75%	$293.25	$111.05	$3,336.81
Mar-17	08-45912	17,750	1.00000000	$ 2.571715	$ 1.008750	$46,047.36	$2,877.96	$0.00	$2,877.96	320	4.75%	$287.80	$97.75	$3,263.51
Apr-17	08-45912	17,056	1.00000000	$ 2.722727	$ 1.027300	$47,706.61	$2,981.66	$0.00	$2,981.66	289	4.75%	$298.17	$89.25	$3,369.08
May-17	08-45912	17,542	1.00000000	$ 2.776122	$ 1.030200	$50,169.43	$3,135.59	$0.00	$3,135.59	259	4.75%	$313.56	$81.61	$3,530.76
Jun-17	08-45912	15,832	1.00000000	$ 2.619759	$ 1.027600	$42,620.76	$2,663.80	$0.00	$2,663.80	228	4.75%	$266.38	$58.59	$2,988.77
Jul-17	08-45912	14,588	1.00000000	$ 2.664924	$ 1.026600	$39,910.01	$2,494.38	$0.00	$2,494.38	197	4.75%	$249.44	$44.80	$2,788.62
Aug-17	08-45912	13,894	1.00000000	$ 2.624395	$ 1.028700	$37,509.84	$2,344.37	$0.00	$2,344.37	167	4.75%	$234.44	$32.95	$2,611.76
TOTALS		**222,959**				**$625,567.67**	**$39,097.98**	**$0.00**	**$39,097.98**			**$3,909.81**	**$1,456.53**	**$44,464.32**

ATTN: Holly Dutton
CERTIFIED MAIL: 7016 2070 0000 7390 5281

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-45912 08-276286

COLUMN (5) PRICE & BTU - TAKEN FROM ROYALTY PRODUCTION REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.

COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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Customer ID: C000046383
Invoice Number: 18I00349
GLO Lease: MF048344
GLO Review: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
Review Period: September 2016 through August 2017

Category Oil
Auditor/AE: Sgarcia
Billing Date: 2/23/2018
P&I Calculation Date: 3/31/2018
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	**RRC Number**	**Gas/Oil Volume**	**Tract Participa**	**Price**	**BTU**	**Gross Value**	**Royalty Due**	**Royalty Paid**	**Additional Ro**	**Number of Da**	**Interest Rate For /**	**Penalty Rate Fron**	**Interest Rate Fron**	**Revenue Due**
Sep-16	08-276286	1,525	1.00000000	$ 40.730503	$ 1.000000	$62,114.02	$3,882.13	$0.00	$3,882.13	511	4.50%	$388.21	$216.34	$4,486.68
Oct-16	08-276286	1,394	1.00000000	$ 42.362534	$ 1.000000	$59,053.37	$3,690.84	$0.00	$3,690.84	481	4.50%	$369.08	$192.02	$4,251.94
Nov-16	08-276286	1,594	1.00000000	$ 44.179229	$ 1.000000	$70,421.69	$4,401.36	$0.00	$4,401.36	450	4.75%	$440.14	$223.96	$5,065.46
Dec-16	08-276286	1,309	1.00000000	$ 43.188084	$ 1.000000	$56,533.20	$3,533.33	$0.00	$3,533.33	419	4.75%	$353.33	$165.53	$4,052.19
Jan-17	08-276286	1,408	1.00000000	$ 49.706533	$ 1.000000	$69,986.80	$4,374.17	$0.00	$4,374.17	391	4.75%	$437.42	$188.99	$5,000.58
Feb-17	08-276286	1,300	1.00000000	$ 50.652092	$ 1.000000	$65,847.72	$4,115.48	$0.00	$4,115.48	360	4.75%	$411.55	$161.21	$4,688.24
Mar-17	08-276286	1,287	1.00000000	$ 50.178253	$ 1.000000	$64,579.41	$4,036.21	$0.00	$4,036.21	330	4.75%	$403.62	$142.35	$4,582.18
Apr-17	08-276286	1,206	1.00000000	$ 47.662320	$ 1.000000	$57,480.76	$3,592.55	$0.00	$3,592.55	299	4.75%	$359.26	$112.21	$4,064.02
May-17	08-276286	1,108	1.00000000	$ 46.948080	$ 1.000000	$52,018.47	$3,251.15	$0.00	$3,251.15	269	4.75%	$325.12	$88.85	$3,665.12
Jun-17	08-276286	920	1.00000000	$ 44.202658	$ 1.000000	$40,666.45	$2,541.65	$0.00	$2,541.65	238	4.75%	$254.17	$59.21	$2,855.03
Jul-17	08-276286	1,097	1.00000000	$ 42.858308	$ 1.000000	$47,015.56	$2,938.47	$0.00	$2,938.47	207	4.75%	$293.85	$56.60	$3,288.92
Jul-17	08-276286	0	1.00000000	$ -	$ -	$57,220.61	$3,576.29	$1,142.21	$2,434.08	207	4.75%	$243.41	$46.88	$2,724.37
Aug-17	08-276286	1,099	1.00000000	$ 44.220103	$ 1.000000	$48,597.89	$3,037.37	$0.00	$3,037.37	177	4.75%	$303.74	$46.64	$3,387.75
TOTALS		**15,247**				**$751,535.95**	**$46,971.00**	**$1,142.21**	**$45,828.79**			**$4,582.90**	**$1,700.79**	**$52,112.48**

ATTN: Holly Dutton
CERTIFIED MAIL: 7016 2070 0000 7390 5281

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3)	VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-276286 08-45912
COLUMN (5)	PRICE - TAKEN FROM ROYALTY PRODUCTION REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
COLUMNS (12), (13), (14)	PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT: http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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Customer ID: C000046383
Invoice Number: 18I00348
GLO Lease: MF048344
GLO Review: BHP BILLITON PETROLEUM (TXLA OPERATING) COMPANY
Review Period: September 2016 through August 2017

Category Gas
Auditor/AE: Sgarcia
Billing Date: 2/26/2018
P&I Calculation Date: 3/31/2018
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-16	08-276286	21,045	1.00000000	$ 2.568113	$ 1.038100	$56,105.09	$3,506.57	$0.00	$3,506.57	501	4.50%	$350.66	$191.08	$4,048.31
Oct-16	08-276286	21,869	1.00000000	$ 2.691846	$ 1.038100	$61,110.85	$3,819.43	$0.00	$3,819.43	471	4.50%	$381.94	$194.01	$4,395.38
Nov-16	08-276286	19,374	1.00000000	$ 2.236472	$ 1.023800	$44,360.65	$2,772.54	$0.00	$2,772.54	440	4.75%	$277.25	$137.47	$3,187.26
Dec-16	08-276286	21,561	1.00000000	$ 3.380022	$ 1.023300	$74,574.68	$4,660.92	$0.00	$4,660.92	409	4.75%	$466.09	$212.30	$5,339.31
Jan-17	08-276286	24,626	1.00000000	$ 3.115125	$ 1.023700	$78,531.17	$4,908.20	$0.00	$4,908.20	381	4.75%	$490.82	$205.67	$5,604.69
Feb-17	08-276286	17,823	1.00000000	$ 2.571743	$ 1.023700	$46,922.49	$2,932.66	$0.00	$2,932.66	350	4.75%	$293.27	$111.06	$3,336.99
Mar-17	08-276286	17,750	1.00000000	$ 2.571715	$ 1.008750	$46,047.36	$2,877.96	$0.00	$2,877.96	320	4.75%	$287.80	$97.75	$3,263.51
Apr-17	08-276286	17,056	1.00000000	$ 2.722727	$ 1.027300	$47,706.61	$2,981.66	$0.00	$2,981.66	289	4.75%	$298.17	$89.25	$3,369.08
May-17	08-276286	17,542	1.00000000	$ 2.776122	$ 1.030200	$50,169.43	$3,135.59	$0.00	$3,135.59	259	4.75%	$313.56	$81.61	$3,530.76
Jun-17	08-276286	15,832	1.00000000	$ 2.617440	$ 1.027600	$42,583.04	$2,661.44	$0.00	$2,661.44	228	4.75%	$266.14	$58.53	$2,986.11
Jul-17	08-276286	14,588	1.00000000	$ 2.664908	$ 1.026600	$39,909.77	$2,494.36	$0.00	$2,494.36	197	4.75%	$249.44	$44.80	$2,788.60
Aug-17	08-276286	13,894	1.00000000	$ 2.624395	$ 1.028700	$37,509.84	$2,344.37	$0.00	$2,344.37	167	4.75%	$234.44	$32.95	$2,611.76
TOTALS		**222,960**				**$625,530.98**	**$39,095.70**	**$0.00**	**$39,095.70**			**$3,909.58**	**$1,456.48**	**$44,461.76**

ATTN: Holly Dutton
CERTIFIED MAIL: 7016 2070 0000 7390 5281

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3)	VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-45912 08-276286
COLUMN (5)	PRICE & BTU - TAKEN FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
COLUMNS (12), (13), (14)	PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT: http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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89

File No. MF035430

County

Recon Billings

Date Filed: 3/6/18

George P. Bush, Commissioner

By

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
837805	Apr 18, 2018	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-36942	Mar 21, 2018	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	964.59

OPERATOR 068596
BHP BILLITON PET(TXLA OP) CO
1500 POST OAK BLVD
HOUSTON, TX 77056-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-35X26 SA	W102H
LOCATION	TOTAL DEPTH
2.7 miles SW direction from ORLA	14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
386 ft. S 637 ft. W	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
386 ft. S 637 ft. W	See FIELD(s) Below

FIELD(s) and LIMITATIONS:
* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST
PHANTOM (WOLFCAMP)	964.59	12,500	W102H	08
STATE CALDWELL 57-T2-35X26 SA	200		0	

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS: This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.

Lateral: TH1
Penetration Point Location
Lease Lines: 100.0 F S L
990.0 F W L
Terminus Location
Lease Lines: 50.0 F N L
986.0 F W L
Survey Lines: 50.0 F N L
986.0 F W L

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

PERMIT NUMBER	DATE PERMIT ISSUED OR AMENDED	DISTRICT
837805	Apr 18, 2018	* 08
API NUMBER	FORM W-1 RECEIVED	COUNTY
42-389-36942	Mar 21, 2018	REEVES
TYPE OF OPERATION	WELLBORE PROFILE(S)	ACRES
NEW DRILL	Horizontal	964.59

OPERATOR 068596

BHP BILLITON PET(TXLA OP) CO

1500 POST OAK BLVD
HOUSTON, TX 77056-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No:
(432) 684-5581

LEASE NAME	WELL NUMBER
STATE CALDWELL 57-T2-35X26 SA	W102H
LOCATION	TOTAL DEPTH
2.7 miles SW direction from ORLA	14000

Section, Block and/or Survey
SECTION 35 BLOCK 57 T2 ABSTRACT 635
SURVEY T&P RR CO

DISTANCE TO SURVEY LINES	DISTANCE TO NEAREST LEASE LINE
386 ft. S 637 ft. W	200 ft.
DISTANCE TO LEASE LINES	DISTANCE TO NEAREST WELL ON LEASE
386 ft. S 637 ft. W	See FIELD(s) Below

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

FIELD NAME / LEASE NAME	ACRES / NEAREST LEASE	DEPTH	WELL # / NEAREST WE	DIST

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.

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

The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

SWR #13 Formation Data

REEVES (389) County

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

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

9.4.15

Railroad Commission of Texas

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

CONDITIONS AND INSTRUCTIONS

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

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

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

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

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

Before Drilling

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

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

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

***NOTIFICATION**

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

During Drilling

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

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

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

Completion and Plugging Reports

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

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

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

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

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

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

PHONE
(512) 463-6751

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

GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date Issued:	04 April 2018	**GAU Number:**	192088

Attention:	BHP BILLITON PET(TXLA OP) 1500 POST OAK BLVD HOUSTON, TX 77056	**API Number:**	
		County:	REEVES
		Lease Name:	STATE CALDWELL 57-T2-
		Lease Number:	
Operator No.:	068596	**Well Number:**	W102H
		Total Vertical Depth:	14000
		Latitude:	31.797001
		Longitude:	-103.940065
		Datum:	NAD27

Purpose: New Drill

Location: Survey-T&P RR CO; Abstract-635; Block-57; Township-2; Section-35

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Railroad Commission of Texas recommends:

The interval from the land surface to the base of the Rustler, which is estimated to occur at a depth between 900 and 1000 feet, must be protected.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

This determination is based on information provided when the application was submitted on 03/28/2018. If the location information has changed, you must contact the Groundwater Advisory Unit, and submit a new application if necessary. If you have questions, please contact us at 512-463-2741 or gau@rrc.texas.gov.

Groundwater Advisory Unit, Oil and Gas Division

STATS

CHRISTI CRADDICK, CHAIRMAN
DAVID PORTER, COMMISSIONER
RYAN SITTON, COMMISSIONER

LORI WROTENBERY
DIRECTOR, OIL AND GAS DIVISION
D. CRAIG PEARSON, PH.D.
DISTRICT DIRECTOR

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

MINOR PERMIT TO TREAT DOMESTIC WASTEWATER

Permit No. MPGW-A18-0752-D08
Permit Effective **3/21/2018**

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD, STE. 150
HOUSTON, TX 77056

Based on information contained in the original application received March 21, 2018, and additional information received to date, you are hereby authorized to treat, recycle, and reuse domestic wastewater as described herein:

Phantom (Wolfcamp), **State Caldwell 57-T2-35X26 Sa**
W102H, Drilling Permit #837805
Latitude, Longitude: 31.797127° & -103.940538°
Reeves County, Texas
RRC District 08, Midland

This minor permit grants authority to store, handle, treat, recycle, and reuse certain non-hazardous domestic wastewater in accordance with 16 Texas Administrative Code (TAC) §3.8 (Statewide Rule 8) and the following conditions:

1. The effective date of this permit is **3/21/2018**, and the authority granted by this permit expires on **7/21/2018**.
2. This permit authorizes the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites for use down-hole and/or for dust suppression and controlled irrigation purposes as specified in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached to and incorporated into this permit as **Permit Appendix A**. Treatment and reuse of the waste streams is granted for use at the above referenced location(s).
3. This permit does not authorize the discharge of any domestic wastewater or waste streams generated from mobile drinking water treatment systems into any watercourses or drainage ways, including any drainage ditch, dry creek, flowing creek, river, or any other body of surface water.

01.41.5

4. Residual solids accumulated during the treatment process must be removed and transported by a Texas Commission on Environmental Quality (TCEQ) registered sludge transporter to a TCEQ permitted disposal facility approved to receive and manage domestic sewage prior to treatment system relocation.
5. Unless otherwise required by conditions of this permit, operation of the treatment system(s) and reuse of the treated waste streams must be in accordance with the information represented in the permit application and information contained in the "APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES" (Domestic Wastewater Application Worksheet), which is attached to and incorporated into this permit as **Permit Appendix B**.
6. A waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes.
7. If treated domestic wastewater and mobile drinking water treatment system wastewater are commingled, the more stringent requirements will apply, unless otherwise indicated.
8. If treated domestic wastewater or wastewater from mobile drinking water treatment systems is stored for greater than seven days, a chlorine residual between 2 and 3 part per million (ppm) must be maintained.
9. For treated domestic wastewater, no more than 5,000 gallons per day of pre-treated domestic wastewater may be received and processed.
10. The treated domestic wastewater and drinking water treatment system wastewater must be analyzed as indicated for the Parameters listed in the "SAMPLING CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**. All samples shall be representative of the respective waste streams. All sample acquisition, preservation, and analysis must be performed according to procedures specified in Title 40 of the Code of Federal Regulations (40 CFR) Part 136. The procedures used to preserve the samples and analytical methods used shall be reported.
11. All chemical laboratory analyses required to be performed in accordance with this permit must be performed using appropriate Environmental Protection Agency (EPA) methods or Standard Methods by an independent National Environmental Laboratory Accreditation Program (NELAP) certified laboratory neither owned nor operated by the permittee. Any sample collected for laboratory analysis must be collected and preserved in a manner appropriate for that analytical method as specified by 40 CFR, Part 136. All geotechnical testing is to be performed utilizing tests standardized by the American Society for Testing and Materials (ASTM) and certified by a Texas registered Professional Engineer.
12. Safety Data Sheets (SDS) must be submitted to Technical Permitting in Austin for any chemical or accelerator proposed to be used in the treatment of waste at the facility that was not identified in the initial application. Storage of the chemicals must be in accordance with the manufacturers' specifications and must be maintained in a leak free condition.

13. Prior to recycling and reuse, the treated domestic wastewater must be stored in the 20-mil high density polyethylene (HDPE) on-site reserve pit with a permeability less than or equal to 1 x 10^{-7} cm/s. Earthen berms must be constructed around the pit and must be compacted or constructed of material that meets 95% standard Proctor (ASTM D-698) or 90-92% modified Proctor (ASTM D-1557) density. The berm shall be constructed to a height of at least two feet and shall maintain a slope no steeper than a one to three (vertical to horizontal) ratio, unless constructed of concrete or equivalent material (firewalls). These structures must be used to divert non-contact storm water around the waste management areas and contain and isolate storm water within the waste management units.
14. Upon completion of the project, a report detailing all relevant activities for the duration of the permit must be submitted including:
    a. The total number of days domestic wastewater and/or mobile drinking water treatment system wastewater is reused or applied after treatment.
    b. The total volume of each type of waste received for treatment.
    c. The total volume of treated effluent for each type of reuse method (down-hole, controlled irrigation, dust suppression).
    d. A table of the water treatment analytical results, sampling dates, corresponding analytical reports, and chain of custody for the Parameters required to be analyzed in the "SAMPLE CRITERIA FOR WASTE STREAMS" document which is attached as **Permit Appendix A**.
15. All reports must be certified as follows: "I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my direct supervision and direction, and that data and facts stated therein are true and complete to the best of my knowledge."
16. Water treatment vessels and equipment must be maintained in good operating condition for the duration of the permit.
17. Any changes affecting this permit must be reported to Technical Permitting in Austin or the appropriate District Office in order for the Railroad Commission of Texas (RRC) to determine whether a permit amendment is necessary.
18. This permit may be considered for administrative renewal upon review by the RRC. Submit any request for renewal at least 30 days prior to this permit's expiration date.
19. Failure to comply with any condition of this minor permit shall be cause for modification, suspension, termination, or cancellation of this minor permit if Technical Permitting determines that the permittee is in violation RRC rules.

This authorization is granted subject to review and cancellation should investigation show that such authorization is being abused.

STATS

APPROVED AND ISSUED ON **MARCH 21, 2018.**

Craig Pearson, PhD
District Director
Midland District Office

Attachments: Permit Appendices A and B

CC: RRC – District 08/ Midland
RRC – Environmental Permits and Support, Austin

STATS

PERMIT APPENDIX A

Sampling Criteria for Waste Streams

Permit No. MPGW-A18-0752-D08

21.41.5

SAMPLING CRITERIA FOR WASTE STREAMS

The RRC has jurisdiction over the on-site treatment and management of domestic wastewater generated at oil and gas drill sites and waste streams generated from mobile drinking water treatment systems located at and resulting from use exclusively at well sites. The term domestic wastewater means wastewater that originates primarily from kitchen, bathroom, and laundry sources, including wastes from food preparation, dishwashing, garbage grinding, toilets, baths, showers, and sinks of a residential dwelling. The term "mobile drinking water treatment system wastewater" means wastewater generated from the treatment of groundwater for drinking water purposes, including reverse osmosis reject water. The following analyses are required for each specific end use of the treated wastewater:

TOTAL ESTIMATED VOLUME

The estimated daily volume of the treated and recycled waste stream from all sources is presented below. The total volume of the influent source of domestic wastewater must be less than 5,000 gallons per day.

Waste Stream	Reuse Method	Estimated Volume (GPD)
Treated Domestic Wastewater (< 5,000 GPD)	Down-hole	4,800
	Dust Suppression	0
	Controlled Irrigation	0
Mobile Drinking Water Treatment System Wastewater	Down-hole	800
	Dust Suppression	0
	Controlled Irrigation	

MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER

Mobile drinking water treatment system wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes. No permit or testing criteria is required for reuse of mobile drinking water treatment system wastewater for down-hole recycling purposes.

- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted once per site location for the Parameters below:

PARAMETER	LIMITATION
Total Dissolved Solids (TDS) *Standard Method 2540 or equivalent*	Report mg/l
pH *EPA Method 9045 or equivalent*	Report SU
Electrical Conductivity (EC)	Report mmhos/cm

9.1.5

TREATED DOMESTIC WASTEWATER

Treated domestic wastewater can be recycled and reused for either down-hole purposes or dust suppression and/or controlled irrigation purposes; however, a waiver from the surface owner or proof that notice has been provided to the surface owner at least ten (10) days prior to reuse is required for any recycling of domestic wastewater other than for down-hole purposes. Each specific end use requires different testing requirements as described below.

- **Down-hole purposes:** Quality assurance sampling and analysis of the treated effluent utilized for down-hole purposes must be conducted every fourteen (14) days for the Parameters below.

PARAMETER	LIMITATION
Biological Oxygen Demand (BOD_5) / ($CBOD_5$) *	≤ 80 milligrams per liter (mg/l)
Escherichia coli (E-Coli)	≤ 800 CFU/100 milliliters (ml)
Chlorine Residual (> 7 day storage) *EPA Method 334.0 or equivalent*	2 - 3 mg/l
pH *EPA Method 9045C or equivalent field method*	6.0 - 9.0 Standard Units (SU)

- **Dust suppression and/or controlled irrigation purposes:** Quality assurance sampling and analysis of the treated effluent utilized for dust suppression and/or controlled irrigation purposes must be conducted every seven (7) days for the Parameters below.

PARAMETER	LIMITATION
Biological Oxygen Demand (BOD_5) / ($CBOD_5$) *	≤ 65 mg/l
E-Coli for "Dust Suppression"	≤ 200 CFU/100 ml
E-Coli for "Controlled Irrigation"	≤ 75 CFU/100 ml
Oil and Grease *EPA Method 1664*	≤ 30 mg/l
Total Chlorides *or site-specific background for surficial aquifer*	≤ 1,500 mg/l
Chlorine Residual (> 7 day storage) *EPA Method 334.0 or equivalent*	2 - 3 mg/l
pH *EPA Method 9045C or equivalent field method*	6.0 - 9.0 SU

* Carbonaceous Biological/Biochemical Oxygen Demand ($CBOD_5$) may be substituted for BOD_5

PERMIT APPENDIX B

Domestic Wastewater Application Worksheet

APPLICATION FOR BENEFICIAL RECYCLING OF TREATED DOMESTIC WASTEWATER AND MOBILE DRINKING WATER TREATMENT SYSTEM WASTEWATER AT DRILL SITES

Worksheet

OPERATOR NAME (as shown on P-5, Organization Report) BHP BILLITON PET (TXLA OP) CO			OPERATOR P-5 NUMBER 068596
OPERATOR ADDRESS (including city, state, and zip code) 1500 POST OAK BLVD STE 150 HOUSTON, TX 77056			TYPE OF FACILITY DRILL PAD
RRC DISTRICT NO. 08	COUNTY REEVES	FIELD NAME PHANTOM (WOLFCAMP)	LEASE NAME AND NUMBER STATE CALDWELL 57-T2-35X26 SA
WELL NUMBER AND DRILLING PERMIT NUMBER W102H DP#837805		LATITUDE/LONGITUDE (Decimal Degrees) 31.797127 / -103.940538	

NAME OF CONTRACTOR PROVIDING THE TREATMENT SERVICES
Water Fleet LLC

DESCRIPTION OF THE WASTE STREAM AND ESTIMATED VOLUME OF WASTE RECEIVED (gallons per day, GPD)

[X] Domestic Wastewater (DW) Volume of DW (GPD): 4800

[X] Mobile Drinking Water Treatment System Wastewater (MDW) Volume of MDW (GPD): 800

STORAGE METHOD OF WASTEWATER BEFORE RECYCLING [X] Lined Pit [ ] Above-Ground Tank

Provide details for pits (liner material, liner thickness, manufacturers' specifications, pit capacity, berms, etc.) and/or tanks (tank material, tank volume, tank pad, berms, etc.)

DW and MDW are both going to the lined reserve pit on site.
Liner thickness 20ML
Pit Capacity: 10,000 bbls total (5k liquid/5k solid)
Berm: 5'

RE-USE METHOD OF WASTEWATER AFTER TREATMENT	ESTIMATED TREATED EFFLUENT VOLUME (GPD)
[X] Down-hole Application	Down-hole: 4800
[ ] Controlled Irrigation [ ] Dust Suppressant	Surface Application: n/a

PRECAUTIONS TAKEN TO MINIMIZE EXPOSURE TO THE WASTE
Waste stream is piped to the reserve pit and discharged in a manner to prevent contact with personnel.

ADDITIONAL OR COMPLIMENTARY TECHNICAL INFORMATION

Please add an additional 120 days onto permit as spud date might change.

PROOF OF LANDOWNER NOTICE (required for wastewater re-use as controlled irrigation or dust suppressant)

[ ] Attached [ ] Not Attached

"I certify that I am authorized to make this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated herein are true, correct, and complete to the best of my knowledge."

Signature: Vail, Nicole Digitally signed by Vail, Nicole DN: cn=Vail, Nicole, o=BHP Billiton Group Operations Pty Ltd, ou=MULTI-ALLOWED Date: 2018.05.21 13:11:28 -05'00'

Name (print or type): Nicole Vail Email: nicole.vail@bhp.com

* Attachments may be used to explain or clarify any additional information

4141.5

ROCKWATER
ENERGY SOLUTIONS

SuperScrim ™ HX Scrim-Reinforced LLDPE
Smooth Product Specifications

Properties	Test Method	Frequency	Minimum Average Values	
			12 Mil	20 Mil
Thickness* **(mil)**	ASTM D5199	Every Roll	10	17
Color [1]			GB/,B/B	GB/,B/B
Reinforcing Scrim Type			1000 Denier PET	1000 Denier PET
Tensile Properties				
Max Strength MD [2], ppi	ASTM D7004	30,000 ibs.	100 (445)	114 (507)
Max Strength TD [3], ppi			100 (445)	114 (507)
Tensile Properties				
Max Strength MD [2], ppi			64	74
Max Strength TD [3], ppi			64	74
Elongation at Max Strength MD [2] (%)	ASTM D7003	30,000 lbs.	20	20
Elongation at Max Strength TD [3] (%)			20	20
Elongation at Film Break MD [2] (%)			550	550
Elongation at Film Break TD [3] (%)			550	550
Tear Resistance				
Tear Strength MD [2] (lbs.) (N)	ASTM D5884	30,000 lbs.	40 (178)	53 (236)
Tear Strength TD [3] (lbs.) (N)			40 (178)	53 (236)
CBR Puncture Resistance , (lbs.)	ASTM D6241	30,000 lbs.	290 (1,290)	360 (1,601)
Water Vapor Transmission				
WVTR, G/M^2/day	ASTM E 96, Procedure A		0.35	0.16
Metric Perms, g/Pa-Hr-m^2			1.2×10^{-5}	5.0×10^{-6}
Maximum Use Temperature, °F (°C)			180 (82)	180 (82)
Manimum Use Temperature, °F (°C)			-70 (-57)	-70 (-57)
Standard Roll Dimensions				
Roll Length [2], ft			4,000	2,550
Roll Length [2], ft			11.8	11.8
Roll Area, ft^2			47,200	30,090

[1] G/B = Grey/Black, B/B = Black/Black

[2] Machine Direction

[3] Transverse Direction

* Material is also available in Custom Ticknessess up to 60 mil

STATS

API No. 42-389-36942

Drilling Permit # 837805

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No.	2. Operator's Name (as shown on form P-5, Organization Report)	3. Operator Address (include street, city, state, zip):
068596	BHP BILLITON PET(TXLA OP) CO	1500 POST OAK BLVD HOUSTON, TX 77056-0000

4. Lease Name	5. Well No.
STATE CALDWELL 57-T2-35X26 SA	W102H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [ ] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth	9. Do you have the right to develop the minerals under any right-of-way ?	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?
14000	[ ] Yes [X] No	[X] Yes [ ] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No.	12. County	13. Surface Location
08	REEVES	[X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 2.7 miles in a SW direction from ORLA which is the nearest town in the county of the well site.

15. Section	16. Block	17. Survey	18. Abstract No.	19. Distance to nearest lease line:	20. Number of contiguous acres in lease, pooled unit, or unitized tract:
35	57 T2	T&P RR CO	A-635	200 ft.	964.59

21. Lease Perpendiculars: 386 ft from the S line and 637 ft from the W line.

22. Survey Perpendiculars: 386 ft from the S line and 637 ft from the W line.

23. Is this a pooled unit?	24. Unitization Docket No:	25. Are you applying for Substandard Acreage Field?
[ ] Yes [X] No		[ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION **List all fields of anticipated completion including Wildcat. List one zone per line.**

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	71052900	PHANTOM (WOLFCAMP)	Oil or Gas Well	12500	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

See W1 Comments attached

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Nicole Vail, Regulatory Specialist — Name of filer

Mar 21, 2018 — Date submitted

(713)499-5391 — Phone

nicole.vail@bhpbilliton.com — E-mail Address (OPTIONAL)

RRC Use Only Data Validation Time Stamp: Apr 19, 2018 8:32 AM(Current Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

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

Permit # 837805

Approved Date: Apr 18, 2018

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
068596	BHP BILLITON PET(TXLA OP) CO	STATE CALDWELL 57-T2-35X26 SA	W102H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
35	57 T2	T&P RR CO	635	REEVES

11. Terminus Lease Line Perpendiculars
50 ft. from the N line. and 986 ft. from the W line

12. Terminus Survey Line Perpendiculars
50 ft. from the N line. and 986 ft. from the W line

13. Penetration Point Lease Line Perpendiculars
100 ft. from the S line. and 990 ft. from the W line

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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

W-1 Comments

Permit # 837805

Approved Date: Apr 18, 2018

[Mar 21, 2018 9:05 AM]: 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.; [RRC STAFF Mar 22, 2018 3:28 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 12, 2018 10:36 AM]: Problems identified with this permit are resolved. Signed P16 has been uploaded.; [RRC STAFF Apr 12, 2018 10:42 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 18, 2018 2:00 PM]: Problems identified with this permit are resolved.; [RRC STAFF Apr 18, 2018 2:00 PM]: Nicole Vail sent revised p-16.

1000 Ledgelawn Dr.
Conway, Arkansas 72034

Crafton Tull
surveying

501.328.3316 f 501.328.3325 f
www.craftontull.com

REEVES COUNTY, TEXAS

S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE CALDWELL 57-T2-35X26 SA W102H	2,995.77'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 45°47'23" W, 2.7 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 635.
B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 2061.

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°51'28.52" @ S.H.L.

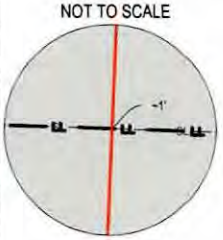
LEGEND

- LEASE LINE
- PROPOSED WELL PATH
- NEAREST PROPOSED WELL PATH
- SL — SURVEY / SECTION LINE
- S.H.L. — SURFACE HOLE LOCATION
- P.O.P. — POINT OF PENETRATION
- F.T.P. — FIRST TAKE POINT
- T.P. — TURNING POINT
- L.T.P. — LAST TAKE POINT
- B.H.L. — BOTTOM HOLE LOCATION

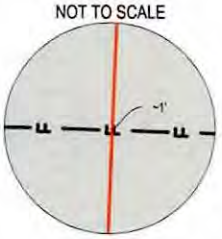
WELL PATH DATA

REF.	SECTION LINE CALLS (±)	LEASE LINE CALLS (±)
S.H.L.	386' FSL, 637' FWL (S.35)	386' FSL, 637' FWL
P.O.P.	100' FSL, 990' FWL (S.35)	100' FSL, 990' FWL
F.T.P.	200' FSL, 990' FWL (S.35)	200' FSL, 990' FWL
L.T.P.	200' FNL, 987' FWL (S.26)	200' FNL, 987' FWL
B.H.L.	50' FNL, 986' FWL (S.26)	50' FNL, 986' FWL

INSET "A"
NOT TO SCALE

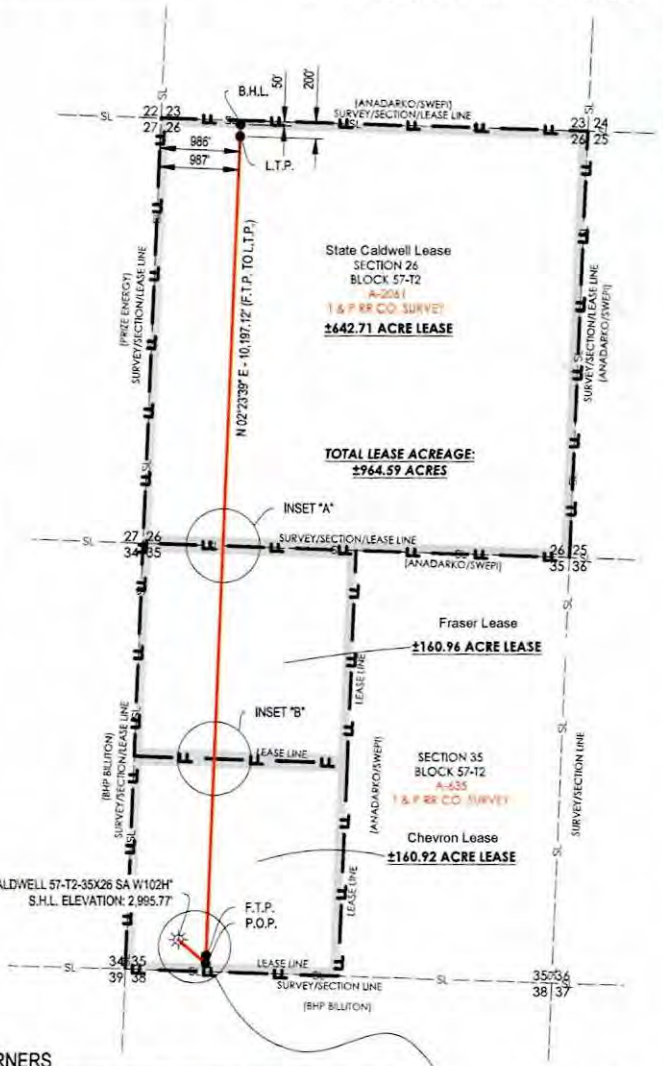


INSET "B"
NOT TO SCALE



2/15/2018

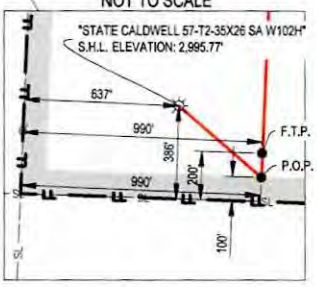
CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (501)437-1313
1000 Ledgelawn Dr.
Conway, AR 72034



LEASE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986) STATE PLANE TEXAS CENTRAL (4277)	NAD83 (1986) GEOGRAPHIC (4269)	NAD27 STATE PLANE TEXAS CENTRAL (32039)	NAD27 GEOGRAPHIC (4267)
NE CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10645608.33 E = 1181136.87	LAT: 31.82523737° N LONG: 103.92524244° W	N = 603030.82 E = 884675.44	LAT: 31.82511120° N LONG: 103.92476876° W
SE CORNER 57-T2-26	1" PIPE W/ CAP	N = 10640307.03 E = 1180911.30	LAT: 31.81065229° N LONG: 103.92541724° W	N = 797729.67 E = 884449.78	LAT: 31.81052606° N LONG: 103.92494396° W
S/4 CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10640391.80 E = 1178268.26	LAT: 31.81065036° N LONG: 103.93392984° W	N = 797814.46 E = 881806.78	LAT: 31.81052420° N LONG: 103.93345623° W
SW CORNER 57-T2-26	1" PIPE W/ CAP	N = 10640476.62 E = 1175625.47	LAT: 31.81064803° N LONG: 103.94244162° W	N = 797899.29 E = 879164.04	LAT: 31.81052193° N LONG: 103.94196767° W
NW CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10645761.31 E = 1175849.99	LAT: 31.82518738° N LONG: 103.94227104° W	N = 803183.82 E = 879388.66	LAT: 31.82506133° N LONG: 103.94179668° W
SE CORNER NW/4 57-T2-35	CALCULATED CORNER	N = 10637742.09 E = 1178156.75	LAT: 31.80336049° N LONG: 103.93401257° W	N = 795164.83 E = 881695.22	LAT: 31.80323430° N LONG: 103.93353916° W
W/4 CORNER 57-T2-35	CALCULATED CORNER	N = 10637826.49 E = 1175514.66	LAT: 31.80335705° N LONG: 103.94252140° W	N = 795249.24 E = 879053.18	LAT: 31.80323093° N LONG: 103.94204765° W
SE CORNER SW/4 57-T2-35	1/2" REBAR W/ CAP	N = 10635092.36 E = 1178045.11	LAT: 31.79607052° N LONG: 103.93409570° W	N = 792515.17 E = 881583.53	LAT: 31.79594430° N LONG: 103.93362249° W
SW CORNER 57-T2-35	1" IRON ROD	N = 10635176.36 E = 1175403.85	LAT: 31.79606605° N LONG: 103.94260117° W	N = 792599.18 E = 878942.32	LAT: 31.79593991° N LONG: 103.94212762° W

NOT TO SCALE



WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83) (Y)	EASTING (NAD 83) (X)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27) (Y)	EASTING (NAD 27) (X)
S.H.L.	31.79712745° N	103.94053892° W	10635541.49	1176056.76	31.79700129° N	103.94006542° W	31° 47' 49.205" N	103° 56' 24.236" W	792964.30	879595.23
P.O.P.	31.79634268° N	103.93941157° W	10635244.80	1176397.58	31.79621651° N	103.93893814° W	31° 47' 46.379" N	103° 56' 20.177" W	792667.62	879936.03
F.T.P.	31.79661758° N	103.93940856° W	10635344.72	1176401.76	31.79649141° N	103.93893512° W	31° 47' 47.369" N	103° 56' 20.166" W	792767.54	879940.21
L.T.P.	31.82464707° N	103.93910086° W	10645532.94	1176827.75	31.82452101° N	103.93862667° W	31° 49' 28.276" N	103° 56' 19.056" W	802955.45	880366.40
B.H.L.	31.82505942° N	103.93909635° W	10645682.82	1176834.02	31.82493335° N	103.93862213° W	31° 49' 29.760" N	103° 56' 19.040" W	803105.32	880372.67

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	S 48°57'36" E	451.66'
P.O.P. TO F.T.P.	N 02°23'39" E	100.01'
F.T.P. TO L.T.P.	N 02°23'39" E	10,197.12'
L.T.P. TO B.H.L.	N 02°23'39" E	150.01'

GRAPHIC SCALE IN FEET

1500' 750' 0 1500'

GENERAL NOTES:
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.99983707 @ S.H.L.

REVISION	
1	PRELIMINARY PLAT 1/31/18
2	FINAL PLAT 2/15/18

BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-35X26 SA W102H (MWN 834320)
S.H.L. IN T & P RR CO. SURVEY, A-635, B.H.L. IN T & P RR CO. SURVEY, A-2061
REEVES COUNTY, TEXAS
FINAL PERMIT PLAT

SCALE: 1" = 1500	CHECKED BY: MN	APPROVED BY: M.FREY	
PLOT DATE: 02/15/2018	DRAWN BY: CDM	SHEET NO.: 1 OF 1	

G:\852-7 (WELL PADS)\852-7517_STATE_CALDWELL_57-T2-35-26_PAD_A\STATE CALDWELL 57-T2-35X26 SA TH_WPP_PLATS.DWG 2/15/2018 1:22:34 PM CT1215

90

File No. MF035430

Reeves County

Drilling Permit API 389-36942

Date Filed: 6/25/18

George P. Bush, Commissioner

By: JM

MF035430
PNut 9783

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

Division Order Instruction Sheet

We are pleased to deliver this Division Order which sets forth your share of production proceeds from the well indicated thereon and the name and address to which payments will be made. Please return one fully executed copy and retain the other copy for your records. Your Division Order contains information that will aid in your communication with BHP. When contacting us about any questions regarding your interest or Division Order, please have the Division Order in hand as it contains identifying information that will assist us in answering your questions.

WE ARE NOT ABLE TO ACCEPT ANY ALTERATIONS TO THIS DIVISION ORDER FORM.

SIGNATURES:

- Sign exactly as shown on the Division Order. If your signature is different, please enclose legal documentation authorizing the name change with your returned Division Order.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching a copy of the recorded legal evidence of the rights vested in the signing party.
- In the event of multiple trustees/executors, all signatures are required unless documentation is provided evidencing authority to sign on behalf of all parties.
- An authorized official, with the name and title of the signing party printed beneath the signature, must execute for companies, corporations, or partnerships.
- All signatures must be witnessed. Notary is not required.

TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

Include your Tax ID or Social Security Number in the space provided on your Division Order. Failure to furnish this number will result in 24% tax withholding in accordance with Section 3406 of the Internal Revenue Service Code, and any tax withheld will not be refundable by BHP.

ADDRESS & TITLE CHANGES:

- Please note any change of address directly on your Division Order
- Subsequent address changes must be submitted in writing either by mail, fax or email (a change of address form can be found at http://www.bhpbilliton.com/investor-centre/owner-relations).
- If a change in title occurs, please furnish us with a copy of the recorded deed or document transferring the title.

PAYMENTS: Royalty check payments are mailed on or before the 30th of each month. Our policy is to remit checks monthly when your account reaches $100, or once a year, whichever occurs first. We can reduce the minimum hold on your account from $100 to $25 upon written request.

PRIVACY: BHP respects the privacy of our owners. Please remember we are unable to release information to third parties on any ownership account without prior written authorization from the owner unless legally required. In order for us to discuss your lease, agreement, and/or royalty information with your appointed representative, we must be furnished with your written authorization.

CONTACT US: The following information will assist us in serving you: (1) name & owner number (2) county and state where well is located (3) well name and property number (4) telephone number with area code (5) nature of your inquiry

Owner Relations Call Center
Phone Number: 1-877-311-1443
Fax: 1-888-484-3189
E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP
Land Administration
P O Box 22719
Houston, TX 77227-9927

61.8 .1

SEE EXHIBIT A FOR LIST OF PROPERTY(IES) AND DECIMAL INTEREST(S) COVERED

The undersigned severally and not jointly certifies that it is the legal owner of the interest set out herein of all products produced from the property described herein:

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement and may not be altered as to its terms:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out herein. The payor shall pay all parties at the price agreed to by the operator for products to be sold pursuant to this Division Order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check or electronic funds transfer, based on this division of interest, for products run during the preceding calendar month from the property listed herein, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until 12 months of proceeds accumulate, whichever occurs first. However, the payor may hold accumulated proceeds of less than $10 until production ceases or the payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed.
In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.
No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs.
Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor.
Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.
In addition to the legal rights provided by the terms and provisions of this Division Order, an owner and payor may have certain statutory rights under the laws of this State.

MFD35430
9Nut 9783

EXHIBIT A

Date: 1/2/2019

BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

CREDIT TO
Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Special Clauses/Comments:

Issue Date:	1/2/2019
Property Name:	STATE CALDWELL 57-T2-35X26 SA W102H
Property #:	P1M436 389-36942
Production:	ALL PRODUCTS
Operator:	BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description:	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 635 Grantee T. & P.R.R.CO. Twsp T2 Blk 57 Sec 35 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date	Legal Description	File Suffix	Section Allocation(%)
0.03250625	RI	PAY		10/1/2018	T&P RR CO ABST/ID# 2061 Grantee J.U. DEVANEY Twsp T2 Blk 57 Sec 26	00501	52.010000

PLEASE KEEP THIS COPY FOR YOUR RECORDS
HANNS - 51111(P1M436_NotAmended)

61.8 .1

DIVISION ORDER

Date: 1/2/2019

Special Clauses/Comments:

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: XXXXXX - [redacted]N)

Day Time Phone Number: 800-998-4456

E-Mail Address: _____

Owners Mailing Address: 1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Witness: _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 24% tax withholding and will not be refundable by Payor.

DIVO 51111 80113945

PLEASE SIGN AND RETURN THIS COPY
HANNS - 51111(P1M436_NotAmended)

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT

The undersigned, hereinafter called "Owner", is representing that he / she is the owner of an oil, gas and / or mineral interest that is currently paid by BHP Billiton Petroleum (Fayetteville) LLC (BHPB) / Petrohawk Energy Corporation (PEC). Owner is now authorizing BHPB / PEC to make direct deposit (EFT) payments for his / her owned interest to the financial institution and owner account as designated below.

Owner agrees that electing to participate in EFT payments will not amend any lease agreements between BHPB / PEC and Owner. This agreement simply allows for EFT payments in lieu of paper royalty check payments.

Owner acknowledges they will no longer receive physical Check Stub Details via the United States Postal Service (USPS). Check Stub Details are available online to all owners via the PDS Energy website (https://secure.pds-austin.com/bhp/login.asp). Please visit this site and click on "Register Now" to create your User Name and Password for login purposes.

Owner agrees to give at least sixty (60) days advance written notice of any change in the payment instructions shown below. Owner agrees that any changes to their mailing address will continue to be submitted in writing.

Owner agrees that BHPB and/or PEC will not be held liable for any interest or other claim arising as the result of Owner's failure to provide written notice of any payment instruction changes. Owner also releases and agrees to indemnify and hold BHPB / PEC harmless for any loss, claim, damage, or interest incurred as the result of Owner's depository institution's failure to properly or promptly post any EFT payment and / or as a result of any error or omission in the payment instructions provided by or on behalf of Owner.

Name of Owner:	STATE OF TEXAS GLO
Owner Number on BHPB / PEC Issued Check:	80113945
Street Address or P.O. Box:	
City, State, & Zip Code:	
Daytime Phone Number (Including Area Code):	
Email Address:	

Depository Institution:	
Depository Institution Routing Number (9 Digits):	
Name on Account:	
Account Number:	
Account Type (circle one):	o CHECKING o SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	XXXXXX [redacted]IN)
Date:	

Please initial below if you would like the address on your account to be updated to the address reflected above. Please note this is where all future correspondence sent by BHPB & PEC will be sent unless otherwise noted.
Owner Initials: _____

Owner understands and agrees that BHPB and/or PEC will have up to sixty (60) days after receipt of the authorization form to process the EFT request and payments will be deferred until accruals reach $100 or annually, whichever comes first. **Owner Initials**: _____

Owner acknowledges they will no longer receive physical Check Stub Details via the USPS. Check Stub Details are available online to all owners via the PDS Energy website. **Owner Initials:** _____

PLEASE ENCLOSE A BLANK VOIDED CHECK FOR THE ACCOUNT TO WHICH PAYMENTS WILL BE DEPOSITED.

EFT 51111 80113945

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

March 27, 2019

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P.O. BOX 22719
Houston, TX 77227-9927

Re: State Lease No. MF035430 State Caldwell 57-T2-35X26 SA W102H iNut 9783

Dear Mr. Brown:

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

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

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

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

Thank you,

Vivian Zamora

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

91.

File No. MF035430

Reeves County

Division Order

Date Filed: 3-28-19

George P. Bush, Commissioner

By VB

Information for processing an Internal Non Unit Transaction (iNut)

Length of Lateral

iNut No. 9783

GENERAL INFORMATION

Name of Well: State Caldwell 57-T2-35X26 (SA) W102H API # 42-389-36942

Name of Operator: BHP Billiton Pet (TXLA OP) Co. RRC # 837805

Operator Contact Person: Stacey Gregg Phone: 877-311-1443

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 Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
RAL	MF035430	9700	5045	0.06250000	0.06250000	0.52010309	0.03250644
Totals:							**0.03250644**
Effective Date: 06/01/2018							**State Net Royalty Revenue in Well**

Name of Production Sharing Agreement, if any:

Comments:

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: _____ Alamo updated by: _____ WI updated by: _____

RAM approval by: _____ GIS updated by: _____

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU190001

Unit Number	*9783*		
Operator Name	*BHP Billiton Petroleum (TXLA Operating) Company*	*Effective Date*	*06/01/2018*
Customer ID	*C000046383*	*Unitized For*	*Oil And Gas*
Unit Name	*State Caldwell 57-T2-35X26 SA # W102H*	*Unit Term*	
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 0.03250644*		
State Part in Unit	*0.52010309*		
Unit Depth	*Allow All Depths*	*Well*	
From Depth		*Formation*	
To Depth		*Participation Basis*	*Length of Lateral*
		If Excluions Apply: See Remarks	

Old Unit Number *Inactive Status Date*

Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF035430		0.000000	0.000000	0.52010309	O/G	0.06250000	0.03250644	No

API Number
4238936942

Remarks:

Prepared By: _____ *Prepared Date:* _____

GLO Base Updated By: _____ *GLO Base Date:* _____

RAM Approval By: _____ *RAM Approval Date:* _____

GIS By: MC *GIS Date:* 7-18-19

Well Inventory By: _____ *WI Date:* _____

Pooling Committee Report

To: School Land Board

INU190001

Date of Board Meeting:

Unit Number: 9783

Effective Date: 06/01/2018

Unit Expiration Date:

Applicant: BHP Billiton Pet (TXLA OP) Co

Attorney Rep:

Operator: BHP Billiton Petroleum (TXLA OP) Co

Unit Name: State Caldwell 57-T2-35X26 SA # W102H

Field Name: PHANTOM (WOLFCAMP)

County: Reeves

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
RAL	MF035430	0.06250000	02/03/1960	10 years	640.000000	0.000000	0.03250644

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	52.01%
State Net Revenue Interest:	3.25%

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

RRC Rules:	Spacing Acres:
No	

1000 Ledgelawn Dr.
Conway, Arkansas 72034

Crafton Tull
surveying

501.328.3316 f 501.328.3325 f
www.craftontull.com

REEVES COUNTY, TEXAS

S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE CALDWELL 57-T2-35X26 SA W102H	2,995.77'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 45°47'23" W, 2.7 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 635.
B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 2061.

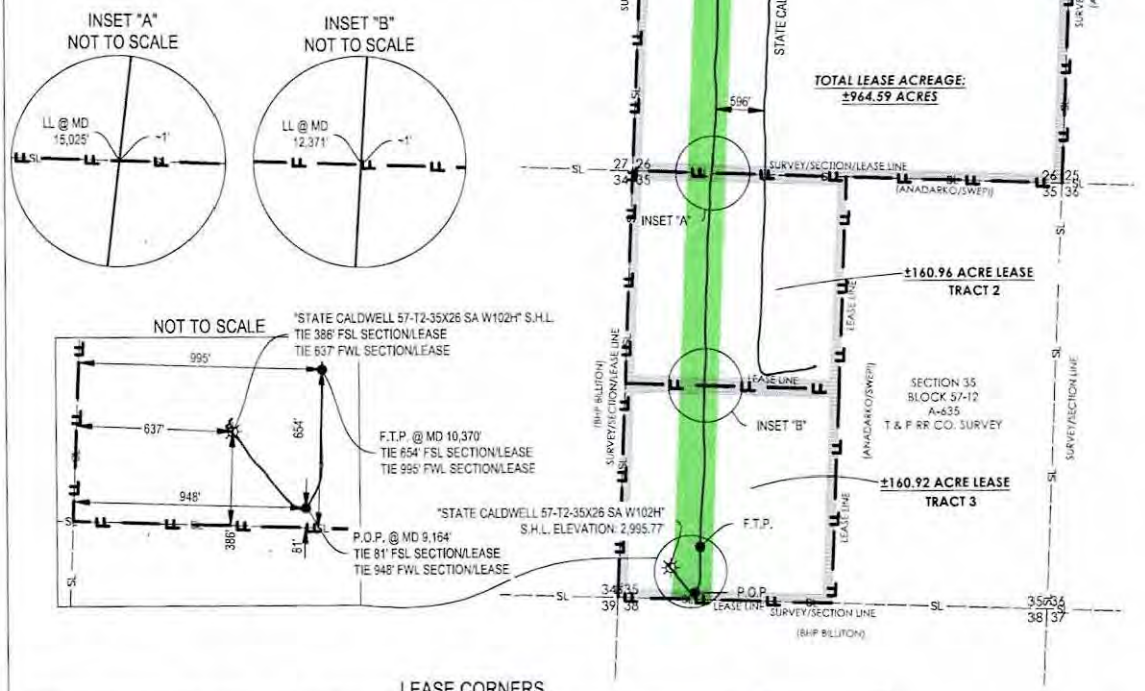
GRID NORTH (NAD 83) TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°51'28.52" @ S.H.L.

LEGEND

- LEASE LINE
- AS-DRILLED WELL PATH
- SL — SURVEY / SECTION LINE
- S.H.L. SURFACE HOLE LOCATION
- P.O.P. POINT OF PENETRATION
- F.T.P. FIRST TAKE POINT
- T.P. TURNING POINT
- L.T.P. LAST TAKE POINT
- B.H.L. BOTTOM HOLE LOCATION

PERFORATION TABLE

TRACT	LATERAL LENGTH	% OF LATERAL LENGTH
1	5,045'	52.01%
2	2,654'	27.36%
3	2,001'	20.63%
TOTAL	9,700'	100%



LEASE CORNERS

LOCATION	DESCRIPTION	NAD83 (1986) STATE PLANE TEXAS CENTRAL (4277)	NAD83 (1986) GEOGRAPHIC (4269)	NAD27 STATE PLANE TEXAS CENTRAL (4267)	NAD27 GEOGRAPHIC (4267)
NE CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10645608.33 E = 1181136.87	LAT: 31.82523737° N LONG: 103.92524244° W	N = 803030.82 E = 884675.44	LAT: 31.82511120° N LONG: 103.92476876° W
SE CORNER 57-T2-26	1" PIPE W/ CAP	N = 10640307.03 E = 1180911.30	LAT: 31.81065229° N LONG: 103.92541724° W	N = 797729.67 E = 884449.78	LAT: 31.81052606° N LONG: 103.92494396° W
S/4 CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10640391.80 E = 1178268.26	LAT: 31.81065036° N LONG: 103.93392964° W	N = 797814.46 E = 881806.78	LAT: 31.81052420° N LONG: 103.93345623° W
SW CORNER 57-T2-26	1" PIPE W/ CAP	N = 10640476.62 E = 1175625.47	LAT: 31.81064803° N LONG: 103.94244162° W	N = 797899.29 E = 879164.04	LAT: 31.81052193° N LONG: 103.94196767° W
NW CORNER 57-T2-26	1/2" REBAR W/ CAP	N = 10645761.31 E = 1175849.99	LAT: 31.82518738° N LONG: 103.94227104° W	N = 803183.82 E = 879388.66	LAT: 31.82506133° N LONG: 103.94179669° W
SE CORNER NW/4 57-T2-35	CALCULATED CORNER	N = 10637742.09 E = 1178156.75	LAT: 31.80336049° N LONG: 103.93401257° W	N = 795164.83 E = 881695.22	LAT: 31.80323430° N LONG: 103.93353916° W
W/4 CORNER 57-T2-35	CALCULATED CORNER	N = 10637826.49 E = 1175514.66	LAT: 31.80335705° N LONG: 103.94252140° W	N = 795249.24 E = 879053.18	LAT: 31.80323093° N LONG: 103.94204765° W
SE CORNER SW/4 57-T2-35	1/2" REBAR W/ CAP	N = 10635092.36 E = 1178045.11	LAT: 31.79607052° N LONG: 103.93409570° W	N = 792515.17 E = 881583.53	LAT: 31.79594430° N LONG: 103.93362249° W
SW CORNER 57-T2-35	1" IRON ROD	N = 10635176.36 E = 1175403.85	LAT: 31.79606605° N LONG: 103.94260117° W	N = 792599.16 E = 878942.32	LAT: 31.79593991° N LONG: 103.94212762° W

CONTACT INFORMATION:
Bradley G. Russell
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

STATE OF TEXAS
REGISTERED
BRADLEY G RUSSELL
6349
PROFESSIONAL
LAND SURVEYOR

12/11/2018

WELL BORE POSITIONS

REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27) (Y)	EASTING (NAD 27) (X)
S.H.L.	31.79712745° N	103.94053892° W	10635541.49	1176056.76	31.79700129° N	103.94006542° W	31° 47' 49.205" N	103° 56' 24.236" W	792964.30	879595.23
P.O.P.	31.79629115° N	103.93954582° W	10635227.42	1176355.28	31.79616498° N	103.93907239° W	31° 47' 46.194" N	103° 56' 20.661" W	792650.24	879893.74
F.T.P.	31.79786461° N	103.93937861° W	10635797.83	1176425.76	31.79773844° N	103.93890514° W	31° 47' 51.858" N	103° 56' 20.058" W	793220.63	879964.22
L.T.P.	31.82450376° N	103.93921602° W	10645481.99	1176790.32	31.82437769° N	103.93874180° W	31° 49' 27.760" N	103° 56' 19.470" W	802904.50	880328.97
B.H.L.	31.82495542° N	103.93929186° W	10645646.97	1176772.10	31.82482936° N	103.93881764° W	31° 49' 29.389" N	103° 56' 19.743" W	803069.48	880310.75

GRAPHIC SCALE IN FEET

1500' 750' 0 1500'

GENERAL NOTES
1. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/ STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE OFFICES OF THE VARIOUS UTILITIES SERVICING THIS AREA SHOULD BE CONTACTED FOR THEIR UTILITY LOCATION.

2. PROJECT COORDINATE SYSTEM: TEXAS STATE PLANE, CENTRAL ZONE, NAD83, U.S. FEET AS DETERMINED BY GPS OBSERVATION. CAF = 0.999934707 @ S.H.L.

REVISION	
1	PRELIMINARY PLAT 7/11/18
2	FINAL PLAT 10/03/18
3	ADDED PERF % 12/11/18

BHP BHP BILLITON PET (TXLA OP) CO

STATE CALDWELL 57-T2-35X26 SA W102H (MWN 834320)
S.H.L. IN T & P RR CO. SURVEY, A-635, B.H.L. IN T & P RR CO. SURVEY, A-2061
REEVES COUNTY, TEXAS
FINAL AS-DRILLED PLAT

SCALE: 1" = 1500' | CHECKED BY: MN | APPROVED BY: SO
PLOT DATE: 12/11/2018 | DRAWN BY: MF | SHEET NO.: 1 OF 1

G:\852-7 (WELL PADS)\8527SV0617_STATE_CALDWELL_57-T2-35X26_PAD_A\STATE CALDWELL 57-T2-35X26 SA 1H_WPP_PLATS.DWG 12/11/2018 9:25:32 AM CT1215

iNut#9783
MF035430
API 42-389-36912

File No. MF 035430

Reeves County

1Nut 9783

Date Filed: 07/17/2019

George P. Bush, Commissioner

By

Texas General Land Office
Reconciliation Billing

George P. Bush, Commissioner

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

BPX Operating Company
Attn: Patty Burg
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 2/24/2021
Billing Due Date: 3/26/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00319	MF035430	$8,576.49	$0.00	$769.61	$560.26	$9,906.36
21I00320	MF035430	$0.00	$2,362.31	$175.00	$136.08	$2,673.39
Total Due		$8,576.49	$2,362.31	$944.61	$696.34	**$12,579.75**

Penalty and interest have been calculated thru 2/28/2021. Payment remitted after 2/28/2021 will result in additional penalty and interest charges.

Jacquet,David (512) 463-5262 or david.jacquet@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing
BPX Operating Company
Billing Date: 2/24/2021
Billing Due Date: 3/26/2021
Customer Number: C000046383

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00319	MF035430	$8,576.49	$0.00	$769.61	$560.26	$9,906.36
21I00320	MF035430	$0.00	$2,362.31	$175.00	$136.08	$2,673.39
Total Due		$8,576.49	$2,362.31	$944.61	$696.34	**$12,579.75**
Amt. Paid						

Customer ID: C000046383
Invoice Number:
GLO Lease: MF035430
GLO Review: BPX OPERATING COMPANY
Review Period: SEP 2019 - AUG 2020

Category Gas
Auditor/AE: DJACQUET
Billing Date: 2/1/2021
P&I Calculation Date: 2/28/2021
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	From Additional Royalty	From Additional Royalty2	Revenue Due
Sep-19	08-276866	6,898	1	$1.46	1	$10,102.21	$631.39	$0.00	$631.39	471	6.50%	$0.00	$46.32	$677.71
Sep-19	08-286614	49,472	1	$1.46	1	$72,451.91	$4,528.24	$0.00	$4,528.24	471	6.50%	$452.82	$332.24	$5,313.30
Oct-19	08-276866	4,218	1	$1.12	1	$4,739.25	$296.20	$0.00	$296.20	441	6.50%	$29.62	$20.15	$345.97
Oct-19	08-282290	531	1	$1.12	1	$596.94	$37.31	$0.00	$37.31	441	6.50%	$0.00	$2.54	$39.85
Oct-19	08-286614	593	1	$1.12	1	$665.85	$41.62	$0.00	$41.62	441	5.75%	$0.00	$2.50	$44.12
Nov-19	08-276866	19,817	1	$1.28	1	$25,518.71	$1,594.92	$0.00	$1,594.92	410	5.75%	$159.49	$88.19	$1,842.60
Nov-19	08-282290	5,342	1	$1.28	1	$6,879.37	$429.96	$0.00	$429.96	410	5.75%	$0.00	$23.77	$453.73
Dec-19	08-276866	3,522	1	$1.25	1	$4,428.30	$276.77	$0.00	$276.77	379	5.75%	$27.68	$13.95	$318.40
Dec-19	08-286614	847	1	$1.25	1	$1,064.38	$66.52	$0.00	$66.52	379	5.75%	$0.00	$3.35	$69.87
Jan-20	08-286614	3,849	1	$0.70	1	$2,694.98	$168.44	$0.00	$168.44	350	5.75%	$25.00	$7.72	$201.16
Feb-20	08-276866	4,458	1	$0.46	1	$2,042.61	$127.66	$0.00	$127.66	319	5.75%	$25.00	$5.23	$157.89
Feb-20	08-282290	1,062	1	$0.46	1	$486.53	$30.41	$0.00	$30.41	319	5.75%	$0.00	$1.25	$31.66
Feb-20	08-286614	5,085	1	$0.46	1	$2,330.08	$145.63	$0.00	$145.63	319	5.75%	$0.00	$5.96	$151.59
Mar-20	08-276866	2,972	1	$0.40	1	$1,209.44	$75.59	$0.00	$75.59	289	5.75%	$25.00	$2.74	$103.33
Mar-20	08-286614	3,197	1	$0.40	1	$1,300.86	$81.30	$0.00	$81.30	289	5.75%	$0.00	$2.95	$84.25
Apr-20	08-286614	2,671	1	$0.27	1	$712.56	$44.53	$0.00	$44.53	258	5.75%	$25.00	$1.40	$70.93
TOTALS		114,534				$137,223.97	$8,576.49	$0.00	$8,576.49			$769.61	$560.26	$9,906.36

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR NON UNIT RRC ID# 08-276866, 08-277467, 08-277583, 08-278251, UNIT 9199 08-262290 & UNIT 9783 08-286614.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC.
COLUMNS (5) & (6) THE PRICES AND BTU FACTORS WERE DETERMINED BY USING THE AVERAGE PRICES AND BTU FACTOR REPORTED ON THE GLO2 REPORTS.
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

ATTN: PATTY BURG
CERTIFIED MAIL: Patty.Burg@bpx.com

Customer ID: C000046383
Invoice Number:
GLO Lease: MF035430
GLO Review: BPX OPERATING COMPANY
Review Period: SEP 2019 Through AUG 2020

Category Oil
Auditor/AE: DJACQUET
Billing Date: 2/1/2021
P&I Calculation Date: 2/28/2021
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-19	08-276866	42	1	$53.13	1	$2,228.91	$139.31	$0.00	$139.31	481	6.50%	$25.00	$10.47	$174.78
Sep-19	08-282290	22	1	$53.13	1	$1,147.84	$71.74	$0.00	$71.74	481	6.50%	$0.00	$5.39	$77.13
Sep-19	08-286614	86	1	$53.13	1	$4,543.92	$283.99	$0.00	$283.99	481	6.50%	$0.00	$21.34	$305.33
Oct-19	08-276866	45	1	$51.91	1	$2,342.32	$146.39	$0.00	$146.39	451	6.50%	$25.00	$10.22	$181.61
Oct-19	08-282290	19	1	$51.91	1	$999.67	$62.48	$0.00	$62.48	451	6.50%	$0.00	$4.36	$66.84
Oct-19	08-286614	48	1	$51.91	1	$2,516.31	$157.27	$0.00	$157.27	451	6.50%	$0.00	$10.98	$168.25
Nov-19	08-276866	35	1	$55.42	1	$1,953.04	$122.06	$0.00	$122.06	420	5.75%	$25.00	$6.94	$154.00
Nov-19	08-282290	8	1	$55.42	1	$429.39	$26.84	$0.00	$26.84	420	5.75%	$0.00	$1.53	$28.37
Nov-19	08-286614	43	1	$55.42	1	$2,408.62	$150.54	$0.00	$150.54	420	5.75%	$0.00	$8.56	$159.10
Dec-19	08-276866	24	1	$58.32	1	$1,408.99	$88.06	$0.00	$88.06	389	5.75%	$25.00	$4.58	$117.64
Dec-19	08-282290	12	1	$58.32	1	$718.27	$44.89	$0.00	$44.89	389	5.75%	$0.00	$2.33	$47.22
Dec-19	08-286614	47	1	$58.32	1	$2,747.31	$171.71	$0.00	$171.71	389	5.75%	$0.00	$8.93	$180.64
Jan-20	08-276866	39	1	$56.21	1	$2,183.19	$136.45	$0.00	$136.45	360	5.75%	$25.00	$6.47	$167.92
Jan-20	08-282290	22	1	$56.21	1	$1,236.14	$77.26	$0.00	$77.26	360	5.75%	$0.00	$3.66	$80.92
Jan-20	08-286614	81	1	$56.21	1	$4,575.73	$285.98	$0.00	$285.98	360	5.75%	$0.00	$13.56	$299.54
Feb-20	08-276866	40	1	$49.02	1	$1,964.54	$122.78	$0.00	$122.78	329	5.75%	$25.00	$5.22	$153.00
Feb-20	08-282290	17	1	$49.02	1	$835.05	$52.19	$0.00	$52.19	329	5.75%	$0.00	$2.22	$54.41
Feb-20	08-286614	63	1	$49.02	1	$3,090.24	$192.51	$0.00	$192.51	329	5.75%	$0.00	$8.19	$200.70
Mar-20	08-286614	17	1	$28.56	1	$477.69	$29.86	$0.00	$29.86	299	5.75%	$25.00	$1.13	$55.99
TOTALS		711				$37,797.16	$2,362.31	$0.00	$2,362.31			$175.00	$136.08	$2,673.39

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR NON UNIT RRC ID# 08-276866, 08-277467, 08-277583, 08-278251, UNIT 9199 08-282290 & UNIT 9783 08-286614.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES UNDER REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC.
COLUMNS (5) & (6) THE PRICES -BASED OFF THE AVERAGE PRICE REPORTED TO THE GLO ON THE GLO1 REPORTS.
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

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

ATTN: PATTY BURG
SENT VIA E-MAIL: Patty.Burg@bpx.com

93

File No. MF035-430

County

Reconciliation Billing

Date Filed: 4/9/2021

George P. Bush, Commissioner

By VD

MEMORANDUM

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

DATE: **September 24, 2024** **PSA# 00673**

TO: **School Land Board**

FROM: **Pooling Committee**

SUBJECT: **Request from Titus Oil & Gas III, LLC to have the State enter into a Production Sharing Agreement for drilling of the Corningstone State 57-2-26 & 35 allocation wells.**

- **Titus Oil & Gas III, LLC** is the operator of State Lease MF035430 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 the Corningstone State 57-2-26 & 35 allocation wells.
- The State's participation in the sharing wells will be based productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

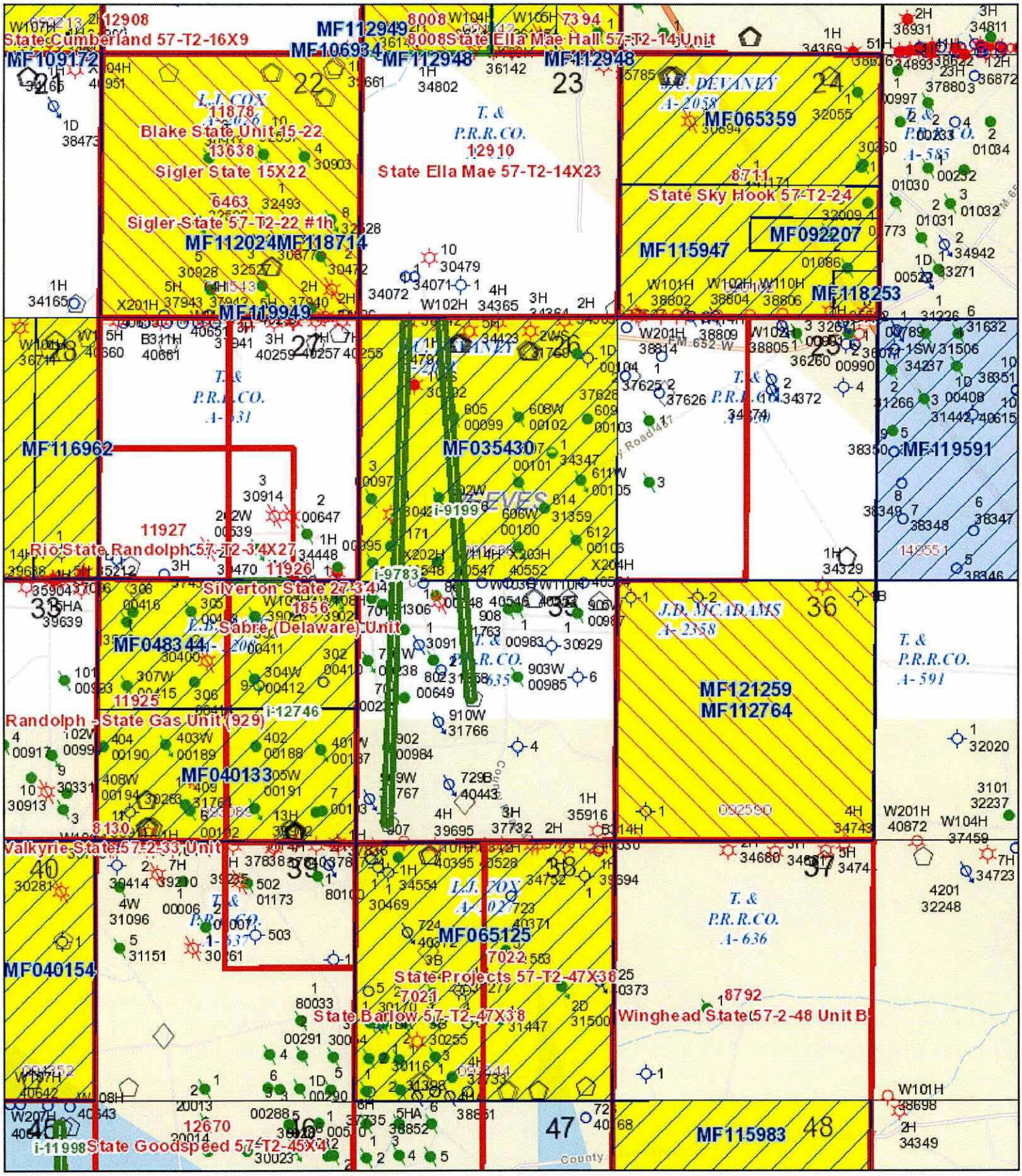
The Pooling Committee recommends Board approval of the Production Sharing Agreement.

RJ Hatt — 08/28/2024

General Land Office — Date

Office of the Governor — Date

Office of the Governor — Date



PSA00673

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 0.28 0.55 1.1 mi

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

PRODUCTION SHARING AGREEMENT FOR THE CORNINGSTONE STATE 57-2-26&35

SHARING AREA

THIS PRODUCTION SHARING AGREEMENT (this "Agreement") effective as of the 1st day of October, 2024 ("Effective Date"), by and between the undersigned party(ies) and their respective heirs, successors, and assigns (individually and collectively referred to herein as "Interest Owner") and Titus Oil & Gas III, LLC whose address is 777 Taylor St., Suite 1050, Fort Worth, Texas 76102, hereinafter referred to as "Operator" and its affiliates, successors, and assigns.

W I T N E S S E T H

WHEREAS, Interest Owner owns an interest in the leases, minerals, royalties, contract rights, and/or executive rights under the lands ("Lands") described on Exhibit "A" attached hereto and incorporated into this Agreement by reference, and the Lands comprised of three (3) separate tracts as further defined herein this Agreement (each a "Separate Tract" or collectively the "Separate Tracts").

WHEREAS, Titus Oil & Gas III, LLC, Walsh and Watts, Inc., and BPX Operating Company, ("Lessees") are owners of certain oil and gas lease(s) and/or other contractual rights covering the differing ownership interests in the Lands ("Leases"), as described on Exhibit "A".

WHEREAS, Titus Oil & Gas III, LLC is the owner of certain Oil and Gas Leases located in Section 26, Block 57-T2, Reeves County, Texas, as defined by that certain Memorandum of Partial Term Assignment of Oil and Gas Lease recorded in Instrument Number 2023006764, Official Public Records, Reeves County, Texas ("Separate Tract A");

WHEREAS, Interest Owner and Operator wish to encourage further development of the Lands and Leases by the drilling of horizontal wells in the "Sharing Area" as described and depicted on Exhibit "B", which is attached hereto and incorporated into this Agreement by reference, in order to:

(a) prevent physical and economic waste caused by the drilling of unnecessary wells, and to increase the ultimate recovery of hydrocarbons from the Lands and Leases; and

(b) protect the correlative rights of each Interest Owner of Lands and Leases contained in the Sharing Area so that each may receive a fair share of the hydrocarbons produced which are reasonably attributed to the hydrocarbon production in and under their respective Lands and Leases.

WHEREAS, to avoid any uncertainties concerning the manner in which Interest Owner will share in the proceeds of production attributable to that portion of a Horizontal Drainhole Well traversing any portion of the Lands, Interest Owner and Operator desire to enter in this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of Hydrocarbons attributable to that portion of any Horizontal Drainhole Well traversing any portion of the Lands.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the undersigned Interest Owner and Operator hereby covenant and agree to the following terms, conditions, and provisions:

1. In this Agreement, the following capitalized terms and phrases shall have the meaning set forth below:

   a. "Allocation Factor" means a fraction, the numerator of which is equal to the length of that portion of Productive Drainhole Length for such Sharing Well that lies under that portion of the Lands and Leases in which each Interest Owner owns an interest, and the denominator of which is equal to the total Productive Drainhole Length for such Sharing Well.

   b. "Correlative Interval" is the depth interval designated by applicable field rules, or new field designation designated by the

Railroad Commission for the Horizontal Drainhole Well, or, where a correlative interval has not been designated by the Railroad Commission, by other evidence submitted by the Operator to the Railroad Commission showing the producing interval for the field in which the Horizontal Drainhole is completed.

c. "Horizontal Drainhole" is that portion of the Horizontal Drainhole Well drilled in the Correlative Interval between the penetration point (being the point at which a Horizontal Drainhole Well first intersects the top of the Correlative Interval) and the terminus.

d. "Horizontal Drainhole Well" is the same as a "Horizontal Well" and is any well that is developed with one or more Horizontal Drainholes having a horizontal displacement of at least 100 feet within the producing Correlative Interval, excluding all Single Section Well(s).

e. "Hydrocarbons" are oil, gas, condensate, casinghead gas, the respective constituent elements, and all by-products thereof that may be produced from a well permitted by the Railroad Commission.

f. "Productive Drainhole Length" is the horizontal length, in feet, of the wellbore path of the Horizontal Drainhole Well that begins at the first Take Point of a Horizontal Drainhole Well and runs along the actual surveyed wellbore path to the last Take Point, less any portion of the Horizontal Drainhole Well deemed by the Texas Railroad Commission to be a "no perf zone" and/or deemed non-productive in the sole good faith opinion of Operator. In the event a Horizontal Drainhole Well shall be developed with more than one Horizontal Drainhole, then the Productive Drainhole Length shall be the sum of the horizontal lengths of all such Horizontal Drainholes.

g. "Railroad Commission" shall mean the Railroad Commission of Texas.

h. "Single Section Well(s)" is any well(s) drilled at a legal location with the first take point(s) and the last take point(s) within a single governmental section.

i. "Sharing Well" is a Horizontal Drainhole Well in which a portion of the Productive Drainhole Length is located upon both Separate Tract A and Separate Tract B.

j. "Take Point" is any point along a Horizontal Drainhole where oil, gas and condensate can enter the wellbore from the Correlative Interval and be produced.

k. As used in this Agreement, the terms, "Agreement," "Interest Owners," "Interest Owner" "Operator," "Parties," "Lands," "Lease," and "Leases" shall have the meanings indicated in the preamble and recitals above.

2. The Sharing Area shall be known as the **Corningstone State 57-2-26&35**, which shall be comprised of 1280 acres, more or less, as described and as depicted on Exhibit "B" attached hereto.

3. This Agreement only governs insofar as it pertains to Sharing Wells drilled after the effective date of this Agreement. In the event a Sharing Well is plugged back or re-completed in a manner such that a Sharing Well no longer meets the definition of a Horizontal Well, such well shall no longer be considered a Sharing Well and not be governed by this Agreement. In the event a Sharing Well is plugged back or recompleted in such manner that the wellbore is no longer a Sharing Well, or in the event a Sharing Well is no longer capable of producing in paying quantities, then Operator may terminate this Agreement as to that specific Sharing Well or affected Lease, by filing a notice of termination to that effect in the records of Reeves County, Texas, within ninety (90) days after such occurrence.

4. Production from, drilling, or reworking operations on any Sharing Well, without regard to the physical location of the Sharing Well or it's corresponding wellbore, shall be considered as if there were actual

production from, drilling, reworking, continuous development operations, etc., from the Lands pursuant to the terms and provision of each of the Leases and shall be deemed sufficient to maintain the Leases in full force and effect pursuant to the terms and provisions thereof. In the event that (i) any Leases provides for partial termination as to lands and/or depths at the expiration of the primary term or upon cessation of continuous drilling or continuous development operations, or (ii) provides for an amount of acreage and/or depths to be retained for each producing well upon partial termination, or (iii) upon such partial termination of any Leases there is a Sharing Well producing or capable of producing in paying quantities on the Sharing Area, then in that event the retained Sharing Area for the Horizontal Drainhole Well shall be: (1) the greater of 40 acres or the amount of acreage determined by the following formula: 0.032 x L = A, where L = the length (in feet) of the horizontal lateral component of the well from the first takepoint to the last takepoint and A = the area retained (in acres) provided that, if A is not divisible by the number 20, A will be rounded up to the next number divisible by 20, i.e. (0.032 x 4500 feet = 144 acres, which rounds up to 160 acres); or (2) if more acreage is required than is provided for in (1) above in order to obtain the maximum allowable under special field rules for the permitted or producing interval or intervals, upon written approval from the State of Texas General Land Office, such number of acres that are required to obtain the maximum allowable as required by the special field rules as approved by the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction; or (3) the number of acres held in a pooled unit pursuant to Natural Resources Code Section 52.151-52.154. The Sharing Area shall remain in full force and effect for so long as there is any production from any Sharing Well completed in the Sharing Area or any such Sharing Well is capable of producing in paying quantities, unless sooner terminated by Operator as hereinafter provided.

5. Production from all Sharing Well(s) drilled hereunder shall not create any offset obligation, whether express or implied, and shall not constitute drainage under any of the Lands and Leases included in the Sharing Area, because each Interest Owner with Lands and Leases contained in the Sharing Area are sharing in the production and proceeds. As to each Sharing Well drilled, this Agreement shall be deemed to constitute complete protection and satisfaction of Lessees or any other lessee of Lands and Leases contained in the Sharing Area obligation to protect against drainage on the entirety of the Lands and Leases, and not just that portion of the Lands and Leases which are included in the Sharing Area.

6. The provisions of any Lands and Leases, and to the extent necessary, any division order(s) or transfer order(s) covering or affecting the Lands and Leases, are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions of this Agreement, but not otherwise.

7. For each Separate Tract in which an Interest Owner owns an interest, such Interest Owner will share in the proceeds of Hydrocarbons produced and saved from a Sharing Well on the basis of such Interest Owner's ownership interest in such Separate Tract multiplied by the Allocation Factor, payable pursuant to the terms and provisions of the applicable Lease(s) covering such Interest Owner's interest in such Separate Tract. No Interest Owner shall be entitled to any payment for their ownership interest in a Sharing Well, except as provided in this Paragraph 7. It is expressly agreed that no cross-conveyance of the Parties' interests in any of the Lands or the Leases is intended or accomplished by the terms of this Agreement.

8. To the extent that Interest Owner is able, Interest Owner hereby grants Titus Oil & Gas III, LLC, and its affiliates surface and subsurface easements and rights-of-way (including all reasonable ingress and egress thereto and therefrom) on, in and under all the Lands associated with the Sharing Area for exploration and production activities, including, but not limited to, the drilling, completing, deepening, reworking, recompleting, maintenance, operations, etc., in the search for and/or production of hydrocarbons associated with Sharing Wells contained in the Sharing Area, including but not limited to, gathering, storing, transporting, and treating said hydrocarbons, as well as laying, maintaining and replacing pipelines, gathering systems and roads, and constructing and maintaining and replacing pipelines, gathering systems and roads, and maintaining production facilities to produce, store, treat, and transport said hydrocarbons.

9. Interest Owner agrees that the Sharing Area shall not create property lines for regulatory purposes and agrees to cooperate with Operator in obtaining any regulatory approvals necessary for the drilling and production from Sharing Wells, including the prompt execution and return of written waivers to support such regulatory approvals as it relates only to the Leases owned by the Interest Owner.

10. Failure of any Interest Owner to execute this Agreement shall not render this Agreement ineffective as to any other party who does execute a counterpart hereof, but shall be binding upon each executing party and its heirs, legal representatives, successors and assigns. In the event of execution of this Agreement in counterparts, the executed counterparts may be combined into one or more instruments for recording, by combining the signature pages and acknowledgments, and the Interest Owner agrees that such instrument shall be treated and given effect for all purposes as a single instrument.

11. This Agreement is entered into solely for the purposes of drilling Sharing Well(s) and is not intended to apply to any other well located entirely within one governmental section. The parties agree that this Agreement specifically excludes and shall not be applicable whatsoever to the existing wells located within the Lands as of the Effective Date.

12. Operator, at its option, may terminate this Agreement by filing a Notice of Termination in the

Docusign Envelope ID: 100EEE62-C183-4EBB-8DB4-1BD32EEDC156

office of the County Clerk of Reeves County, Texas.

This Agreement is executed as of the date of the acknowledgments shown below, effective as of the Effective Date.

Date Executed 10-2-24

STATE OF TEXAS

Leasing CB

Content DBO

Legal

DCC

CC JGJ

By: D. Buckingham
DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

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 September 24, 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 2nd day of October, 2024.

Vicki Gonzales

OPERATOR
Titus Oil & Gas III, LLC

By: Walter P. Jones
Its: Vice President - Land

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF TARRANT §

The foregoing instrument was acknowledged before me on this _____ day of _____, 2024, by Walter P. Jones, as Vice President- Land for Titus Oil & Gas III, LLC, a limited liability company, on behalf of said company.

Notary Public, State of Texas

Name: _____

EXHIBIT "A"
Lands & Leases

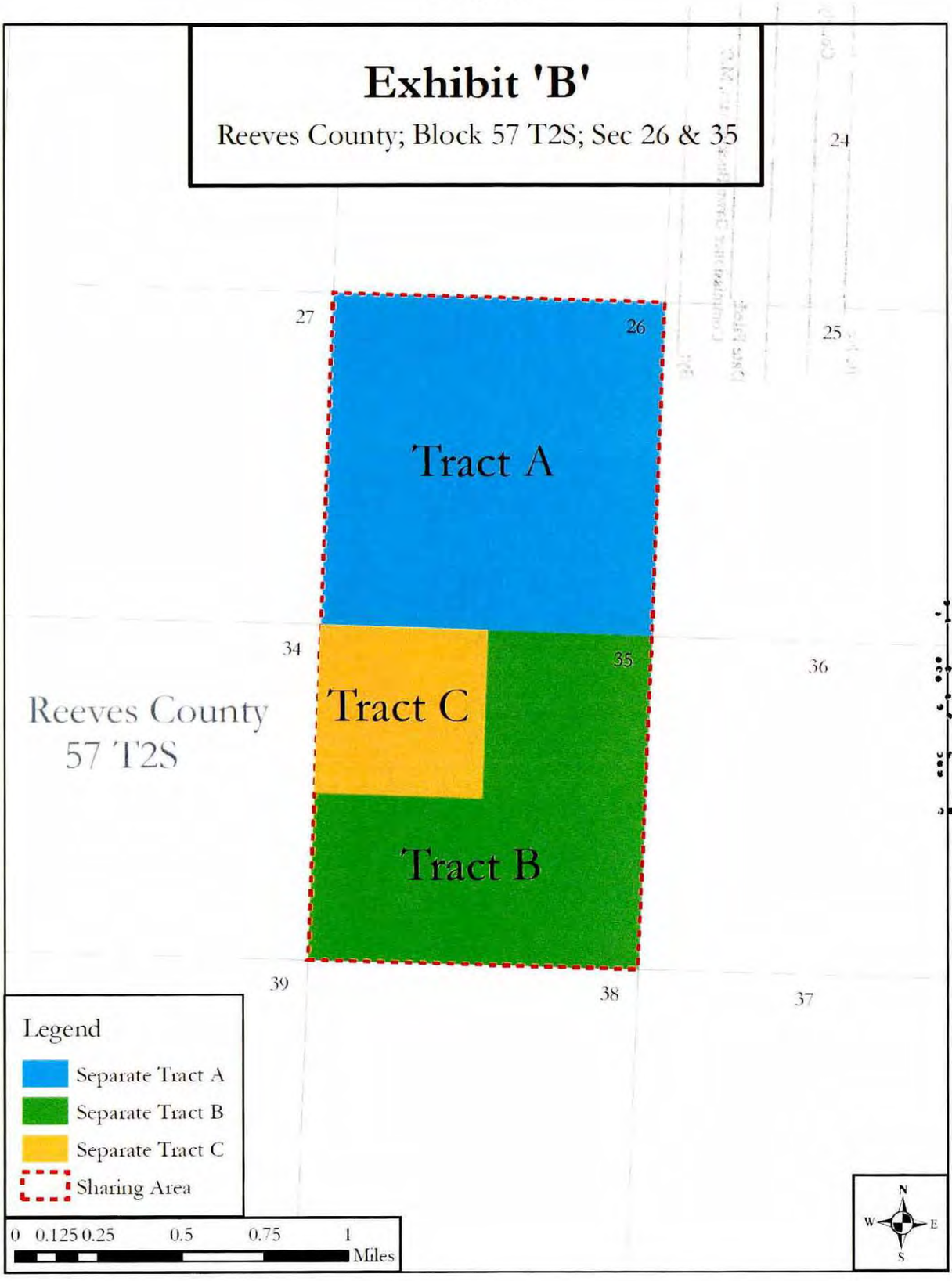
Section 26, Block 57, T2S, Reeves County, Texas

1.	**Lessor:**	Guy Caldwell and wife, Jeannette Caldwell; L.H. Beckham and wife, Agnes C. Beckham; Mildred C. Touchstone and husband, Claude T. Touchstone
	Lessee:	L.C. Wahlenmaier
	Lease Date:	February 3, 1950
	Recording:	Volume 128; Page 604, Official Public Records, Reeves County, Texas
	GLO #:	MF035430

Section 35, Block 57, T2S, Reeves County, Texas

2.	**Lessor:**	George C. Fraser, George L. Burr and John K. Olyphant, Jr.
	Lessee:	Continental Oil Company
	Lease Date:	July 28, 1950
	Recording:	Volume 133; Page 177, Official Public Records, Reeves County, Texas
3.	**Lessor:**	Chevron U.S.A., Inc.
	Lessee:	Anadarko Petroleum Corporation
	Lease Date:	Septrember 1, 2010
	Recording:	Volume 901; Page 391, Official Public Records, Reeves County, Texas

EXHIBIT "B"
Sharing Area



94

File No. MF035430

Reeves County

BSA #00673

Date Filed: 10-16-24

Commissioner Dawn Buckingham, M.D.

By: RB

Texas General Land Office
Reconciliation Billing

Commissioner Dawn Buckingham, M.D.

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

BPX Operating Company
Attn: Patty Burg
OFC WM11 6025-1
15377 Memorial Dr
Houston, TX 77079-4101

Billing Date: 1/24/2025
Billing Due Date: 2/23/2025
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00336	MF035430	$1,266.35	$0.00	$126.63	$84.56	$1,477.54
Total Due		$1,266.35	$0.00	$126.63	$84.56	**$1,477.54**

Penalty and interest have been calculated thru 1/31/2025. Payment remitted after 1/31/2025 will result in additional penalty and interest charges.

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.

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

Detach and return with payment

Reconciliation Billing
BPX Operating Company
Billing Date: 1/24/2025
Billing Due Date: 2/23/2025
Customer Number: C000046383

Remit Payment To:
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
25I00336	MF035430	$1,266.35	$0.00	$126.63	$84.56	$1,477.54
Total Due		$1,266.35	$0.00	$126.63	$84.56	**$1,477.54**
Amt. Paid						

Customer ID: C000046383
Invoice Number:
GLO Lease: MF035430
GLO Review: BPX OPERATING COMPANY
Review Period: Sept 2023 - Aug 2024

Category Gas
Auditor/AE: Eric M
Billing Date: 1/13/2025
P&I Calculation Date: 1/31/2025
Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Jan-24	08-276866	5609	1	$2.776	1.0299	$16,038.56	$1,002.41	$0.00	$1,002.41	322	9.50%	$100.24	$68.62	$1,171.27
Feb-24	08-276866	4588	1	$0.919	1.0012	$4,223.01	$263.94	$0.00	$263.94	291	9.50%	$26.39	$15.94	$306.27
TOTALS		**10,197**				**$20,261.57**	**$1,266.35**	**$0.00**	**$1,266.35**			**$126.63**	**$84.56**	**$1,477.54**

COMMENTS: BILLING IS FOR UNDERREPORTED VOLUMES FOR RRC ID: 08-276866 08-277467 08-277583 08-278251 08-31249 08-282290

COLUMN (3) UNDERERPORTED VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC
COLUMNS (5) & (6) AVERAGE PRICE IS CALCUALTED AND USED IN THE CALCULATION
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.martinez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.martinez@glo.texas.gov
NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

	Patty Burg	Santiago Reyes
EMAIL:	Patty.Burg@bpx.com	Santiago.Reyes@bpx.com

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File No. MF035430

County

Recon Billing

Date Filed: 2/11/2025

Commissioner Dawn Buckingham, M.D.

By: VJ

Information for processing an Internal Non Unit Transaction (iNut)

Length of Lateral

iNut No. 14328

GENERAL INFORMATION

Name of Well: Corningstone State # 224H API # 42-389-41442

Name of Operator: TOG Operating, LLC RRC # 08-903179

Operator Contact Person: Reed Brunette Phone: 817-852-6717

Counties: Reeves County

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 Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF035430	10405.1	5192.68	0.06250000	0.06250000	0.49905143	0.03119071
Totals:							**0.03119071**
Effective Date:	11/01/2024						**State Net Royalty Revenue in Well**

Name of Production Sharing Agreement, if any: PSA00673

Comments:

- Final as drilled plat emailed from Reed Brunette to Chase Brockman on February 26, 2025.

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: RL

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INUT250001

Unit Number	*14328*				
Operator Name	*TOG Operating, LLC*			***Effective Date***	*11/01/2024*
Customer ID	*C000094573*			***Unitized For***	*Oil And Gas*
Unit Name	*Corningstone State # 224H*			***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***	*0.03119071*			
State Part in Unit		*0.49905143*			
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*
MF035430		0.000000	0.000000	0.49905143	O/G	0.06250000	0.03119071	No

API Number

4238941442

Remarks: PSA00673. Final as drilled plat emailed from Reed Brunette to Chase Brockman on February 28, 2025.

Prepared By:	JM	***Prepared Date:***	04/22/2025
GLO Base Updated By:	JM	***GLO Base Date:***	04/22/2025
RAM Approval By:	VD	***RAM Approval Date:***	04/22/2025
GIS By:	RL	***GIS Date:***	4/28/25
Well Inventory By:	JM	***WI Date:***	04/22/2025

Pooling Committee Report

To: School Land Board

INUT250001

Date of Board Meeting:

Unit Number: 14328

Effective Date: 11/01/2024

Unit Expiration Date:

Applicant: TOG Operating, LLC

Attorney Rep:

Operator: TOG Operating, LLC

Unit Name: Corningstone State # 224H

Field Name: SANDBAR (BONE SPRING)

County: Reeves

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
RAL	MF035430	0.06250000	02/03/1960	10 years	640.000000	0.000000	0.03119071

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	49.91%
State Net Revenue Interest:	3.12%

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

RRC Rules:	Spacing Acres:
No	

Titus Oil & Gas III, LLC

777 Taylor Street, Suite 1050
Ft. Worth, Texas 76102

February 26, 2025

EMAIL

Texas General Land Office
Attn: Chase Brockman
Chase.brockman@glo.texas.gov

RE: As-Drilled Plats and GLO Royalty Calculations
Corningstone State 224H & 304H

Mr. Brockman,

Please find attached the as-drilled plats for the Corningstone State 224H and Corningstone State 304H wells showing the productive drainhole length attributable to each tract. Also, please see the calculations below for the GLO's royalty in each well. The calculations were made pursuant to the Production Sharing Agreement effective October 1st, 2024 and recorded at instrument number 2024006965 in the Reeves County public records.

1. The Production of Oil and Gas from the Corningstone State 224H Well:

A. Royalties:	NPRI ID	Tract Interest		Tract Lateral Length		Total Lateral Length		Lease Royalty		Owner Net Revenue Interest	Lease No. /Sec. No.
State of Texas		100.000000%	x	5192.68	/	10405.10	x	0.12500000	=	0.06238143	L1/S26
	- A	50.000000%	x	5192.68	/	10405.10	x	0.12500000	=	0.03119071	L1/S26
										0.03119072	

1. The Production of Oil and Gas from the Corningstone State 304H Well:

A. Royalties:	NPRI ID	Tract Interest		Tract Lateral Length		Total Lateral Length		Lease Royalty		Owner Net Revenue Interest	Lease No. /Sec. No.
State of Texas		100.000000%	x	5194.28	/	10394.76	x	0.12500000	=	0.06246272	L1/S26
	- A	50.000000%	x	5194.28	/	10394.76	x	0.12500000	=	0.03123136	L1/S26
										0.03123136	

Should you have any questions about any of the information contained herein, please do not hesitate to contact me at any of the information found below.

Best,

Reed Brunette
rbrunette@titusoil.com
(817) 852-6717

RRC 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 #: 903179 - 99 **API #:** 389-41442	**Operator:** 101419 - TOG OPERATING, LLC **Issued:** 10/10/2024, **Filed:** Online	**Lease Name:** CORNINGSTONE STATE **Well #:** 224H, **District:** 08, **County:** REEVES	**Filing Purpose:** New Drill **Wellbore Profiles:** Horizontal

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
-	11/01/2024		11/02/2024

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	CORNINGSTONE STATE	224H	SWR 36	9000		

Surface Location Information:

API #	Distance from Nearest Town	Direction from Nearest Town	Nearest Town	Surface Location Type
389-41442	2.33 miles	SW	ORLA	Land

GPS Coordinates - Datum: NAD 83
Latitude: 31.794912 **Longitude:** -103.926527

Survey/Legal Location Information:

Section	Block	Survey	Abstract #	County
38	57 T2	T&P RR CO/COX, L T	2027	REEVES

Township	League	Labor	Porcion	Share	Tract	Lot

Perpendicular surface location from two nearest designated lines:

Perpendiculars	Distance	Direction	Distance	Direction
Survey Perpendiculars	423.0 feet	NORTH	285.0 feet	EAST

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.
30	The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.

Fields

District	Field Name	Field #	Completion Depth	Lease Name	Well #	Well Type	Acres	Distance to nearest well	Distance to nearest Survey Line from Surface Location	SWR	Off-lease Surface Location	Off-lease Penetration Point	Pooled/Unitized	Horizontal Ownership Interval
08	SANDBAR (BONE SPRING) **Primary Field**	80544500	9000	CORNINGSTONE STATE	224H	Oil or Gas Well	1286.43	0.0 feet	285 feet	SWR 36	Y	Y	Y	

Perpendiculars	Distance	Direction	Distance	Direction
Surface Survey Lines	423.0 feet	NORTH	285.0 feet	EAST

Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: 100 feet
Nearest Perpendicular Distance from Any Take Point to a Lease Line: 990 feet
Section: 26 **Block:57 T2** **Survey:**T&P RR CO/DEVANEY, J U
Abstract #: 2061 **County:** REEVES

Name	Profile		Distance	Direction	Distance	Direction
TH1	Terminus Point	Lease	10.0 feet	from the NORTH line and	990.0 feet	from the EAST line

		Survey	10.0 feet	from the NORTH line and	990.0 feet	from the EAST line
	Penetration Point	Survey	400.0 feet	from the NORTH line and	990.0 feet	from the EAST line

Field Restrictions:

Code	Description
02	This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.

Attachments

Attachment Type	File Path	Associated Fields and/or Plats
P-12	Corningstone State 224H_P-12-Signed.pdf	24-072100_Corningstone State 224H_Rev 1.pdf
P-16	Corningstone State 224H_P-16-Signed.pdf	
PLAT #1 (Paper Size: LGL)	24-072100_Corningstone State 224H_Rev 1.pdf	SANDBAR (BONE SPRING)
Off-lease PP Waiver	Corningstone PP Waiver_Titus_BPX_10.2.2024 (Execution Version).pdf	
Off-lease PP Notice	Return Receipt_Rio O and G_09-18-2024.pdf	
As Submitted W-1	AsSubmittedW1-10-10-2024.pdf	
As Approved W-1	AsApprovedW1-10-10-2024.pdf	
As Approved Permit	AsApprovedPermit-10-10-2024.pdf	

Return

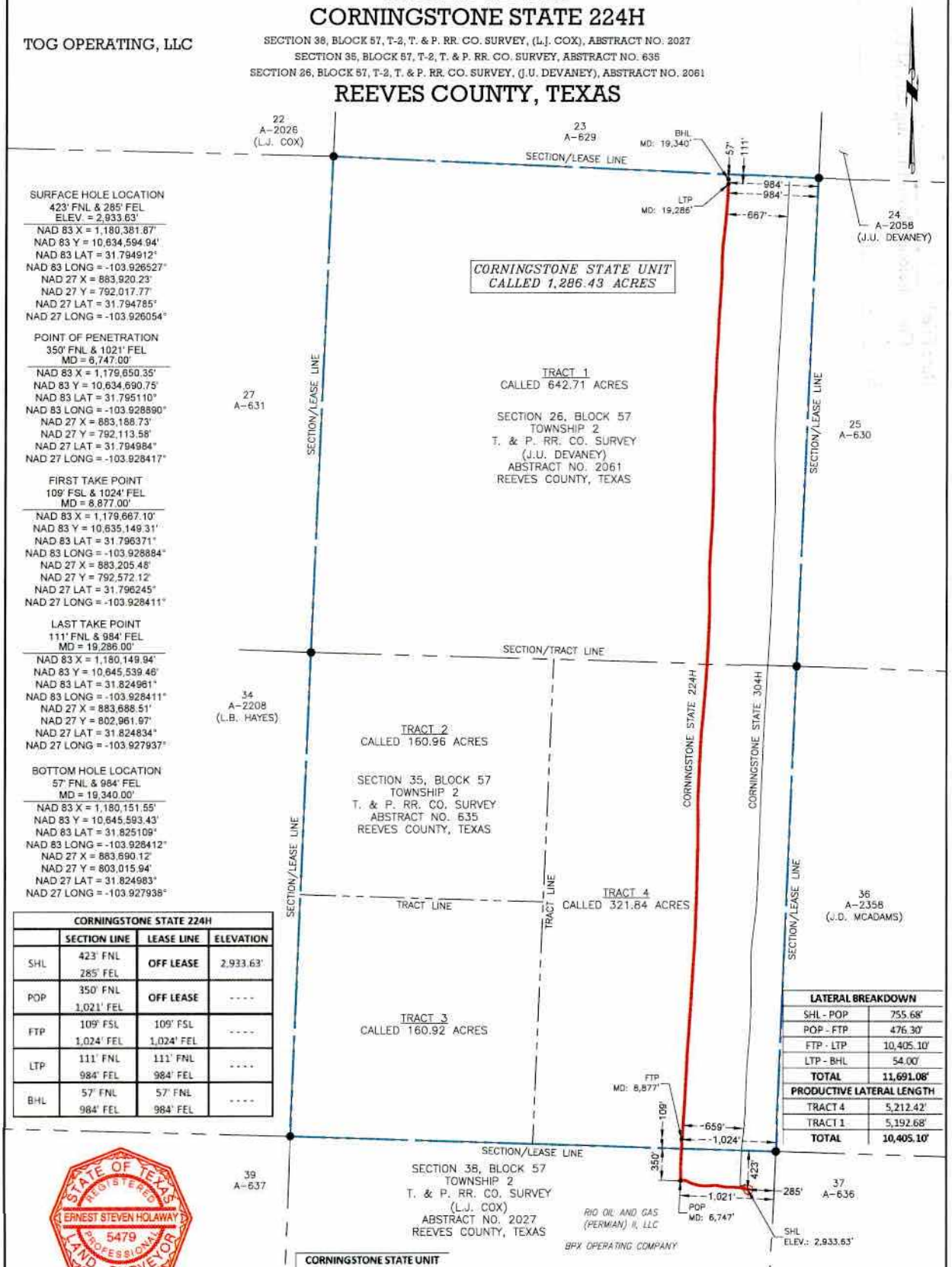
AS-DRILLED WELL PLAT

CORNINGSTONE STATE 224H

TOG OPERATING, LLC

SECTION 38, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, (L.J. COX), ABSTRACT NO. 2027
SECTION 35, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, ABSTRACT NO. 635
SECTION 26, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, (J.U. DEVANEY), ABSTRACT NO. 2061

REEVES COUNTY, TEXAS



SURFACE HOLE LOCATION
423' FNL & 285' FEL
ELEV. = 2,933.63'
NAD 83 X = 1,180,381.87'
NAD 83 Y = 10,634,594.94'
NAD 83 LAT = 31.794912°
NAD 83 LONG = -103.926527°
NAD 27 X = 883,920.23'
NAD 27 Y = 792,017.77'
NAD 27 LAT = 31.794785°
NAD 27 LONG = -103.926054°

POINT OF PENETRATION
350' FNL & 1021' FEL
MD = 6,747.00'
NAD 83 X = 1,179,650.35'
NAD 83 Y = 10,634,690.75'
NAD 83 LAT = 31.795110°
NAD 83 LONG = -103.928890°
NAD 27 X = 883,188.73'
NAD 27 Y = 792,113.58'
NAD 27 LAT = 31.794984°
NAD 27 LONG = -103.928417°

FIRST TAKE POINT
109' FSL & 1024' FEL
MD = 8,877.00'
NAD 83 X = 1,179,667.10'
NAD 83 Y = 10,635,149.31'
NAD 83 LAT = 31.796371°
NAD 83 LONG = -103.928884°
NAD 27 X = 883,205.48'
NAD 27 Y = 792,572.12'
NAD 27 LAT = 31.796245°
NAD 27 LONG = -103.928411°

LAST TAKE POINT
111' FNL & 984' FEL
MD = 19,286.00'
NAD 83 X = 1,180,149.94'
NAD 83 Y = 10,645,539.46'
NAD 83 LAT = 31.824961°
NAD 83 LONG = -103.928411°
NAD 27 X = 883,688.51'
NAD 27 Y = 802,961.97'
NAD 27 LAT = 31.824834°
NAD 27 LONG = -103.927937°

BOTTOM HOLE LOCATION
57' FNL & 984' FEL
MD = 19,340.00'
NAD 83 X = 1,180,151.55'
NAD 83 Y = 10,645,593.43'
NAD 83 LAT = 31.825109°
NAD 83 LONG = -103.928412°
NAD 27 X = 883,690.12'
NAD 27 Y = 803,015.94'
NAD 27 LAT = 31.824983°
NAD 27 LONG = -103.927938°

CORNINGSTONE STATE 224H			
	SECTION LINE	LEASE LINE	ELEVATION
SHL	423' FNL 285' FEL	OFF LEASE	2,933.63'
POP	350' FNL 1,021' FEL	OFF LEASE	----
FTP	109' FSL 1,024' FEL	109' FSL 1,024' FEL	----
LTP	111' FNL 984' FEL	111' FNL 984' FEL	----
BHL	57' FNL 984' FEL	57' FNL 984' FEL	----

LATERAL BREAKDOWN	
SHL - POP	755.68'
POP - FTP	476.30'
FTP - LTP	10,405.10'
LTP - BHL	54.00'
TOTAL	**11,691.08'**
PRODUCTIVE LATERAL LENGTH	
TRACT 4	5,212.42'
TRACT 1	5,192.68'
TOTAL	**10,405.10'**

CORNINGSTONE STATE UNIT CALLED ACREAGE TABLE	
TRACT 1	642.71 ACRES
TRACT 2	160.96 ACRES
TRACT 3	160.92 ACRES
TRACT 4	321.84 ACRES
TOTAL	**1,286.43 ACRES**

LEGEND
- SURVEY LINES
- PROPOSED LATERAL
- LEASE TRACT
- SURFACE HOLE LOCATION
- FOUND MONUMENT
- CALCULATED CORNER
- EXISTING WELL

THE CORNINGSTONE STATE 224H IS LOCATED 2.33 MILES SOUTHWEST OF ORLA, TX

1000' 0' 1000'

STATE OF TEXAS REGISTERED ERNEST STEVEN HOLAWAY 5479 PROFESSIONAL LAND SURVEYOR

Date: 2/4/2025

E. STEVEN HOLAWAY

ERNEST STEVEN HOLAWAY R.P.L.S. NO. 5479
COOSA CONSULTING CORPORATION
PO BOX 1583, MIDLAND, TEXAS 79701
FIRM NO. 10194822

NOTES:
1.) THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY. THE REGISTRANT DOES NOT CLAIM HEREIN ADHERENCE TO THE T.B.P.E.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS.
2.) ANY REFERENCED OWNERSHIP INFORMATION PROVIDED BY CLIENT.
3.) BEARINGS AND COORDINATES ARE GRID AS DERIVED FROM GPS OBSERVATION AND ARE BASED ON THE STATE PLANE COORDINATES FOR THE TEXAS CENTRAL ZONE 4203-NAD 83.
4.) THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.
5.) ALL GRID AND LEASEHOLD INFORMATION PROVIDED BY THE CLIENT.
6.) ALL EXISTING WELLS SHOWN ARE LOCATED FROM TEXAS RAILROAD COMMISSION GIS DATA.

Drawn: AHP	Date: 02/03/2025	Job: 24-072100	Scale: 1" = 1000'
Checked: ESH	Date: 02/03/2025	REVISION NO. 0	

DRAWING PATH: D:\COOSA CONSULTING DROPBOX\COOSA CONSULTING\CLIENTS - PROJECTS\TITUS OIL & GAS\24-072100_CORNINGSTONE PLANNING SEC 23 BLK 57 T2\DRAFTING\RRC\AS-DRILLED

COOSA CONSULTING
PO BOX 1583, MIDLAND, TEXAS 79701
FIRM NO: 10194822

97.

File No. MF035430

Reeves County

iNut 14328 - API 42-389-41442

Date Filed: 04/22/2025

Commissioner Dawn Buckingham, M.D.

By: JM

Information for processing an Internal Non Unit Transaction (iNut)

Length of Lateral

iNut No. 14329

GENERAL INFORMATION

Name of Well: Corningstone State # 304H API # 42-389-41443

Name of Operator: TOG Operating, LLC RRC # 08-903180

Operator Contact Person: Reed Brunette Phone: 817-852-6717

Counties: Reeves County

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 Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
RAL	MF035430	10394.76	5194.28	0.06250000	0.06250000	0.49970177	0.03123136
Totals:							0.03123136
Effective Date:	11/01/2024						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA00673

Comments:

- Final as drilled plat emailed from Reed Brunette to Chase Brockman on February 26, 2025.

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: RL

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INUT250001

Unit Number	*14329*				
Operator Name	*TOG Operating, LLC*			***Effective Date***	*11/01/2024*
Customer ID	*C000094573*			***Unitized For***	*Oil And Gas*
Unit Name	*Corningstone State # 304H*			***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***	*0.03123136*			
State Part in Unit		*0.49970177*			
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*
MF035430		0.000000	0.000000	0.49970177	O/G	0.06250000	0.03123136	No

API Number
4238941443

Remarks: PSA00673. Final as drilled plat submitted by Reed Brunette to Chase Brockman on February 28, 2025.

Prepared By:	JM	***Prepared Date:***	04/22/2025
GLO Base Updated By:	JM	***GLO Base Date:***	04/22/2025
RAM Approval By:	JD	***RAM Approval Date:***	04/22/2025
GIS By:	RL	***GIS Date:***	4/28/25
Well Inventory By:	JM	***WI Date:***	04/22/2025

Pooling Committee Report

To: School Land Board

INUT250001

Date of Board Meeting:

Unit Number: 14329

Effective Date: 11/01/2024

Unit Expiration Date:

Applicant: TOG Operating, LLC

Attorney Rep:

Operator: TOG Operating, LLC

Unit Name: Corningstone State # 304H

Field Name: SANDBAR (BONE SPRING)

County: Reeves

Lease Type	Lease Number	Lease Royalty	Expiration Date	Lease Term	Lease Acres	Lease Acres In Unit	Royalty Participation
RAL	MF035430	0.06250000	02/03/1960	10 years	640.000000	0.000000	0.03123136

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

Participation Basis:	Length of Lateral
Surface Acreage	
State Acreage:	49.97%
State Net Revenue Interest:	3.12%

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

RRC Rules:	Spacing Acres:
No	

Titus Oil & Gas III, LLC

777 Taylor Street, Suite 1050
Ft. Worth, Texas 76102

February 26, 2025

EMAIL
Texas General Land Office
Attn: Chase Brockman
Chase.brockman@glo.texas.gov

RE: As-Drilled Plats and GLO Royalty Calculations
Corningstone State 224H & 304H

Mr. Brockman,

Please find attached the as-drilled plats for the Corningstone State 224H and Corningstone State 304H wells showing the productive drainhole length attributable to each tract. Also, please see the calculations below for the GLO's royalty in each well. The calculations were made pursuant to the Production Sharing Agreement effective October 1st, 2024 and recorded at instrument number 2024006965 in the Reeves County public records.

1. The Production of Oil and Gas from the Corningstone State 224H Well:

	NPRI ID	Tract Interest		Tract Lateral Length		Total Lateral Length		Lease Royalty		Owner Net Revenue Interest	Lease No. /Sec. No.
A. Royalties:											
State of Texas		100.000000%	x	5192.68	/	10405.10	x	0.12500000	=	0.06238143	L1/S26
	- A	50.000000%	x	5192.68	/	10405.10	x	0.12500000	=	0.03119071	L1/S26
										0.03119072	

1. The Production of Oil and Gas from the Corningstone State 304H Well:

	NPRI ID	Tract Interest		Tract Lateral Length		Total Lateral Length		Lease Royalty		Owner Net Revenue Interest	Lease No. /Sec. No.
A. Royalties:											
State of Texas		100.000000%	x	5194.28	/	10394.76	x	0.12500000	=	0.06246272	L1/S26
	- A	50.000000%	x	5194.28	/	10394.76	x	0.12500000	=	0.03123136	L1/S26
										0.03123136	

Should you have any questions about any of the information contained herein, please do not hesitate to contact me at any of the information found below.

Best,

Reed Brunette
rbrunette@titusoil.com
(817) 852-6717

RRC 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 #: 903180 - 99 **API #:** 389-41443	**Operator:** 101419 - TOG OPERATING, LLC **Issued:** 10/10/2024, **Filed:** Online	**Lease Name:** CORNINGSTONE STATE **Well #:** 304H, **District:** 08, **County:** REEVES	**Filing Purpose:** New Drill **Wellbore Profiles:** Horizontal

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
-	11/04/2024		11/05/2024

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	CORNINGSTONE STATE	304H	SWR 36	9500		

Surface Location Information:

API #	Distance from Nearest Town	Direction from Nearest Town	Nearest Town	Surface Location Type
389-41443	2.33 miles	SW	ORLA	Land

GPS Coordinates - Datum: NAD 83
Latitude: 31.794867 **Longitude:** -103.926489

Survey/Legal Location Information:

Section	Block	Survey	Abstract #	County
38	57 T2	T&P RR CO/COX, L T	2027	REEVES

Township	League	Labor	Porcion	Share	Tract	Lot

Perpendicular surface location from two nearest designated lines:

Perpendiculars	Distance	Direction	Distance	Direction
Survey Perpendiculars	439.0 feet	NORTH	274.0 feet	EAST

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.
30	The designated interval for one or more of the fields approved in this permit appears to overlap with the designated interval of another field or fields in this district. In the case of conflicting designated intervals you will be required to be consistent in field designation on this lease. Further, if the designated interval overlap of wells on this lease results in an actual or potential double assignment of reservoir and the applicant cannot conclusively demonstrate that there is no double assignment, the permitted well may not be assigned an allowable until the conflict is resolved. Because of the overlapping designated intervals in this area, issuance of this permit does not guarantee that the completion of the well will be approved or that the well will receive an allowable in any given field, even if that field is listed on the approved permit application.

Fields

District	Field Name	Field #	Completion Depth	Lease Name	Well #	Well Type	Acres	Distance to nearest well	Distance to nearest Survey Line from Surface Location	SWR	Off-lease Surface Location	Off-lease Penetration Point	Pooled/Unitized	Horizontal Ownership Interval
08	SANDBAR (BONE SPRING) **Primary Field**	80544500	9500	CORNINGSTONE STATE	304H	Oil or Gas Well	1286.43	660.0 feet	274 feet	SWR 36	Y	Y	Y	

Perpendiculars	Distance	Direction	Distance	Direction
Surface Survey Lines	439.0 feet	NORTH	274.0 feet	EAST

Nearest Distance from the First/Last Take Point (Heel/Toe) to a Lease Line: 100 feet
Nearest Perpendicular Distance from Any Take Point to a Lease Line: 330 feet
Section: 26 **Block:57 T2** **Survey:**T&P RR CO/DEVANEY, J U
Abstract #: 2061 **County:** REEVES

Name	Profile		Distance	Direction	Distance	Direction
TH1	Terminus Point	Lease	10.0 feet	from the NORTH line and	330.0 feet	from the EAST line

		Survey	10.0 feet	from the NORTH line and	330.0 feet	from the EAST line
	Penetration Point	Survey	400.0 feet	from the NORTH line and	330.0 feet	from the EAST line

Field Restrictions:

Code	Description
02	This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36.

Attachments

Attachment Type	File Path	Associated Fields and/or Plats
P-12	Corningstone State 304H P-12-Signed.pdf	24-072100_Corningstone State 304H_Rev 1.pdf
P-16	Corningstone State 304H P-16-Signed.pdf	
PLAT #1 (Paper Size: LGL)	24-072100 Corningstone State 304H Rev 1.pdf	SANDBAR (BONE SPRING)
Off-lease PP Waiver	Corningstone PP Waiver Titus BPX 10.2.2024 (Execution Version).pdf	
Off-lease PP Notice	Return Receipt Rio O and G 09-18-2024.pdf	
As Submitted W-1	AsSubmittedW1-10-10-2024.pdf	
As Approved W-1	AsApprovedW1-10-10-2024.pdf	
As Approved Permit	AsApprovedPermit-10-10-2024.pdf	

Return

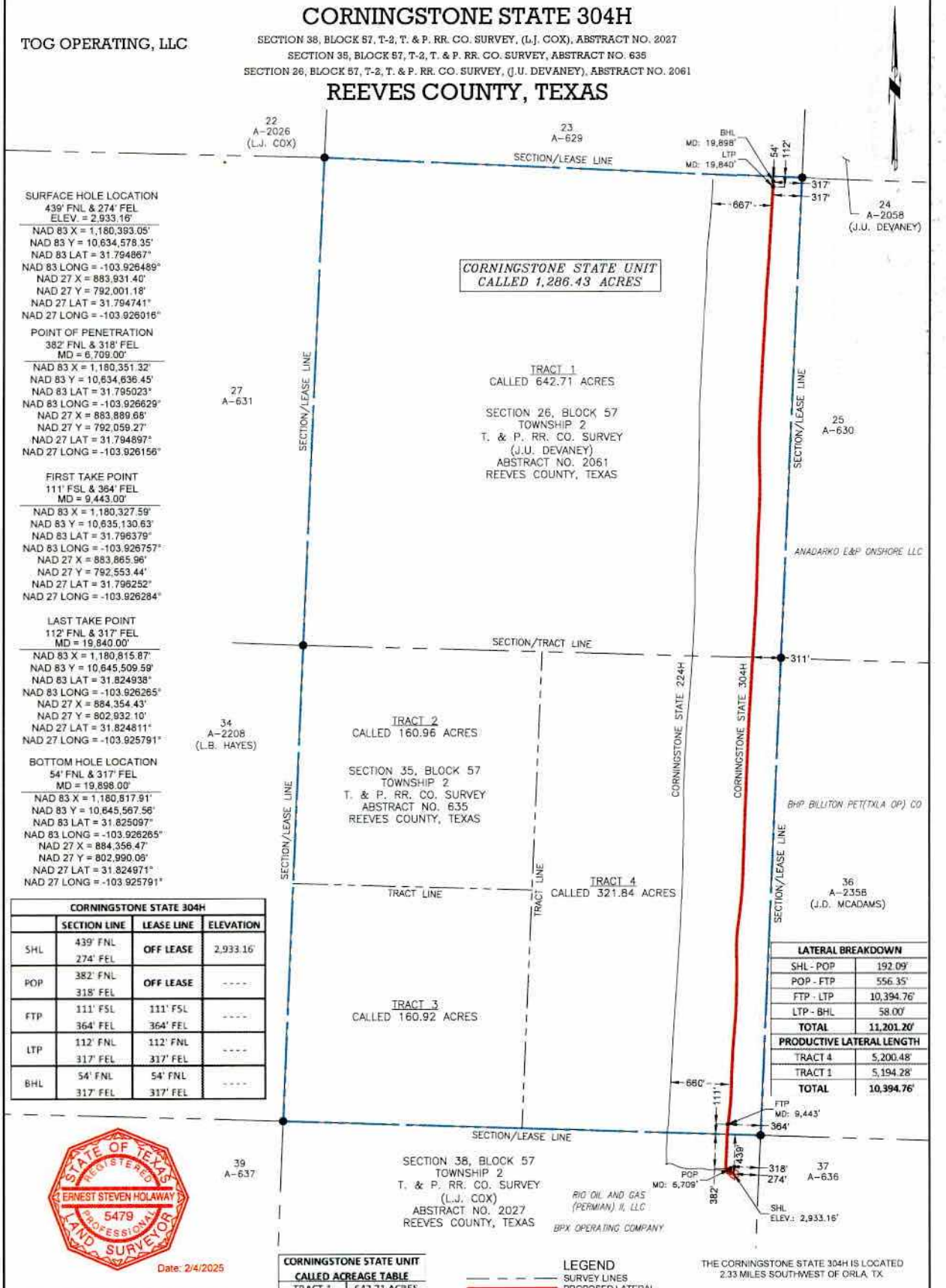
AS-DRILLED WELL PLAT

CORNINGSTONE STATE 304H

TOG OPERATING, LLC

SECTION 38, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, (L.J. COX), ABSTRACT NO. 2027
SECTION 35, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, ABSTRACT NO. 635
SECTION 26, BLOCK 57, T-2, T. & P. RR. CO. SURVEY, (J.U. DEVANEY), ABSTRACT NO. 2061

REEVES COUNTY, TEXAS



SURFACE HOLE LOCATION
439' FNL & 274' FEL
ELEV. = 2,933.16'
NAD 83 X = 1,180,393.05'
NAD 83 Y = 10,634,578.35'
NAD 83 LAT = 31.794867°
NAD 83 LONG = -103.926489°
NAD 27 X = 883,931.40'
NAD 27 Y = 792,001.18'
NAD 27 LAT = 31.794741°
NAD 27 LONG = -103.926016°

POINT OF PENETRATION
382' FNL & 318' FEL
MD = 6,709.00'
NAD 83 X = 1,180,351.32'
NAD 83 Y = 10,634,636.45'
NAD 83 LAT = 31.795023°
NAD 83 LONG = -103.926629°
NAD 27 X = 883,889.68'
NAD 27 Y = 792,059.27'
NAD 27 LAT = 31.794897°
NAD 27 LONG = -103.926156°

FIRST TAKE POINT
111' FSL & 364' FEL
MD = 9,443.00'
NAD 83 X = 1,180,327.59'
NAD 83 Y = 10,635,130.63'
NAD 83 LAT = 31.796379°
NAD 83 LONG = -103.926757°
NAD 27 X = 883,865.96'
NAD 27 Y = 792,553.44'
NAD 27 LAT = 31.796252°
NAD 27 LONG = -103.926284°

LAST TAKE POINT
112' FNL & 317' FEL
MD = 19,840.00'
NAD 83 X = 1,180,815.87'
NAD 83 Y = 10,645,509.59'
NAD 83 LAT = 31.824938°
NAD 83 LONG = -103.926265°
NAD 27 X = 884,354.43'
NAD 27 Y = 802,932.10'
NAD 27 LAT = 31.824811°
NAD 27 LONG = -103.925791°

BOTTOM HOLE LOCATION
54' FNL & 317' FEL
MD = 19,898.00'
NAD 83 X = 1,180,817.91'
NAD 83 Y = 10,645,567.56'
NAD 83 LAT = 31.825097°
NAD 83 LONG = -103.926265°
NAD 27 X = 884,356.47'
NAD 27 Y = 802,990.06'
NAD 27 LAT = 31.824971°
NAD 27 LONG = -103.925791°

CORNINGSTONE STATE 304H			
	SECTION LINE	LEASE LINE	ELEVATION
SHL	439' FNL 274' FEL	OFF LEASE	2,933.16'
POP	382' FNL 318' FEL	OFF LEASE	----
FTP	111' FSL 364' FEL	111' FSL 364' FEL	----
LTP	112' FNL 317' FEL	112' FNL 317' FEL	----
BHL	54' FNL 317' FEL	54' FNL 317' FEL	----

LATERAL BREAKDOWN	
SHL - POP	192.09'
POP - FTP	556.35'
FTP - LTP	10,394.76'
LTP - BHL	58.00'
TOTAL	11,201.20'
PRODUCTIVE LATERAL LENGTH	
TRACT 4	5,200.48'
TRACT 1	5,194.28'
TOTAL	10,394.76'

CORNINGSTONE STATE UNIT CALLED ACREAGE TABLE	
TRACT 1	642.71 ACRES
TRACT 2	160.96 ACRES
TRACT 3	160.92 ACRES
TRACT 4	321.84 ACRES
TOTAL	1,286.43 ACRES

LEGEND
- SURVEY LINES
- PROPOSED LATERAL
- LEASE TRACT
- SURFACE HOLE LOCATION
- FOUND MONUMENT
- CALCULATED CORNER
- EXISTING WELL

THE CORNINGSTONE STATE 304H IS LOCATED 2.33 MILES SOUTHWEST OF ORLA, TX

1000' 0' 1000'

STATE OF TEXAS REGISTERED ERNEST STEVEN HOLAWAY 5479 PROFESSIONAL LAND SURVEYOR

Date: 2/4/2025

E. STEVEN HOLAWAY

ERNEST STEVEN HOLAWAY R.P.L.S. NO. 5479
COOSA CONSULTING CORPORATION
PO BOX 1583, MIDLAND, TEXAS 79701
FIRM NO. 10194822

NOTES:
1.) THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY. THE REGISTRANT DOES NOT CLAIM HEREIN ADHERENCE TO THE T.B.P.E.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS.
2.) ANY REFERENCED OWNERSHIP INFORMATION PROVIDED BY CLIENT.
3.) BEARINGS AND COORDINATES ARE GRID AS DERIVED FROM GPS OBSERVATION AND ARE BASED ON THE STATE PLANE COORDINATES FOR THE TEXAS CENTRAL ZONE 4203-NAD 83
4.) THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.
5.) ALL GRID AND LEASEHOLD INFORMATION PROVIDED BY THE CLIENT.
6.) ALL EXISTING WELLS SHOWN ARE LOCATED FROM TEXAS RAILROAD COMMISSION GIS DATA.

Drawn: AHP	Date: 02/03/2025	Job: 24-072100	Scale: 1" = 1000'
Checked: ESH	Date: 02/03/2025	REVISION NO. 0	

DRAWING PATH: D:\COOSA CONSULTING DROPBOX\COOSA CONSULTING\CLIENTS - PROJECT FOLDERS\TITUS OIL & GAS\24-072100_CORNINGSTONE PLANNING SEC 23 BLK 57 T2\DRAFTING\RRC\AS-DRILLED

COOSA CONSULTING
PO BOX 1583, MIDLAND, TEXAS 79701
FIRM NO. 10194822

98.

File No. MF035430

Reeves County

iNut14329- API 42-389-41443

Date Filed: 04/22/2025

Commissioner Dawn Buckingham, M.D.

By: JM

MFD35430 NADOA Model Form Division Order (Adopted 9/95)

DIVISION ORDER

To: **TOG Operating, LLC**
ATTN: Division Order Department
777 Taylor St, Ste 1050
Fort Worth, 76102

Date: April 3, 2025

Property Number: P005.101, P005.102
Property Name: Corningstone State 224H, 304H
Operator: TOG Operating, LLC
County and State: Reeves, Texas
Property Description: Section 26 & 35, Block 57-T2S, Reeves County, TX

Effective Date: First Production

Production: X Oil X Gas X Other: all products

OWNER NAME & ADDRESS:

State of Texas
PO Box 12873
Austin, TX 78711

OWNER NUMBER: 8559

Type of Interest: See 'Exhibit A'
Decimal Interest: See 'Exhibit A'

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by **TOG Operating, 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 annually, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned and the lessee or operator or any other contracts for the purchase of oil or gas. In addition to the terms and conditions of this Division Order, the undersigned and Payor may have certain statutory rights under the laws of the state in which the property is located.

Owner(s) Signature(s): _____ _____

State of Texas

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

Owner Daytime Telephone: _____ _____

Owner Fax Telephone: _____ _____

Owner Email: _____ _____

Witness Signatures: _____ _____

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor

cr

Retain this copy for your records

SIGN

The following provisions are also part of this division order. All provisions contained herein shall be binding upon the Owners and TOG Operating, LLC and their successors, legal representatives and assigns.

FIRST: The word "Oil" shall mean all crude oil, condensate and other marketable liquid hydrocarbons produced and saved from the above described real property. Oil shall become TOG OPERATING, LLC's property as soon as the same is received into TOG OPERATING, LLC's custody or that of any carrier designated by TOG OPERATING, LLC. TOG OPERATING, LLC is not obligated to: (a) receive Oil in definite quantities, (b) receive Oil for fixed periods, or (c) provide storage.

SECOND: The Oil shall be delivered f.o.b. to any carrier designated by TOG OPERATING, LLC which gathers and receives crude oil, condensate or other liquid hydrocarbons, and TOG OPERATING, LLC shall pay for such Oil to the Owners according to the division of interests herein specified at the price agreed upon between TOG OPERATING, LLC and the lease operator.

THIRD: Quantities of Oil purchased by TOG OPERATING, LLC shall be determined by the method of measurement and computation employed by TOG OPERATING, LLC or its agent designated to receive such Oil including without limitation, the gauging of storage tanks using regularly compiled tank tables, the use of certified truck gauges, and the use of meters or any other reasonably accurate method of measurement and computation. TOG OPERATING, LLC shall correct the volume and gravity to a temperature of 60° Fahrenheit and shall deduct from such corrected volume the full percentages of basic sediment, water and other impurities as shown by tests conducted by TOG OPERATING, LLC. TOG OPERATING, LLC may refuse to receive any Oil that it does not consider merchantable.

FOURTH: All checks shall be delivered or mailed to the respective Owner at the addresses above stated. TOG OPERATING, LLC shall make payments hereunder monthly by TOG OPERATING, LLC's check for Oil received during the preceding month; provided that if the monthly payment due an Owner is less than the greater of one hundred dollars ($100.00) or the amount under applicable state law which a purchaser is not required to immediately disburse, TOG OPERATING, LLC may defer such payment, without interest, until the amount payable to said Owner equals or exceeds said amount. In such event, payment shall be made at the next regular settlement date. TOG OPERATING, LLC is hereby authorized to withhold from the proceeds of Hydrocarbon's the Owner's proportionate share of any tax levied and assessed by any governmental authority on the Oil received and purchased hereunder and to pay the same.

FIFTH: The Owners shall furnish, at no cost to TOG OPERATING, LLC, evidence of title satisfactory to TOG OPERATING, LLC. Any Owner receiving proceeds of Oil on behalf or for the account of any other person or entity shall promptly make full and proper settlement to each such person or entity. Until satisfactory evidence of title is furnished or in the event of any adverse claim to the Oil, lien or dispute at any time concerning title or ownership to the Oil, the proceeds thereof, and/or the Lands, TOG OPERATING, LLC shall have the right at any time and from time to time to withhold payment for Oil accruing to the interest or interests affected thereby until such adverse claim, lien or dispute shall have been fully settled, without liability for damage or interest to the Owners in any such case. If suit is filed or an adverse claim is made affecting title or ownership to the Oil, the proceeds thereof, and/or the Lands, each Owner shall promptly provide to TOG OPERATING, LLC (at the above address) written notice thereof, together with a certified copy of any complaint or petition filed along with all other pleadings related thereto. Each Owner shall defend, indemnify and hold TOG OPERATING, LLC and its affiliates, directors, officers, employees, agents and representatives (collectively, the "TOG OPERATING, LLC Indemnitees"), harmless from and against any and all claims, liabilities, demands, actions, causes of action, costs, damages, and expenses (including, without limitation, costs of investigation, defense and court and reasonable attorneys' fees) arising from or in any way relating, directly or indirectly, to any proceedings, actions or adverse claims concerning title or ownership to the Oil, the proceeds thereof, and/or the Lands. **SUCH INDEMNIFICATION SHALL APPLY NOTWITHSTANDING YOUR NEGLIGENCE OR OTHER ACT AND NOTWITHSTANDING SUCH ACT MAY OCCUR IN THE FUTURE, IT BEING THE INTENT OF THE PARTIES HERETO THAT SUCH INDEMNIFICATION SHALL APPLY TO ALL SUCH ACTS.**

Exhibit A

P005.101 - Corningstone State 224H INut 14328

Owner No.	Credit To	Type	Interest
8559	**State of Texas**	**RI**	**0.03119072 << Your Interest**

P005.102 - Corningstone State 304H INut 14329

Owner No.	Credit To	Type	Interest
8559	**State of Texas**	**RI**	**0.03123136 << Your Interest**

32-4T-4

Titus Oil & Gas III, LLC
777 Taylor St., Ste. 1050
Fort Worth, Texas 76102

April 2, 2025

USPS Certified Mail
State of Texas
PO Box 12873
Austin, TX 78711

Dear Interest Owner,

Please find enclosed a Division Order, in duplicate, for your share of the production proceeds that will be distributed by Titus Oil & Gas III, LLC ("Titus") on the identified property(ies). Please review the Division Order, confirm the information is current and correct, and sign and return one copy to Titus either by mail to the address above or by emailing a scanned copy to rbrunette@titusoil.com. The duplicate form should be retained for your records.

If your address on the Division Order is not correct, please provide updated information and initial the change. If your name has changed or if you no longer own the interest, please update and initial the Division Order and provide Titus the documentation to support your name change or change in ownership.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Reed Brunette
Senior Landman
rbrunette@titusoil.com
(817) 852-6717

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

May 30, 2025

Reed Brunette, Senior Landman
Titus Oil & Gas III, LLC
777 Taylor St., Ste. 1050
Fort Worth, Texas 76102

Re: State Lease No. MF035430 Corningstone State 224H iNut 14328 and 304H iNut 14329

Dear Mr. Brunette:

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

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

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

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

Thank you,

Vivian Zamora
Landman, Energy Resources

File No. MFD35430

Reeves County

Division Order

Date Filed: 6/2/2025

Commissioner Dawn Buckingham, M.D.

By: VB

Mineral File 35430 B File

COUNTY: Reeves
TRACT :
PART : Sec 26 Blk 57 Tsp 2 T & P
ACRES : 640

LESSEE : L. C. Wahlenmaier
DATE :
TERM :
BONUS :
RENTAL:
FILE :

TGLO VAULT

PRODUCING **B-FILE**
RELINQUISHMENT ACT LEASE
For Correspondence

35430

File

REEVES County

MINERAL LAND

L.C. WAHLENMAIER

640 Acres

Section 26

Block 57

T & P Tsp. 2

File 91638 Cert.

~~Lease dated 2-3-50 10 Yrs~~

Name of Claim

24. Ltr to Sinclair Oil + Gas 4-30-65 PK
25 " fr " " " 4-26-65 PK
26. Ltr t Sinclair Ref Co 3-19-69
27. " fr. " 3-26-69 ss
28 Ltr. to Atlantic 2-2-72 glr
~~29. Ltr. to Atlantic 2-24-72 Kew~~

See supplement #1

Vol. P.

File 35430

CONTENTS

Trans. & Well Rec #8
~~1. Applic to drill + plat 6-12-58 BS~~
2. Ltr fr. Sinclair Oil & Gas 10-16-58 ls
3 " to " " " 10-16-58 ls
4 " fr. " " " 11-28-58 ls
5. Ltr to Sinclair Oil & Gas Co. JAN 21 1959 amb
~~6. Ltr to " " " 3-31-59 Sm~~ 009
6. Ltr from Sinclair Oil + Gas Co. 1-21-59 Sm
7. " to " " " " 4-2-59 Sm
8 " from " " " " 4-7-59 Sm
9. Ltr to " " " " 5-22-59 Sm
10. Ltr from " " " " 5-28-59 Sm
11. " to " " " " 8-12-59 gm
12 " " " " " 8-14-59 ls
13. Ltr fr/to " " " { 8-26-59 / 8-28-59 ls
14. Ltr fr. " " " 9-4-59 ls
15. " to " " " " 10-26-59 gm.
16. " " Cactus Pipe, Inc. 10-30-59
17. " " Sinclair Oil + Gas Co. 2-16-60 ls
18. " fr. Cactus Pipe 11-4-59 BM
19. " to Sinclair Oil + Gas Co. 4-27-61 PK
20. " " " " " " 1-30-63 gb
21 Ltr to " " " " 5-23-63
22. " " " " " " 9-11-63 DB.
23. " " " " " " 4-13-65 PK

Supplement #1

File 35430

CONTENTS

29. ltr. to Atlantic 2/24/72 (Rel)

30. " fr " 2-19-1972

31.

Producing

Supplement #1

B-FILE

Relinquishment Act Lease

For Correspondence

File 35430

Reeves County

MINERAL LAND

L. C. Wahlenmaier

640 Acres

Section 26

Block 57

T & P Tsp. 2

File 91638 Cert.

Name of Claim

Vol. P.

CONTENTS OF FILE NO. 35430 B File

1.	In Well Record		34. Ltr. to Atlantic Richfield 9-29-77 ET
2.	Ltr to Sinclair O & G	10-16-1958	35. Ltr. Atlantic Richfield 12-1-77
3.	" to " " " "	10-16-1958	36. scanned at 9-1-2020
4.	" fr " " " "	11-28-1958	37.
5.	" to " " " "	1-21-1959	38.
6.	Ltr fr Sinclair O & G	1-21-1959	39.
7.	" to " " " "	4-2-1959	40.
8.	" fr " " " "	4-7-1959	41.
9.	" to " " " "	5-22-1959	42.
10.	" fr " " " "	5-28-1959	43.
11.	" to " " " "	8-12-1959	44.
12.	" " " " " "	8-14-1959	45.
13.	" fr/to " " " "	8-26-1959 9-28-1959	46.
14.	Ltr fr " " " "	9-4-1959	47.
15.	" to " " " "	10-26-1959	48.
15 1/2	Ltr. fr. Sinclair Oil & Gas	10-26-59	
16.	" " Cactus Pet	10-30-1959	49.
17.	" " Sinclair	2-16-1960	50.
18.	" fr Cactus Petro	11-4-1959	51.
19.	" to Sinclair	4-27-1961	52.
20.	" " "	1-30-1963	53.
21.	" " "	5-23-1963	54.
22.	" " "	7-11-1963	55.
23.	" " "	4-13-1965	56.
24.	" to "	4-30-1965	57.
25.	" fr "	4-26-1965	58.
26.	Ltr to Sinclair O & G	3-19-1969	59.
27.	" fr " " " "	3-26-1969	60.
28.	" to Atlantic	2-2-1972	61.
29.	" fr "	7-31-76 MHJ	62.
30.	Ltr to Atlantic	7-28-76	63.
31.	Ltr from Atlantic	8-9-76 SG	64.
32.	Ltr to ARCO	9-24-76	65.
33.	" From "	2-18-77	66.

1350
5

GENERAL LAND OFFICE LEASE NUMBER M-35430

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
	26	57		640	Reeves

Name of Lease Agnes Beckham Name of Field Sabre (Delaware)

Name of Operator Sinclair Oil & Gas Company Address Tulsa, Oklahoma

STATEMENT OF OIL AND GAS PRODUCTION FOR MONTH OF June, 19 58

OIL OR GAS DISTILLATE STATEMENT

This lease has 1 producing oil wells with 1 storage tanks and the total allowable for this month was ..... barrels. Oil sold to Cactus Petroleum, Inc.

Delivered by Cactus Transport

	BARRELS
Stock beginning of month (7 AM on 1st)	None
Gross production as shown by daily tank gauges	81.29
Net sales as shown by pipe line run tickets, truck tenders, etc.	None
Other Disposition (itemize)	
Correction — BS & W and Temperature	None
Stock close of month (7 AM on 1st)	81.29

OIL SALES

GRAVITY	NET BARRELS	PRICE	GROSS VALUE	ROYALTY INTEREST	ROYALTY DUE STATE
°					
°					
°					
°					
°					
TOTAL	None	$	$ None	6.25 %	$ None

POSTED

GAS STATEMENT

Gas is being marketed from ..... wells producing oil and gas, and ..... wells producing only gas.

PROCESSED GAS

GASOLINE

Volume ..... M.C.F. Gasoline content per M.C.F. .....

Total Gallons ..... Contract per cent ..... Gallons due lease .....

Price ..... Value due Lease . . . $ .....

BUTANE AND PROPANE

Gallons Produced ..... Contract per cent ..... Gallons due lease .....

Price per Gallon ..... Value due Lease . . . .

SULPHUR

M.C.F. Hydrogen Sulphide ..... Price ..... Value due Lease . . . .

RESIDUE GAS

Available for Sale ..... M.C.F. Returned to Lease ..... M.C.F.

Volume Sold ..... M.C.F. Contract per cent to Lease ..... Price .....

Value due Lease . . . .

Total Value of Gas Sold to ..... $ .....

Royalty Interest ..... % Royalty due State $ .....

NON-PROCESSED GAS

Sold: ..... M.C.F. Price per M.C.F. ..... Value . . $ .....

Used on Lease: ..... M.C.F. Price per M.C.F. ..... Value . . ..

Flared: ..... M.C.F. Price per M.C.F. ..... Value . . ..

Total Value of Gas Utilized By ..... $ .....

Royalty Interest ..... % Royalty due State $ .....

Total Gas Royalty Due State $ .....

REMARKS:

I certify that this statement is true and correct and shows entire production of all forms of petroleum oil and gas and disposition thereof from area owned by the undersigned out of the lease for the period indicated.

Sinclair Oil & Gas Company

By: W. Overman

Title: Assistant to Auditor

Sworn and subscribed to before me the undersigned authority, on this 23 day of July, 19 58

Bob R. Holt Notary Public in and for Tulsa County, State of Oklahoma

My Commission Expires 1-26-61

LAND OFFICE USE ONLY

RECEIVED
JUL 28 1958
GENERAL LAND OFFICE

RECEIVING STAMP

IMPORTANT: Be sure to give General Land Office Lease Number above.

INFORMATION

1. The operator of the lease is responsible for all payments and records due the General Land Office. See Title 86, Chapter 4, Article 5380, Revised Civil Statutes of 1925.

2. It is necessary that the following records be furnished this office:

   (a) Logs of all wells
   (b) *Affidavits of production
   (c) *Oil and gas purchaser statements
   (d) *Daily Gauge reports
   (e) *Run tickets
   (f) Tank tables

   *Due on or before 20th of month following month of production.

PREPARATION OF AFFIDAVIT

1. Show all information requested in the spaces provided.

2. Report on both oil and gas. If no gas is sold or utilized, write "none" in spaces provided for Total Value.

3. Show all oil measurements two places past decimal. Example: 129.63

4. The term "Net Sales" as used in this affidavit means the number of barrels sold after correction for BS & W and Temperature.

5. No State or Federal tax is to be deducted from the gross value before the calculation of royalty due.

6. If additional space is needed for remarks, attach a sheet with the remarks and note in "Remarks" space "See attached remarks."

7. If permission has been granted to combine two or more leases on one affidavit, then an allocation by leases must be shown on the reverse side of the affidavit or on an attachment.

8. Show Railroad Commission field name.

M.F. 35430

AFFIDAVIT, STATEMENT OF PRODUCTION, ROYALTY PAYMENT—OIL AND GAS

FOR JUN 1958 Commissioner

FILED BY ..... Clerk

SINCLAIR OIL & GAS COMPANY

PETROLEUM LIFE BUILDING

MIDLAND, TEXAS

P. O. BOX 1470

G. D. ALMEN, JR
VICE PRES. & DIVISION MANAGER

R. L. ELSTON
ASSISTANT DIVISION MANAGER

C. S. TINKLER
DIVISION EXPLORATION SUPT.

H. F. DEFENBAUGH
DIVISION PRODUCTION SUPT.

F. C. ROGERS
DIVISION GAS & GAS PRODUCTS SUPT.

24

October 10, 1958

Bill Allcorn, Commissioner
General Land Office
Austin 14, Texas

Attention: Mr. John Allison

RE: State Lease M-35430
Agnes Beckham Lease
Section 26, Block 57, T-2,
T&P RR Company Survey
Reeves County, Texas
Sinclair's Lease #20 Reeves

Gentlemen:

Confirming our telephone conversation of this date, Sinclair will file immediately with the Railroad Commission of Texas application for a permit to drill its Well No. 2 Agnes Beckham, a 3100' Delaware sand test, at a location 1650' from the South and West lines of Section 26, Block 57, T-2, T&P RR Company Survey. Actual drilling operations should be commenced within the next 10 days. This conversation was occassioned by your letter of October 7, 1958 relative to the Sabre Drilling Company Well No. 2-A TXL, an unanswered offset to the subject lease.

As we discussed, the Sabre (Delaware) Field is presently subject to statewide field rules, field rules for this field having not yet been established. As you are aware, statewide rules provide for 20-acre spacing, which has been followed by Sabre Drilling Company in drilling its #1-A and #2-A, TXL, directly West of the subject lease. However, Sinclair is of the opinion that 40-acre spacing is more practical in the field, and will request that field rules providing for 40-acre spacing be established once the sixth well in the field is completed and a hearing to adopt field rules is held. For this reason, the location above has been chosen not only in order to step out from present production and attempt to establish additional productive acreage, but to conform with the anticipated 40-acre spacing and at the same time drill on such a pattern so as to be able to conform to 20-acre spacing in the event 20-acre spacing is adopted.

RECEIVED
OCT 14 1958

We wish to thank you for your cooperation in this matter and assure you that actual drilling operations will be under way at the earliest possible date.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

C. S. Tinkler

C. S. Tinkler

CST:WJG:jd

RECEIVED
OCT 14 1958

Y

M. F. 35430

CORRESPONDENCE "A" "B" FILE

Ltr fr. Sinclair Oil & Gas

FILED 10-16 1958

BILL ALLCORN

COMMISSIONER

lis

CLERK

COUNTY Reeves

OPERATOR CONT.

LEASE

WELL # 1 DATE COMP. 7-18-58

POTENTIAL 282 B/S TOP OF PAY

SECTION 35

SURVEY T&P RR. BLK 57 - T2

GIVE APPROXIMATE LOCATION ON MAP

2 mi SW OR/A

This makes two due on section
#26 - Dry hole offsetting on #36.

REPORTED BY BG DATE 8-6-58

This tract has two offsets due - one to Sabre #2A comp 6-21-58 which is one location N.W. of W.D. Thorns #1-A both in Sec. 27 Blk 57 T-2 Reeves Co. The other is to Continentals #1 comp 7-18-58, pote 282 BOPD located in the NE. corner of Sec. 35 Blk 57 - T-2 Reeves Co., Texas

30
21
9

June 9
July 31
Aug 31
Sept 29
150

100
71
29

October 7, 1958

Sinclair Oil and Gas Company
P. O. Box 1470
Midland, Texas

RE: State Lease M-35430, Agnes Beckham Lease, Section 26, Block 57, Tsp. 2, T&P Ry. Sur. Reeves County

Gentlemen:

If the information I have is correct, the Sabre #2-A well was completed on June 21, 1958, at a location in Section 27 within one thousand feet (1000') of the west line of your state lease covering Section 26. This well appears to be one location north of the W. D. Thorn #1-A in the same section.

As you know, the Statutes provide for the drilling of an offset well on the state lease within one hundred (100) days from the date of first commercial production from a well located on privately owned land within 1000' of the state acreage. According to my calculation, the required offset well should have commenced drilling on September 29, 1958. Will you please advise me as to whether or not drilling operations are be conducted at this time offsetting the Sabre #2-A.

Sincerely yours,

BILL ALLCORN, COMMISSIONER

BY
John Allison, Director
Exploration and Development

JA/bs
cc: James Weatherby

M. F. 35430

CORRESPONDENCE IN "D" FILE

Ltr. fr. Sinclair Oil & Gas

FILED 10-16 1958

BILL ALLCORN

COMMISSIONER

CLERK

SINCLAIR OIL & GAS COMPANY

PETROLEUM LIFE BUILDING

MIDLAND, TEXAS

P. O. Box 1470

G. D. ALMEN, JR.
VICE PRES. & DIVISION MANAGER

R. L. ELSTON
ASSISTANT DIVISION MANAGER

C. S. TINKLER
DIVISION EXPLORATION SUPT.

H. F. DEFENBAUGH
DIVISION PRODUCTION SUPT.

F. C. ROGERS
DIVISION GAS & GAS PRODUCTS SUPT.

November 21, 1958

Bill Allcorn, Commissioner
General Land Office
Austin 14, Texas

Attention: Mr. John Allison,
Director Exploration and Development

file

24

RE: State Lease M-35430
Agnes Beckham Lease
Section 26, Block 57, T-2
T&P RR Company Survey
Reeves County, Texas
Sinclair's Lease No. 20 Reeves

Dear Sir:

By letter dated October 10, 1958, we advised that we were preparing to commence the drilling of the Sinclair Oil & Gas Company Well No. 2 Agnes Beckham at a location 1650' from the South and West lines of Section 26, Block 57, T-2, T&P RR Company Survey.

This will advise that said well was spudded on October 23, 1958 and drilled to a total depth of 3059'. On the Railroad Commission Potential test, November 12, 1958, this well flowed 168 barrels of oil in 12 hours from Delaware perforations 2946' - 58' for a calculated potentian of 336 barrels of oil per day.

Also, for your information, we are filing application this date with the Railroad Commission for permit to drill the Sinclair Oil & Gas Company No. 3 Agnes Beckham, a 3100' Delaware test to be located 1650' from the South line and 330' from the West line of said Section 26.

Yours truly,

SINCLAIR OIL & GAS COMPANY

C. S. Tinkler

C. S. Tinkler

RECEIVED
NOV 24 1958
GENERAL LAND OFFICE

WJG:jd

4

M. F. 35430

CORRESPONDENCE IN "B" FILE

Ltr fr. Sinclair Oil & Gas

FILED 11-28 1958

BILL ALLCORN

COMMISSIONER

les

CLERK

MEMO

OPERATOR Sinclair Oil & Gas Company

ADDRESS P.O. Box 521

Tulsa, Oklahoma

RE: MF 35-430

Lease Name Agnes Beckham

Field Sabre (Delware)

County(ies) Reeves

REQUEST:

Daily Gauges for ____/____

Run Tickets for ____/____

Daily Gauge Reports & Run Tickets for ____/____

Affidavit(s) of Production for

Cactus Petroleum (Co.) Oil Purchase Statements for Aug thru Dec. 58

____ (Co.) Gas Purchase Statements for ____

Tank Tables for Tanks Nos. ____

REMARKS:

R&G ____ Aff. OK Date 1-14-59

January 21, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Cactus Petroleum's oil purchase statements for August through December, 1958.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw
OCJ/amb

(5.)

M. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil & Gas Co.

~~From~~

Dated JAN 21 1959

GENERAL LAND OFFICE
AUSTIN 14, TEXAS

BILL ALLCORN
COMMISSIONER

January 21, 1959

15

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

Re: State Lease M-1440
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Cactus Petroleum's oil purchase statements for August through December, 1958.

August not Received by S. Ark. Co.
November sheet for will not agree

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By Melvin Eckhoff
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

RECEIVED
JAN 26 1959
GENERAL LAND OFFICE

ME/mw
OCJ/amb

M. F. 35430

CORRECT SERVICE FILE

To

From

Dated 1957

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

MEMO

OPERATOR Sinclair Oil & Gas Co.

ADDRESS P.O. Box 521
Tulsa, Oklahoma

ATTENTION: _____

RE: M. F. NO. 35430

LEASE NAME Agnes Beckham

FIELD Sabre (Delaware)

COUNTY(IES) Reeves

FACTS: Difference of #23.82 less between Remittance Sales and sales as reported by statements and affd. Payment covers July through November 1958. Royalty of #1.49 due state.

BY: Del West DATE 3-31-59

April 2, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

/B

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Our audit of the captioned lease reveals that royalty for the periods July through November, 1958, is short in the amount of $1.49.

Please let us have your check to cover this shortage.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw/sm

7.

L. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil & Gas Co.

~~From~~

Dated 4-2-59

SINCLAIR OIL & GAS COMPANY

SINCLAIR OIL BUILDING

TULSA 2, OKLAHOMA

April 7, 1959

M. M. SHUMARD
AUDITOR

R. L. JACKSON
ASST. AUDITOR

15

Mr. Bill Allcorn, Commissioner
General Land Office
State of Texas
Austin 14, Texas

Attention: Mr. Melvin Eckhoff, Assistant Director
Accounting and Auditing Division

Dear Sir:

-BOEK 4-10-59

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

In reply to your letter of April 2, 1959 concerning a difference between royalty payments and royalty due the State as reported by this office for the period July through November 1958 for the captioned lease.

We are enclosing corrected affidavits for the months of July and August 1958 which should enable you to clear your records of this difference.

If any additional information is needed in connection with this matter, please let us know.

Yours very truly,

M. M. SHUMARD

By: [signature]

ES:rh
Encl.

RECEIVED
APR 10 1959
General Land Office

D.W.
4-10-59

8.

M. F. 35430

CORRESPONDENCE FILE

~~To~~ Sinclair Oil & Gas Co.

From

Dated 4-7-59

MEMO

OPERATOR Sinclair Oil & Gas Co.

ADDRESS Sinclair Oil Bldg.
Tulsa 2, Oklahoma

RE: MF 35430

Lease Name Agnes Beckham

Field Lake (Delaware)

County(ies) Reeves

REQUEST:

Daily Gauges for ____/____

Run Tickets for ____/____

Daily Gauge Reports & Run Tickets for ____/____

Affidavit(s) of Production for

Cactus Petroleum (Co.) Oil Purchase

Statements for Nov. Dec 58 & Jan 59 thru March 59.

____ (Co.) Gas Purchase

Statements for ____

Tank Tables for Tank Nos. ____

REMARKS:

R&G AL Aff. OCJ Date 5-21-59

May 22, 1959

Sinclair Oil & Gas Company
Sinclair Oil Building
P. O. Box 521
Tulsa 2, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Cactus Petroleum Company's oil purchase statements for November, December, 1958 and January, February, March, 1959.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

ME/mw
ocj/sm

9.

M. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil & Gas Co.

~~From~~

Dated 5-22-59

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

BILL ALLCORN
COMMISSIONER

May 22, 1959

Sinclair Oil & Gas Company
Sinclair Oil Building
P. O. Box 521
Tulsa 2, Oklahoma

B 5-28-59

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Cactus Petroleum Company's oil purchase statements for November, December, 1958 and January, February, March, 1959.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By Melvin Eckhoff
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

RECEIVED
MAY 28 1959
General Land Office

ME/mw
ocj/sm

5-29-59

70.

M. F. 35430

CORRESPONDENCE FILE

~~To~~ Sinclair Oil & Gas Co.

From

Dated 5-28-54

MEMO

OPERATOR Sinclair Oil & Gas Co.

ADDRESS Sinclair Oil Building
P.O. Box 521
Tulsa 2, Okla.

RE: MF 35430

Lease Name Cayuga Buckhorn

Field Saber (Delaware)

County(ies) Reeves

REQUEST:

Daily Gauges for ____/____

Run Tickets for ____/____

Daily Gauge Reports & Run Tickets for ____/____

Affidavit(s) of Production for

Custer Pet. (Co.) Oil Purchase

Statements for April, May, June 59

____ (Co.) Gas Purchase

Statements for ____

Tank Tables for Tank Nos. ____

____

REMARKS:

R&G ____ Aff. OCJ Date 8-11-59

August 12, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa 2, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Cactus Petroleum Company's oil purchase statements for April, May & June, 1959.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

OJ/jnr

11.

M. F. 35430

CORRESPONDENCE FILE

To

Sinclair Oil & Gas

~~From~~

Dated 8-23-55

August 14, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa 2, Oklahoma

RE: State Lease M-35430, Section 26, Blk. 57, T-2, T&P Survey, Reeves County, Texas

Gentlemen:

According to the records of this office you have completed your Nos. 4, 5, 6, 7, 8 and 9 wells on the above captioned lease.

We would appreciate it very much if you would submit to the General Land Office a copy of the Well Log and Railroad Commission Form 2 for each of the wells completed on this lease for our records.

Sincerely yours,

BILL ALLCORN, COMMISSIONER

BY
John Allison, Director
Exploration and Development

JA/bs

12

M. F. 35430

CORRESPONDENCE IN "B" FILE

Ltr to Sinclair Oil & Gas

FILED 8-14 19 57

BILL ALLCORN

COMMISSIONER

CLERK

August 28, 1959

Sinclair Oil & Gas Company
Box 1470
Midland, Texas

Attention: J. R. Kiene

Gentlemen:

We are in receipt of electric logs covering your Agnes Beckham Wells Nos. 4, 5, 6, 7, 8 and 9 in Reeves County, Texas drilled on State Lease M-35430.

We would appreciate it very much if you would furnish this office with an electric well log covering your #2 well drilled on this same lease and any wells that are drilled on this state lease in the future.

Sincerely yours,

BILL ALLCORN, COMMISSIONER

BY

John Allison, Director
Exploration and Development

JA/bs

SINCLAIR OIL & GAS COMPANY

34

35-43D

RECEIVED
AUG 27 1959
General Land Office

Box 1470
~~Midland, Texas~~
August 26, 1959

RECEIVED
AUG 27 1959
General Land Office

Mr. John Allison
Director of Exploration and Development
General Land Office
Austin 14, Texas

Dear Sir:

We are sending you, as requested, electrical surveys which were run on Sinclair Oil & Gas Company Nos. 4, 5, 6, 7, 8 and 9 Agnes Beckham, Reeves County, Texas.

Yours very truly,

J. R. Kiene

J. R. Kiene

JRK/dg

Encls.

cc: J. K. Lydecker

13

M. F. 35430

CORRESPONDENCE IN "B" FILE

Ltr ffs to Sinclair Oil + Gas

FILED 8-26 & 8-28 1959

BILL ALLCORN

COMMISSIONER

CLERK

SINCLAIR OIL & GAS COMPANY

35130

Box 1470
Midland, Texas
September 1, 1959

24

Mr. John Allison
Director of Exploration and Development
General Land Office
Austin 14, Texas

Dear Sir:

We are sending you as requested the electrical survey which was run on the Sinclair Oil and Gas Company #2 Agnes Beckham, Reeves County, Texas.

Yours very truly,

J. R. Kiene

J. R. Kiene

JRK/dg

Encl.

cc: J. K. Lydecker

RECEIVED
SEP 2 1959
General Land Office

A

14

M. F. 35430

CORRESPONDENCE IN "B" FILE

Ltr fr. Sinclair Oil & Gas

FILED 9-4 19 57

BILL ALLCORN

COMMISSIONER

CLERK

MEMO

OPERATOR Sinclair Oil & Gas Co.

ADDRESS PO Box 521

Tulsa, Okla.

RE: MF 35480

Lease Name Agnes Beckham

Field Sabre - Delware

County(ies) Reeves

REQUEST:

Daily Gauges for ____/____

Run Tickets for ____/____

Daily Gauge Reports & Run Tickets for ____/____

Affidavit(s) of Production for

Standard Oil of Texas (Co.) Oil Purchase Statements for July, Aug, Sept 59

(Co.) Gas Purchase Statements for

Tank Tables for Tanks Nos. 6170 6171-6172-6173-6174 & 6175

REMARKS:

R&G Thur Aff. Reg Date 10-26-59

October 26, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Standard Oil of Texas' oil purchase statements for July, August & September, 1959.
Tank tables for tanks numbers 6170, 6171, 6172, 6173, 6174 & 6175.

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

MW/OJ/jnr

15.

M. F. 25430

CORRESPONDENCE FILE

To

Sinclair Oil & Gas

~~From~~

Dated 10-26-55

GENERAL LAND OFFICE

AUSTIN 14, TEXAS

BILL ALLCORN
COMMISSIONER

October 26, 1959

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month for the preceding month when a lease is producing.

The files of this office show the below listed records have not been received. Please file these records in the near future:

Standard Oil of Texas' oil purchase statements for July, August & September, 1959.
Tank tables for tanks numbers 6170, 6171, 6172, 6173, 6174 & 6175.

RECEIVED
NOV - 6 1959
General Land Office

Thank you for your cooperation.

Sincerely yours,

BILL ALLCORN, Commissioner

By Melvin Eckhoff
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

MW/OJ/jnr

M. F. 35430

(15) 1/2

CORRESPONDENCE FILE

To Sinclair Oil & Gas Co.

~~From~~

Dated 10-26-59

October 30, 1959

Cactus Petroleum, Inc.
P. O. Box 12385
Houston 17, Texas

B

Re: State Lease M-35430
Agnes Beckham Lease
Saber (Delaware) Field
Reeves County, Texas

Gentlemen:

This office is in receipt of your check No. C-216576 for a total remittance of $18,148.57. Under lease No. 3808, owner No. 555, you show sales of 2.27 barrels of oil, total tax of 29¢ and net value of interest to the State of 38¢.

According to your check, this is for July, 1959, sales. Is this a supplement or a correction to the July sales covering this lease? Your original statement filed and royalty paid did not include these figures.

If this is a correction or a supplement payment for July sales covering this lease, please forward this office a copy of the statement covering this transaction.

Sincerely yours,

BILL ALLCORN, Commissioner

By
Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

OJ/jnr

16.
M. F. 3-5-480

CORRESPONDENCE FILE

To

Cactus Petroleum Corp.

~~From~~

Dated 10-30-57

February 16, 1960

RE: State Lease M-35430,
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas

Gentlemen:

According to the records of this office you completed your No. 10 well on the above captioned lease on June 8, 1959.

If you have not already done so, we would appreciate it very much if you would file a copy of the Electric Well Log and Railroad Commission Form 2 in this office for our records.

Sincerely yours,

BILL ALLCORN, COMMISSIONER

BY
John Allison, Director
Exploration and Development

JA/bs

17.

M. F. 35430
CORRESPONDENCE IN "B" FILE
Ltr to Sinclair Oil + Gas Co.
FILED 2-16 1960
BILL ALLCORN
COMMISSIONER
CLERK

CACTUS Petroleum, Inc.

P. O. BOX 12385 HOUSTON 17, TEXAS TELEPHONE MIssion 4-5151

November 4, 1959

15

General Land Office
of the State of Texas
Austin 14, Texas

RECEIVED
NOV - 5 1959
General Land Office

Attention: Mr. Melvin Eckhoff, Assistant Director
Accounting & Auditing Division

Re: State Lease M-35430
Agnes Beckham Lease
Saber (Delaware) Field
Reeves County, Texas

Gentlemen:

In reply to your letter of October 30, 1959, with reference to the above captioned lease. We are enclosing a copy of the lease run statement as mentioned in your letter. This is actually a May, 1959 adjustment, which was entered on Cactus records as of July, 1959.

Sincerely yours,

CACTUS PETROLEUM, INC.

William E. Perry

WEP:jae
Enclosure

#18

A. F. 35430

CORRESPONDENCE FILE

~~To~~ Cactus Pete's

From

Dated 11-4-59

RECEIPT
GENERAL LAND OFFICE

REG NO 65644
M F NO 35430

Austin, Texas MAY 29 1961

RECEIVED FROM SINCLAIR OIL AND GAS COMPANY

ADDRESS TULSA OKLAHOMA

-------ELEVEN AND 94/100 DOLLARS---------- $ 11.94

FOR INTEREST ON DELINQUENT ROYALTY

COMMISSIONER

By: BB

M.F. 35430

FILED MAY 29 1961 19

JERRY SADLER, COMMISSIONER

#5

Clerk

April 27, 1961

Sinclair Oil & Gas Company
Tulsa, Oklahoma

B

Re: State Lease M-35430
Agnes Beckham Lease
Sabee-Delaware Field
Reeves County, Texas

Gentlemen:

Your checks covering November, 1959, through January, 1961, gas production on the above lease was received in this office April 7, 1961. Interest at 6% per annum is due in the amount of $11.94. Please forward your check for $11.94 interest.

Thank you for your cooperation.

Sincerly yours,

JERRY SADLER, Commissioner

By
Melvin Eckhoff, Director
Accounting & Auditing Division

ME/hf

19

M. F. 35430

CORRESPONDENCE FILE

To

Sinclair Oil & Gas Company

~~From~~

Dated 4-27-61

January 30, 1963

Sinclair Oil and Gas Company
P. O. Box 521
Tulsa 2, Oklahoma

B

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Gas Reports (Form MA-2) filed in this office for the subject lease are erroneously filed under State Lease Number M-34530. Please make note of the correct number, M-35430 and indicate this number onmall future reports.

There also is some question in regard to production from this lease. Reports filed for July through October, 1962, indicate no production is being obtained from the lease. However, gas purchase statements filed by Continental Oil Company indicate gas from this lease was processed during each of these months.

We request that you review your records and if you find corrected reports are in order, please submit these at the earliest possible time.

We also request that you submit a Gas Report for June, 1962, as this report has not been received in this office.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By
Walton F. Pennell, Director
Accounting & Auditing Division

WFP/wf

20

M. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil & Gas

~~From~~

Dated 1-30-63

May 23, 1963

B

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa 2, Oklahoma

Re: State Lease M-35430
Agnes Reckham Lease
Sabre Delaware Field
Reeves County, Texas

Gentlemen;

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Continental Oil Company's Gas Purchase Statement for November, 1962.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By
Walton F. Pennell, Director
Accounting & Auditing Division

WFP:wf

M. F. 35430

CORRESPONDENCE FILE

21

To Sinclair Oil & Gas Co.

From

Dated 5-23-63

July 11, 1963

-13

Sinclair Oil & Gas Co.
P. O. Box 521
Tulsa 2, Oklahoma

RE: State Lease M-35430
Agnes Beckham Lease
Sabre-Delaware Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office on or before the twentieth day of each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Tank Table for Tank No. 6351.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By
Walton F. Pennell, Director
Accounting & Auditing Division

WFP:rsp

M. F. 35430

CORRESPONDENCE FILE

22

To Sinclair Oil & Gas Co.

~~From~~

Dated 7-11-63

April 13, 1965

Sinclair Refining Company
P. O. Box 521
Tulsa, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre Delaware Field
Reeves County, Texas

Gentlemen:

Your Oil or Gas Distillate Report and purchase statement for October, 1964 indicates a credit was taken of 172.89 barrels of oil for the subject lease.

If this oil is 100% owned by you, please submit an affidavit of ownership. If not 100% owned, please advise the reason for this credit.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN: fd

23

M. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil & Gas

~~From~~

Dated 4/13/65

RK

April 30, 1965

B

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Okla.

Re: State Lease M-35430
Agnes Beckham Lease
Sabre Delaware Field
Reeves County, Texas

Gentlemen:

An examination of records on file in this office for the subject lease indicates gas royalty for September, 1963 is underpaid $38.11.

Please review your records and if you concur, forward your check in the amount of $38.11 plus $3.55 interest computed at the rate of six per cent (6%) per annum from October 21, 1963 through May 10, 1965, a total of $41.66. If you do not concur, please advise.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, Commissioner

By:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/wf

(24).

M. F. 35430

CORRESPONDENCE FILE

To Sinclair Oil

~~From~~

Dated 4-30-65

rb

Chief Clerk

SINCLAIR OIL & GAS COMPANY
SINCLAIR OIL BUILDING
TULSA, OKLAHOMA 74102

April 26, 1965

ACCOUNTING DEPARTMENT

Mr. Jerry Sadler, Commissioner
General Land Office
Austin, Texas

Attention Mr. C. F. Niebuhr, Director
Finance, Audit and Investment

FINE

RECEIVED
APR 29 1965
General Land Office

Dear Sir:

Re: State Lease M-35430
Agnes Beckham Lease
Sabre Delaware Field
Reeves County, Texas

We refer you to your letter of April 13, 1965 calling our attention to our Oil and Gas Distillate Report and Purchase Statement for October 1964 which shows a credit was taken of 172.89 barrels of oil for the subject lease and asking us the reason for this credit.

This run of 172.89 barrels was not run from this lease but was inadvertently included with our other July 1964 runs from this lease.

Upon discovery of the error, this run was reversed on our October 1964 statement.

We trust this information will enable you to clear your records.

Yours very truly,

F. J. PETRIE, COMPTROLLER

By: K. F. Rathmann, Jr.

Credit allowed

PAF:rh

(25)

M. F. 30543 b

CORRESPONDENCE FILE

To

Sinclair

From

Dated 4-26-65

March 19, 1969

Sinclair Refining Company
P.O. Box 521
Tulsa, Oklahoma

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Sinclair Company Oil Purchase Statement for August, 1967.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

by:
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN: lce

(26)

M. F. 35430

CORRESPONDENCE FILE

To Sinclair

~~From~~

Dated 3-19-69

RECEIVED
MAR 26 1969
General Land Office

GENERAL LAND OFFICE
AUSTIN, TEXAS
78701

JERRY SADLER
COMMISSIONER

RECEIVED
MAR 21 1969
LEASE DEPARTMENT
DIV. ORDER

March 19, 1969

Sinclair Refining Company
P.O. Box 521
Tulsa, Oklahoma

73 0867-01

Re: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require that certain records be filed in the General Land Office each month pertaining to production of the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Sinclair Company Oil Purchase Statement for August, 1967.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

by: C. F. Niebuhr
C. F. Niebuhr, Director
Finance, Audit and Investment

CFN: lce

Dear Sir:
Requested Information Attached.
Lou A. Bighurst, Acctg. Clerk
03-24-69

(27)

M. F. B54130

CORRESPONDENCE FILE

To

From Sinclair Refining Co.

Dated 3-26-69

SS

February 2, 1972

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

A review of your Gas Report (Form MA-2) and royalty payment received for the subject lease for January, 1970 indicates the gas royalty has been underpaid $3.87.

Your Form MA-2 Report indicates royalty due the State for January, 1970 on the subject lease was $42.81, but your payment received in this office on April 2, 1970 under your property number 77061020000 was in the amount of $38.94. We are enclosing photocopies of your Form MA-2 Report and the remittance advice received with your check. It appears the payment was made on the net value of sales instead of gross value before the deduction of taxes.

Please review your records, and if you agree with our findings, forward your check for $3.87 plus legal interest computed at the rate of 6% per annum from the original due date to date of payment.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Harold Frank, Jr., Assistant Director
Finance, Audit and Investment

CMW/glr
Enclosure

(2.)

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

From

Dated 2-2-72 ge

February 24, 1972

Atlantic Richfield Company
P.O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Enclosed is a xerox copy of our letter to you dated February 2, 1972, and as of this date we have not received a reply to this letter.

Your immediate attention to this matter is requested.

Sincerely yours,

Bob Armstrong

BY: Harold Frank, Jr., Assistant Director
Finance, Audit and Investment

CMM/kew
Enclosure

(29)

M. F. 35-430

CORRESPONDENCE FILE

To Atlantic Richfield

From

Dated 2-24-72

Kaw

CONTENTS OF FILE NO. 35430 B File Supp #1

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65. Ltr. to Arco 11-17-81 g
66. Ltr. to Arco 1-20-82 g
67. Ltr. fr. Arco 11-23-81 g
68. Ltr. fr. Arco 12-1-81 g

Scanned 9-1-2020

AtlanticRichfieldCompany
North American Producing Division
Administration and Control
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 741-7461

T. L. Redden
Manager, Accounting

RECEIVED
FEB 19 1972
General Land Office

M-35430
B-File

February 16, 1972

General Land Office
Austin, Texas 78701

Attn: Mr. Harold Frank

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

The MAII originally filed from this office concerning the above captioned lease was incorrect in that it did not include a $57.81 charge made against Conoco's payment to Atlantic Richfield for the production month of January, 1970. Therefore the state royalty payment of $38.94 was correct, as the enclosed Conoco check will verify.

We are enclosing a corrected MAII report for the subject lease, along with copies of the Conoco statement and check. If we may be of further assistance, please advise.

Very truly yours,

Donald Driskell HK

Donald Driskell
Senior Gas Accountant

CB/cj

Enclosure

February 2, 1972

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

A review of your Gas Report (Form MA-2) and royalty payment received for the subject lease for January, 1970 indicates the gas royalty has been underpaid $3.87.

Your Form MA-2 Report indicates royalty due the State for January, 1970 on the subject lease was $42.81, but your payment received in this office on April 2, 1970 under your property number 77061020000 was in the amount of $38.94. We are enclosing photocopies of your Form MA-2 Report and the remittance advice received with your check. It appears the payment was made on the net value of sales instead of gross value before the deduction of taxes.

Please review your records, and if you agree with our findings, forward your check for $3.87 plus legal interest computed at the rate of 6% per annum from the original due date to date of payment.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Harold Frank, Jr., Assistant Director
Finance, Audit and Investment

CMM/glr
Enclosure

GENERAL LAND OFFICE LEASE NUMBER 34530

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
	26	57		640	REEVES

Name of Operator ATLANTIC RICHFIELD COMPANY Name of Field SABRE (DELAWARE)

Address P. O. BOX 2819 Name of Lease AGNES BECKHAM

DALLAS, TEXAS 75221 Report For JAN. 1970

GAS REPORT

62847-228800
181056

Gas is being produced from _____ Oil Well(s) and _____ Gas Well(s)

Processed Gas

Gas Processed By: CONTINENTAL OIL COMPANY Meter No. 6420

G.P.M. 1.359 MCF to Processing Plant (State Standard)

GASOLINE: State Royalty Settlement Value $

BUTANE-PROPANE: State Royalty Settlement Value 258.72

RESIDUE:

426.22 M. C. F. sold by Plant and Credited to this Lease ... Value $ 426.22

_____ M. C. F. returned to lease and Sold ... Value _____

_____ M. C. F. returned to lease and Used on Lease ... Value _____

_____ M. C. F. returned to lease and Used off Lease ... Value _____

_____ M. C. F. returned to lease and Flared ... Value _____ (4.09)

_____ M. C. F. returned to lease and _____ ... Value _____ (57.81)

_____ Total M. C. F. Residue Available Total Residue Value

Total Royalty Value due Lease $ 623.04

Royalty: 6.25 % due State $ 38.94

SULPHUR: Value due lease $_____ Royalty 6.25 % $_____

Non-Processed Gas

Sold: M. C. F. _____ Price/M. C. F. _____ ¢ Value $_____ Royalty $_____

Used: M. C. F. 2867 Price/M. C. F. — ¢ Value $ — Royalty $ —

Flared: M. C. F. _____ Price/M. C. F. _____ ¢ Value $_____ Royalty $_____

F.P.C. Suspended Rate Data

M. C. F. _____ SUSPENDED RATE _____ ¢ Value $_____ Royalty $_____

REMARKS:

* ADJUSTMENT IN VALUE TAKEN BY CONOCO.

** ADJUSTMENT DUE TO GROSS VALUE INCLUDING MORE THAN ARCO'S SHARE OF TAX BURDEN.

I certify that this is a true and correct statement of the production and disposition thereof for the period indicated.

ATLANTIC RICHFIELD COMPANY

By: SEE NOTARIZATION IN B FILE M-17337

Title: SUPERVISOR

Sworn and subscribed to before me the undersigned authority, on this _____ day of _____, 19____.

_____ Notary Public in and for

DALLAS County, State of TEXAS.

Form MA-2
Rev 11-61

LAND OFFICE USE ONLY

RECEIVED

FEB 19 1972

General Land Office

RECEIVING STAMP

IMPORTANT: Be sure to give General Land Office Lease Number above.

CONTINENTAL OIL COMPANY

PONCA CITY, OKLAHOMA

RECEIVED
FEB 19 1972
General Land Office

GAS PURCHASE STATEMENT

PLANT NAME RAMSEY GASOLINE PLANT
LOCATION REEVES COUNTY TEXAS

PRODUCER NAME ATLANTIC RICHFIELD CO
PRODUCER OWNER NO. 00818025

PLANT NUMBER 016
SETTLEMENT MONTH JANUARY, 197[illegible] PAGE

LEASE IDENTIFICATION				LEASE VOLUME			PRODUCTS		RESIDUE GAS				ADJMT. VALUE	LEASE SUMMARY			
NAME	UNIT PCT.	METER NUMBER	LEASE NUMBER	STATE STANDARD	CONTRACT	GPM TEST	GASOLINE VALUE	BY-PRODUCT VALUE	THEO. PCT.	RETURNED TO LEASE	QUANTITY SOLD	VALUE		GROSS VALUE	TAX REFUND	TAX PAID	[illegible]
AGNES BECKHAM		050250356800		6420	64201359			25872745			4720	42622	-5.61	68494		5137	[illegible]

X.075

3-24X5

KEEP THIS STATEMENT FOR YOUR RECORDS

RECEIVED
FEB 19 1972
Geological Survey Land Office

086613 WHEN WRITING REFER TO LEASE NO. AND OWNER NO. CONTINENTAL OIL COMPANY

OWNER NO.	MO.	TR.	M. C. F. OR BARRELS	TOTAL TAX	TOTAL NET VALUE	LEASE CODE	PAY	INTEREST OWNER'S VALUE
0271120	01	170	7373	00	163789	0001110	G	9719
0271120	01	170	0	00	249138	0001120	G	14784
0271120	01	170	29987	00	520273	9965000	G	1,08390
0271120	01	170	1605	1305	18367	0488300	G	826
0271120	01	170	464	306	4321	0781100	G	194
0271120	01	170	167	120	1694	2736000	G	211
0271120	01	170	336	00	3586	2736300	G	3586
0271120	01	170	1159	985	13830	2736400	G	696
0271120	01	170	2409	00	32631	2737200	G	32631
0271120	01	170	3860	00	49215	2737210	G	49215
0271120	01	170		00	00	4455500	G	00
0271120	01	170	1351	00	25451	4446700	G	25451
0271120	01	170	1970	00	17928	5427500	G	17928
0271120	01	170	331	00	3315	5427510	G	3315
0271120	01	170	693	433	6104	5427800	G	2300
0271120	01	170	693	433	6104	5427800	G	274
0271120	01	170	789	556	7829	5427810	G	2950
0271120	01	170	789	556	7829	5427810	G	352
0271120	01	170	693	647	9116	5427830	G	4364
0271120	01	170	789	817	11512	5427840	G	586

RETAIN THIS STATEMENT FOR TAX PURPOSES. DUPLICATES CANNOT BE FURNISHED.

1802500	01	170	19434	414471	268670	2609600	54	28200
1802500	01	170	676	99	18479	2651697	64	231
1802500	01	170	15809	33734	218557	3360000	54	1,67063
1802500	01	170	186	127	5074	3875287	64	5074
1802500	01	170	18322	39100	253306	5636400	54	1,77907
1802500	01	170	5572	11891	67003	5640600	54	18257
1802500	01	170	22951	48974	317299	6295800	54	8211
1802500	01	170	564	182	15424	6513487	64	15424
1802500	01	170	15328	32711	211901	6683600	54	15921
1802500	01	170	1104	161	30246	8990887	64	30246
1802500	01	170		538	133961	9557500	54	192
1802500	01	170	19455	436296	3476143	9557520	64	4979
1802500	01	170	538	12108	92240	9557560	54	13
1802500	01	170	141	180	1400	4329536	51	29
1802500	01	170	245	1139	2438	5247236	51	93
1802500	01	170	169	195	1677	5248636	51	64
1802500	01	170	47	264	4541	5249636	51	177
1802500	01	170	6420	4731	57576	0356800	53	53977
1802500	01	170	6420	4731	57576	0356800	53	38994
1802500	01	170	14164	9474	115382	1053500	53	8457

RETAIN THIS STATEMENT FOR TAX PURPOSES. DUPLICATES CANNOT BE FURNISHED.

+44.35 HA
=623.06 GROSS
X6.25
38.94 Royal. Due STA

LEASE SUMMARY — JANUARY, 1970 — PAGE 016 45

GROSS VALUE	TAX REFUND	TAX PAID	NET VALUE
68494		5137	57576

DAP

RECEIVED
FEB 19 1972
General Land Office

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

Sub. 11

February 2, 1972

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

A review of your Gas Report (Form MA-2) and royalty payment received for the subject lease for January, 1970 indicates the gas royalty has been underpaid $3.87.

Your Form MA-2 Report indicates royalty due the State for January, 1970 on the subject lease was $42.81, but your payment received in this office on April 2, 1970 under your property number 77061020000 was in the amount of $38.94. We are enclosing photocopies of your Form MA-2 Report and the remittance advice received with your check. It appears the payment was made on the net value of sales instead of gross value before the deduction of taxes.

Please review your records, and if you agree with our findings, forward your check for $3.87 plus legal interest computed at the rate of 6% per annum from the original due date to date of payment.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Harold Frank, Jr., Assistant Director
Finance, Audit and Investment

CMW/glr
Enclosure

CB
Ans by 2-14-72
CB
2-7-72

V. Updated
2/10/72

GENERAL LAND OFFICE LEASE NUMBER 36550 E-14329

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
	26	57		640	REEVES

Name of Operator ATLANTIC RICHFIELD COMPANY Name of Field SABRE (DELAWARE)

Address P. O. BOX 2819 Name of Lease AGNES BECKHAM

DALLAS, TEXAS 75221 Report For JAN 1970 19

GAS REPORT

Gas is being produced from _____ Oil Well(s) and _____ Gas Well(s)

Processed Gas

Gas Processed By: CONTINENTAL OIL COMPANY Meter No. _____

G.P.M. 1.384 MCF to Processing Plant (State Standard) 6,490

GASOLINE: State Royalty Settlement Value ..... $ 58.72

BUTANE-PROPANE: State Royalty Settlement Value 58.72

RESIDUE:

4,703 M. C. F. sold by Plant and Credited to this Lease ... Value $ 41.22

_____ M. C. F. returned to lease and Sold ..... Value _____

_____ M. C. F. returned to lease and Used on Lease ..... Value _____

_____ M. C. F. returned to lease and Used off Lease ..... Value _____

_____ M. C. F. returned to lease and Flared ..... Value _____

_____ M. C. F. returned to lease and _____ ..... Value _____

4,703 Total M. C. F. Residue Available Total Residue Value 41.22

Total Royalty Value due Lease ..... $ 68.94

Royalty: 6.25 % due State $ 42.81

SULPHUR: Value due lease $ _____ Royalty 6.25 % $ _____ (2)

Non-Processed Gas

Sold: M. C. F. _____ Price/M. C. F. _____ ¢ Value $ _____ Royalty $ _____ (3)

Used: M. C. F. 2869 Price/M. C. F. — ¢ Value $ — Royalty $ — (4)

Flared: M. C. F. _____ Price/M. C. F. _____ ¢ Value $ _____ Royalty $ _____ (5)

F.P.C. Suspended Rate Data

M. C. F. _____ SUSPENDED RATE _____ ¢ Value $ _____ Royalty $ _____ 13.

REMARKS:

I certify that this is a true and correct statement of the production and disposition thereof for the period indicated.

ATLANTIC RICHFIELD COMPANY

By: SEE NOTARIZATION IN B FILE M-17337

Title: SUPERVISOR

Sworn and subscribed to before me the undersigned authority, on this _____ day of _____, 19____.

_____ Notary Public in and for DALLAS TEXAS

LAND OFFICE USE ONLY

RECEIVED

14 APR 3 1970

RECEIVING STAMP

IMPORTANT: Be sure to give General Land Office Lease Number

RECEIVED

FEB 19 1972

General Land Office

WHEN WRITING REFER TO PROPERTY AND INTEREST OWNER NUMBERS

AtlanticRichfieldCompany

POST OFFICE BOX 2819 DALLAS, TEXAS 75221

5/15

DUPLICATES NOT AVAILABLE DETACH AND RETAIN

PROPERTY NUMBER	FROM MO	FROM YR	THRU MO	THRU YR	÷	BBLS., MCF., OR L. TONS	TOTAL TAX DEDUCTED	NET VALUE	YOUR INTEREST VALUE
7706102000C	01	70	01	70	1	6,420	0.00	623.07	38.94
7786085000C	01	70	01	70	1	6,113	0.00	88.00	11.00

RECEIVED
APR 2 1970
General Land Office

55191

1-GAS 2-OIL 3-CONDENSATE OR PLANT PRODUCTS 4-SULPHUR ← CHECK NO M-287731 INTEREST OWNER 1810560 AMOUNT 49.94

RECEIVED
FEB 19 1972
General Land Office

(30)

M. F. 35430

CORRESPONDENCE FILE

To Atlanta

From 19

Dated 2-24-72

Kew

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

June 26, 1973

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require certain records to be filed in the General Land Office each month pertaining to production for the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Gas Reports (Form MA-2) for October, 1970, December, 1970, January through July, 1971, October, 1971 and December, 1971. Atlantic Richfield Company's Oil Purchase Statements for July, 1970. Atlantic Richfield Company's Gas Purchase Statements for October, 1970, December, 1970 and January through July, 1971.

Please file these records at the earliest possible time. Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Charles F. Whitsel , Supervisor
Finance, Audit and Investment

BM/glc

(31)

M. F. 35430

CORRESPONDENCE FILE

To ARCO

From

Dated 6-26-73 gc

Texas Geological Survey

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

June 28, 1973

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Oil or Gas Distillate Reports are being received indicating General Land Office lease number as M-34530 for the subject lease.

Our records indicate the correct lease number is M-35430 not M-34530 as reported.

Please use lease number M-35430 on future reports submitted to this office.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Jack B. Davis, Supervisor
Finance, Audit and Investment
JBD/glc
Enclosure
cc: Continental Oil Company
P. O. Box 1267
Ponca City, Oklahoma 74601

311/2

M. F. 35430

CORRESPONDENCE FILE

To ARCO

From

Dated 6-28-73gc

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

August 31, 1973

Continental Oil Company
P. O. Drawer 1267
Ponca City, Oklahoma 74601

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Del) Field
Reeves County, Texas

Gentlemen:

Oil or Gas Distillate Reports are being received indicating General Land Office lease number as M-34530 for the subject lease.

Our records indicate the correct lease number is M-35430 not M-34530 as reported.

Please use lease number M-35430 on future reports submitted to this office.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

BY: Charles F. Whitsel, Supervisor
Finance, Audit and Investment

CFW/glc
cc: Atlantic Richfield Company

Enclosure

(32)

M. F. 35430

CORRESPONDENCE FILE

To Conco

From

Dated 8-31-23 gc

AtlanticRichfieldCompany
North American Producing Division
Administration and Control
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 741-7461

Omer Adams
Manager, Revenue Accounting

July 19, 1973

(15)

RECEIVED
JUL 20 1973
General Land Office

Bob Armstrong, Commissioner
General Land Office
Austin, Texas 78701
Attention: C. F. Whitsel, Supervisor
Finance, Audit & Investment

Gentlemen:

This is in reference to your letters of June 26, July 10, and July 16, 1973, requesting copies of our Gas Report Form (MA-2) on certain leases for your records.

We are in the process of securing our files from storage and will comply with your request at the earliest possible time.

To identify the above requests:

Letter 6/26/73 - State Lease M-35430, Agnes Beckham lease Sabre (Delaware) Field, Reeves County, Texas

B

Letter 7/10/73 - State leases M-32971 & M-32972, State Tract 62 and 63, Gas Unit Well #1UT & LT, East Corpus Christi Field, Nueces County, Texas

Letter 7/16/73 - State lease M-38646, Chas. N. Van Riper lease, Hartburg Field, Newton County, Texas

Yours very truly,

J. L. Stancill

J. L. Stancill, Sr. Regulatory Accountant
Gas Regulatory & Reporting Unit

FK/pw

33

M. F. 35430

CORRESPONDENCE FILE

Arco

From

Dated 7-1-73 gc

AtlanticRichfieldCompany

North American Producing Division
Administration and Control
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

Omer Adams
Manager, Revenue Accounting

15

B-File

September 17, 1973

RECEIVED
SEP 20 1973
General Land Office

General Land Office
Bob Armstrong, Commissioner
Austin, Texas 78701
Attention: C. F. Whitsel, Supervisor
Finance, Audit & Investment

RE: STATE LEASE 35430, AGNES BECKHAM LEASE,
SABRE (DELAWARE) FIELD, REEVES COUNTY, TEXAS

Gentlemen:

We enclose copies of our gas reports (Form MA-2) for the subject lease for the months October 1970, December 1970, January through July 1971, and October and December 1971 as requested in your letter of June 26, 1973.

As we advised in our letter of July 19, 1973, delay was encountered in the process of securing purchaser statements. We were unable to locate all of the requested statements in our files and have obtained settlement statements from Continental Oil Company which are attached.

We sincerely apologize for the lengthy delay in replying to your request.

If we may be of further assistance, please advise.

Very truly yours,

J. L. Stancill

J. L. Stancill, Sr. Regulatory Accountant
Gas Regulatory & Reporting Unit

FK/pw

(34)

M. F. 35430

CORRESPONDENCE FILE

From Arco

Dated 9-17-73 gc

January 12, 1976

Atlantic Richfield Co.
P. O. Box 2819
Dallas, Texas 75221

Attention: Mr.James R. Coffee

B noted

RE: State Leases M-35430 & M-48344
Chapman Field
Reeves County, Texas

Dear Mr. Coffee:

This refers to your letter dated May 19, 1975 concerning the State's right to take in kind it's royalty share of gas from the above leases.

The Gas Contract Committee at its regular meeting, January 9, 1976, elected to accept the contract price being received by you for it's royalty hsare of this gas.

Sincerely yours,

John Staleski, Director
Energy Resources

JS/mlc

(38)

M. F. M-35430

CORRESPONDENCE FILE

To Atlantic Richfield

~~From~~

Dated 1-12-75 sw

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

February 18, 1976
GLO 924

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

SECOND REQUEST

ATTENTION: R. R. Hawthorne, Manager - Gas Contracts

RE: State Leases M-35430 and M-48344
Chapman Field
Reeves County, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated October 2, 1975 and as of this date we have not received a reply to this letter.

In order to expedite the handling of your correspondence, please direct your reply to the undersigned Supervisor.

Your prompt attention to this matter is requested.

Sincerely yours,

Harry T.Finnell , Supervisor
Resource Accounting
Telephone No. 512 475-4541
Enclosure
HF/rsm

(39)

M. F. 35430
CORRESPONDENCE FILE

To Atlantic

From HF

Dated 2-18-76rsm

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

March 18, 1976

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: Accounting Manager

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Oil and Condensate Reports (Form MA-1) are being received indicating General Land Office lease number as M-35830 for the subject lease.

Our records indicate the correct lease number is M-35830 not M-35430 as reported.

Please use lease number M-35430 on future reports submitted to this office.

Sincerely yours,

Billy R. Lancaster, Supervisor
Resource Accounting
Telephone No. 512-475-4524

VB/zl

(40)

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

From

Dated 3-18-76

General
Land Office

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

RECEIVED
AUG 2 1976
GAS REVENUE UNIT

July 28, 1976

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

B-file

ATTENTION: MR. H. A. CHRISTIAN

RE: State Lease M-35430
Agnes Beckham Lease
Sabre Field
Reeves County, Texas

Gentlemen:

A review of our records of the subject lease reveals we apparently have not received payment of gas royalty for the production month of July, 1974.

As reported on your Gas Report (Form MA-2) $62.22 is due plus legal interest of $6.84 computed at 6% per annum from September 1, 1974 through June 30, 1976.

If the gas royalty has been paid, please inform us of the approximate date and the amount of the check.

Thank you for your cooperation.

Sincerely yours,

Charles F. Whitsel, Supervisor
Resource Accounting
Telephone No. 512-475-2858
RWB/glc

MARGINAL NOTATION MADE TO EXPEDITE REPLY. IF ADDITIONAL INFORMATION NEEDED, PLEASE RETURN THIS LETTER. ATLANTIC RICHFIELD COMPANY, GAS REVENUE UNIT, P. O. BOX 2819, DALLAS, TEXAS 75221

check for above is being processed as of today - 8/5/76. Check will be mailed under separate cover. Atlantic Richfield

RECEIVED
AUG 6 1976
General Land Office

(4012) M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield
Charles Whited

From

Dated 7-28-76

July 28, 1976

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MR. H. A. CHRISTIAN

RE: State Lease M-35430
Agnes Beckham Lease
Sabre Field
Reeves County, Texas

Gentlemen:

A review of our records of the subject lease reveals we apparently have not received payment of gas royalty for the production month of July, 1974.

As reported on your Gas Report (Form MA-2) $62.22 is due plus legal interest of $6.84 computed at 6% per annum from September 1, 1974 through June 30, 1976.

If the gas royalty has been paid, please inform us of the approximate date and the amount of the check.

Thank you for your cooperation.

Sincerely yours,

Charles F. Whittsel, Supervisor
Resource Accounting
Telephone No.512-475-2858
RWB/glc

(41)

M. F. 35430

CORRESPONDENCE FILE

To ARCO

From

Dated 7-28-76 gc

AtlanticRichfieldCompany
North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79701
Telephone 915 682 8631

C. H. McClure
District Land Manager

161

July 29, 1976

RECEIVED
JUL 31 1976

The Honorable Bob Armstrong, Commissioner
General Land Office
State of Texas
Stephen F. Austin Building
Austin, Texas 78701

Re: Atlantic Richfield - Beckham, Agnes "26"
Well No. 1
Chapman, Deep Field
Reeves County, Texas
Our Lease No. SOC-20
State Lease No. M-35430

Dear Sir:

Atlantic Richfield Company is currently drilling the subject well at a location 660' FWL and 1320' FSL of Section 26, Block 57, T-2, T&P RR Co. Survey. This well was permitted by the Texas Railroad Commission July 5, 1976, to a depth of 17000' to test the Chapman, Deep (Atoka) formation. The subject well is a direct east offset to a well drilled by Texaco as their Reeves "AZ" Fee Well No. 1 located 1320' FSL of Section 27, Block 57, T-2, T&P RR Co. Survey. The Texaco well was completed in the Chapman, Deep (Atoka) field from 12945' to 13502' and in the Chapman, Deep (Silurian-Fusselman) field from 15576' to 15703'.

According to our information based on our present geological mapping, the subject well is shown to be much too low for Silurian-Fusselman production. Our present plans call for the drilling of the well to a depth of 14800' in order to reach a good structural marker. In this way, we will be able to determine whether or not the well should be drilled deeper in an effort to establish production from the Silurian-Fusselman producing zone found in the Texaco well. In the event the well is running higher than we had originally mapped, our proposed casing program and approved permit with a total depth of 17000' will enable us to evaluate the Silurian Fusselman formation.

This information was discussed in conferences with Messrs. Jack Giberson and Jack Howard held June 9, 1976, because we were concerned with the possibility of having to drill to the deeper horizon in order to protect our leasehold covering these deeper

RECEIVED
JUL 31 1976
General Land Office

formations. It was suggested by Mr. Giberson that we keep the General Land Office advised as to our operations concerning these deeper rights. This letter is being written merely to advise you of facts as they are at this time and to let you know that we will keep your office advised once we have encountered the marker mentioned above and our decision has been made as to the deeper rights.

Yours very truly,

Jack McMillan

JACK McMILLAN
SPECIAL NEGOTIATOR

JMcM/km

(41½)

M-35430

Ltr. fr. ARCO
7-31-76 MHV

RECEIVED
AUG 7 1976
RECEIVED General Land Office
AUG 2 1976
GAS REVENUE UNIT

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

July 28, 1976

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MR. H. A. CHRISTIAN

RE: State Lease M-35430
Agnes Beckham Lease
Sabre Field
Reeves County, Texas

117707

Gentlemen:

A review of our records of the subject lease reveals we apparently have not received payment of gas royalty for the production month of July, 1974.

As reported on your Gas Report (Form MA-2) $62.22 is due plus legal interest of $6.84 computed at 6% per annum from September 1, 1974 through June 30, 1976.

If the gas royalty has been paid, please inform us of the approximate date and the amount of the check.

Thank you for your cooperation.

Sincerely yours,

Charles F. Whitsel, Supervisor
Resource Accounting
Telephone No. 512-475-2858
RWB/glc

00711 AUG 76

MARGINAL NOTATION MADE TO EXPEDITE REPLY. IF ADDITIONAL INFORMATION NEEDED, PLEASE RETURN THIS LETTER. ATLANTIC RICHFIELD COMPANY, GAS REVENUE UNIT, P. O. BOX 2819, DALLAS, TEXAS 75221

Check attached.

42

M. F. M-35430

CORRESPONDENCE FILE

To: Atlantic Richfield Co

From:

Date: 8-7-76 15g

B

September 24, 1976
GLO 924

ARCO
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: R. R. Hawthorne
Manager, Gas Contracts

RE: State Leases M035430 and 48344
Chapman Field
Reeves County, Texas
Contract No. AR - 47189

Gentlemen:

The Gas Purchase Contract between you, as seller, and United Texas Transmission, as buyer, dated February 1, 1975, which includes the above State Leases is due to be renegotiated on February 1977.

Please furnish this office a copy of the document covering gas sales after February 1, 1977. If it is your intent not to renegotiate at this time, please advise.

Sincerely yours,

Harry T. Finnell, Supervisor
Resource Accounting
Phone: 512 475-4541

HF/lg

(43)

M. F. 35430

CORRESPONDENCE FILE

To AEC

From

Dated 9-24-76

AtlanticRichfieldCompany
North American Producing Division
Natural Gas Department
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4660

R. R. Hawthorne
Manager, Gas Contracts

121

~~JS~~
~~H~~
File
M

February 15, 1977

Mr. Harry T. Finnell
Supervisor, Resource Accounting
General Land Office
Austin, Texas 78701

Re: State Leases M-35430 and M-48344
Chapman Field
Reeves County, Texas
AR-47189

Dear Mr. Finnell:

In response to your request, we are attaching copies of two letters covering the redetermination of the gas sales price under subject contract, effective February 1, 1977.

This renegotiation was handled by a letter, dated October 20, 1976, from United Texas Transmission Company and a reply, dated November 22, 1976, from Atlantic Richfield accepting the offer.

Also enclosed for your file is a revised Form MA-5.

Very truly yours,

R. W. McDonald

R. W. McDonald, Director
Gas Contracts, Western Area

ALB: bb

Attachments (3)

cc: Mr. K. W. Hill - Midland

(44)

M. P. 35430

CORRESPONDENCE FILE

~~To~~ ARCO

From

Dated 2-18-77

September 29, 1977
GLO 924

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: R. R. Hawthorne
Manager, Gas Contracts

RE: State Leases M-35430 et al
Chapman Field
Reeves County, Texas
Contract Number AR-47189

Gentlemen:

The Gas Purchase Contract between you, as seller, and United Texas Transmission, as buyer, dated February 1, 1975, includes the above State Leases. The price is due to be renegotiated on February 1, 1978.

Please furnish this office a copy of the document covering gas sales after February 1, 1978. If it is your intent not to renegotiate at this time, please advise.

Sincerely yours,

Harry T. Finnell, Supervisor
Resource Accounting
Phone: 512 475-4541

HF/lg

45

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

From

Dated 9-29-77

AtlanticRichfieldCompany

North American Producing Division
Natural Gas Department
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4660

R. R. Hawthorne
Manager, Gas Contracts

121

November 29, 1977

JB
LH
File

Mr. Harry T. Finnell
Supervisor, Resource Accounting
General Land Office
Austin, Texas 78701

Re: State Leases M-35430 and M-48344
Chapman Field
Reeves County, Texas
AR-47189

Dear Mr. Finnell:

Attached for your file is copies of letters providing for a price redetermination for gas sold under the subject contract to become effective February 1, 1978.

Also, enclosed is an amended Form MA-5.

Very truly yours,

G. A. Beard

G. A. Beard

AB/bg

Attachments

RECEIVED
DEC 1 1977
General Land Office

46

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

From

Dated 12-1-77

F/u 1-3/77

12

#406

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

December 9, 1977

13

M-35430

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: Accounting Manager

Gentlemen:

The General Land Office is having considerable difficulty processing your royalty payment for the reasons noted on the enclosed copy of your remittance detail. Royalty payments cannot be considered to be in compliance with the statutes of the State of Texas unless the full payment is properly identified and allocated by General Land Office Lease Number, showing the amount of oil royalty and the amount of gas royalty being paid on each lease. All royalties must be physically received in the General Land Office by the appropriate statutory due dates set out in Article 5380 V.A.C.S. Payments not in compliance with statutory requirements are subject to a one percent (1%) delinquency penalty.

At the earliest possible date please take the necessary corrective steps indicated so that your account will be properly credited. Our records will not reflect this royalty payment until the corrective action has been taken and the additional information requested has been received in this office.

Sincerely yours,

George W. Frank

George W. Frank, Supervisor
Resource Accounting
Telephone No. 512-475-2933
Enclosure
Register No. 28005

CL/lmb

Marginal reply made for expedience. Return this letter if additional information needed.
ATLANTIC RICHFIELD COMPANY
GAS REVENUE ACCOUNTING
P. O. Box 2819, Dallas, Texas 75221

GENERAL LAND OFFICE

CORRECTIVE ACTION SLIP

General Land Office records will not reflect your royalty payment until the item or items checked below are supplied this office:

X 1. Provide the General Land Office Lease Number(s) for your lease number(s) in question.

X 2. Provide lease name(s), operator(s) and the legal description of the lease(s) in question.

_____ 3. Payment over: $_____
Please explain this discrepancy.

_____ 4. Payment short: $_____
Please explain this discrepancy.

_____ 5. Other:

35430

1) ~~GLO# 35340~~

2) A) Agnes Beckham "26" #1
B) Atlantic Richfield Company
C) Field: Chapman Deep
Sec: 26
Blk: 57
Cty: Reeves

2/74
MR-12

47

M. F. 35430

CORRESPONDENCE FILE

~~To~~

Atlantic Richfield Co.

From

Dated 12-17-77 Ltr

September 8, 1978
GLO 924

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: R. R. Hawthorne
Manager, Gas Contracts

RE: State Leases M-35430 and 48844
Chapman Field
Reeves County, Texas
Contract Number AR-47189

Gentlemen:

The Gas Purchase Contract between you, as seller, and United Texas Transmission, as buyer, dated February 1, 1975, includes the above State Leases. The price is due to be renegotiated on February 1, 1979.

Please furnish this office a copy of the document covering gas sales after February 1, 1979. If it is your intent not to renegotiate, please advise.

Sincerely yours,

Harry T. Finnell, Supervisor Gas Contracts
Resource Accounting
Phone: 512 475-4541
HF/lg

(48)

M. F. 35430

CORRESPONDENCE FILE

To Atlantic Richfield

~~From~~

Dated 9-8-78

AtlanticRichfieldCompany
North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684-0114

David W. Sipperly
District Land Manager

161

March 22, 1978

Honorable Bob Armstrong, Commissioner
The General Land Office
State of Texas
Stephen F. Austin Building
Austin, Texas 78701

Re: Atlantic Richfield - Agnes Beckham
"26" Well No. 2
Chapman (Deep) Field
Reeves County, Texas
State Lease No. M-35430
Our Lease No. S-20

Dear Sir:

With reference to our past correspondence and verbal conversations concerning this company's activities on the subject lease, we wish to advise that the subject well has been completed from the Fusselman formation. A four-point test was run on March 17, 1978, from Fusselman perforations 15673-99'. The tests are as follows:

Point	Time	Volume	Pressure
1	2 hr.	13.3 MM	3251
2	2 3/4 hr.	8.8 MM	4225
3	2 1/2 hr.	6.3 MM	4657
4	1 1/2 hr.	3.6 MM	4956

The CAOF from the Fusselman was 48,622 MCFGPD, shut-in pressure 5197. The Fusselman is shut in pending final testing of the Atoka from perforations 12945-13146'. The well was connected to pipeline at 12:00 noon on March 13, 1978. With the completion of this well from the Fusselman formation, any offset obligations pending against subject lease should be satisfied. This will be the final Fusselman report concerning this well.

If you have any questions concerning the subject well, please let us hear from you.

Very truly yours,

Jack McMillan

Jack McMillan
Special Projects Negotiator

JMcM:lj

(48)

M-35430

Ltr. fr. ARCO

3-24-78 MHA

3-24-78

AtlanticRichfieldCompany
North American Producing Division
Natural Gas Department
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4660

R. R. Hawthorne
Manager, Gas Contracts

121

February 12, 1979

Mr. Harry T. Finnell
Supervisor, Gas Contracts
General Land Office
Austin, Texas 78701

Subject: State Leases M-35430 and 48344
Chapman Field
Reeves County, Texas
AR-47189

Dear Mr. Finnell:

Attached for your file are copies of three letters providing for a price redetermination for gas sold under the subject Contract effective February 1, 1979. Also attached is an amended Form MA-5.

Very truly yours,

Anne L. Bailey

Anne L. Bailey
Gas Contracts Analyst
214/651-4721

ALB/bg

Attachments - 4

cc: Mr. G. A. Beard - 1244-FUT

(49)

M. F. 35430

CORRESPONDENCE FILE

To ~~To~~

From Atlantic Richfield

Dated 2-12-79

5.14.59

August 23, 1979
GLO 924

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: R. R. Hawthorne
Manager, Gas Contracts

RE: State Leases M-35430 & 48344
Chapman Field
Reeves County, Texas
Contract Number AR-47189

Gentlemen:

The Gas Purchase Contract between you, as seller, and United Texas Transmission, as buyer, dated February 1, 1975, includes the above State Leases. The price is due to be renegotiated on February 1, 1980.

Please furnish this office a copy of the document covering gas sales after February 1, 1980. If it is your intent not to renegotiate, please advise.

Sincerely yours,

Harry T. Finnell,
Supervisor Gas Contracts
Energy Resources
Phone: 512 475-4541
HF/lg

(50)

M. F. 25430

CORRESPONDENCE FILE

To Atlantic Richfield

~~From~~

Dated 8-23-79

ARCO Oil and Gas Company
Natural Gas Department
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4660

R. R. Hawthorne
Manager, Gas Contracts

(2)

~~JS~~ ~~HF~~ File

March 20, 1980

General Land Office
Energy Resources - Gas Contracts
Stephen F. Austin Building
Austin, Texas 78701

Attention: Mr. Harry T. Finnell

Re: State Lease M-35430 & 48344
Chapman Field
Reeves County, Texas
AR-47189

Gentlemen:

Per your request, enclosed is one copy of a fully executed Price Redetermination Agreement which covers gas produced from the referenced lease. This Agreement provides for a redetermined price for the Contract Year commencing February 1, 1980 to be the equivalent of the maximum lawful price specified in Section 102 of the NGPA of 1978, plus 100% tax reimbursement, escalated on a monthly basis by the annual inflation adjustment factor.

Should you require any additional information, please do not hesitate to contact me.

Very truly yours,

W. R. Harper

W. R. Harper, Jr.
Gas Contracts Representative, Sales
214/651-4677

WRH/lr

Encl.

cc: Mrs. Anne Bailey - 1242 FUT
Mr. K. W. Hill - 130 MIO, Midland

ARCO Oil and Gas Company is a Division of Atlantic Richfield Company

(57)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 3-20-80

3.55.00

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

May 1, 1980

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Agnes Beckham Lease
Sabre/Chapman, Deep (Atoka and Fuss) Field
Reeves County, Texas

Dear Ms. Murray:

Examination of your Gas Reports (Form MA-2) and royalty payments received for the subject lease indicates for the period August, 1977 through July, 1978, gas royalty has been underpaid $1,317.43. (See attached schedule.)

These underpayments resulted from "Fuel Used on Lease" not being reported pursuant to the Oil and Gas Lease Agreement on file in this office. Please note that Paragraph 11 of said lease states that the State must be paid its specified royalty on production of oil and/or gas regardless of how used or disposed of.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please forward a check for $1,580.91 to pay the $1,317.43 additional royalty and the required statutory delinquency penalty of $263.48 as provided by Sec. 52.131, Texas Natural Resources Code. The delinquency penalty is computed for the period April, 1978 through April, 1980.

Please schedule charges for subject fuel used for the period August, 1978 to the present and include additional royalty due and the statutory delinquency penalty, with your remittance for the charges citied above.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

(52)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 5-1-80 gc

	Initials	Date
Prepared By	[illegible]	5/1/80
Approved By		

M-35430

AGNES BECKHAM LEASE

REEVES COUNTY — SABRE/CHAPMAN, DEEP (ATOKA & FUSS) FIELD — OPR: ATLANTIC RICHFIELD CO

		REPORTED		USED ON LEASE FUEL	ADJUSTED						
		GROSS VALUE	ROYALTY DUE	MCF	GROSS VALUE	GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	ACCUMULATED SHORTAGE	PENALTY DUE @ 1% PER MONTH
1	2/78 BECKHAM #1	3897787	243612	—	—	4036725	252296	243612	8684	8684	—
2	4/78 " #2L	11406406	712900	990	204520	11610926	725683	712900	12783		
3	" " #2L	48961908	3060119	1530	312007	49273915	3079620	3060119	19501		
4	" " #1	—	—	—	—	—	—	8684	(8684)	32284	323
5	5/78 " #2L	13059958	815935	1023	211337	13266295	829143	815935	13208		
6	" " #2L	52876887	3304805	1530	312007	53188894	3324306	3304805	19501	64993	650
7	6/78 " (SABRE)	69201	4325	376	16208	85509	5344	4325	1019		
8	" " #1	246342	15396	33	6797	253139	15821	15396	425		
9	" " #2L	13839585	864974	957	195745	14035330	877208	864974	12234		
10	" " #2L	46070690	2879915	1979	300627	46371267	2898204	2879915	18789	97460	975
11	7/78 " (SABRE)	107780	6736	389	16889	124669	7792	6736	1056		
12	" " #2L	13066833	816677	1023	209224	13276057	829754	816677	13077		
13	" " #2L	38030027	2362243	1581	322408	38352435	2382393	2362243	20150	131743	1317
14							15227564	15095821	131743		
15											
16								1% PER MONTH PENALTY COMPUTED			
17								ON $1,317.43 FROM OCT 78 TO APR 80			25031
18											
19								TOTAL PENALTY DUE			26348
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											

© WILSON JONES COMPANY U.S.A. • "COLUMN WRITE" G7613C PADDED WG7613C "WYRING" BOUND •

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

June 19, 1980

General Land Office
1700 North Congress
Austin, Texas 78701

ATTENTION: Ernest H. Hielscher, Unit Supervisor
Resource Accounting

"B" File

Re: State Lease M-35430
Agnes Beckham Lease
Sabre/Chapman, Deep (Atoka and Fuss) Field
Reeves County, Texas

Gentlemen:

In response to your May 1, 1980, letter, attached is our check for $8,884.12 (which represents $8,620.64 additional royalty due and $263.48 statutory delinquency penalty), covering "Fuel Used on Lease" royalty for the period August, 1977, through April, 1980. Also attached is a schedule of charges for lease use fuel from August, 1978, to April, 1980.

If you have any questions, please call Margaret Ackermann, A/C 214/651-5638.

Very truly yours,

Annette Petty for
Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

AP:jc

Attachments

cc: Bill McClure - with attachment
Annette Petty - with attachment

124565

X 8,884.12

Agnes Beckham Lease - M 35430

Lease Use Fuel - 8/78 - 4/80

6/17/

Production Month	1 Agnes Beckham (Sabre) #62-22889-0007 MCF	1 Agnes Beckham (Sabre) #62-22889-0007 Additional Value	3 Agnes Beckham #1 #62-22919-0002 MCF	4 Agnes Beckham #1 #62-22919-0002 Additional Value	5 Agnes Beckham #2L #62-22919-0004 MCF	6 Agnes Beckham #2L #62-22919-0004 Additional Value	7 Agnes Beckham #2U #62-22919-0006 MCF	9 Agnes Beckham #2U #62-22919-0006 Additional Value	10 Total
8/78	389	$ 17550	0		1581	$ 322366	1023	$ 211045	
9/78	376	16964	0		1530	311967	990	204237	
10/78	389	17550	0		0	–	1023	211045	
11/78	376	16964	0		0	–	990	204237	
12/78	389	17550	0		1530	311967	1023	211045	
1/79	419	18903	0		1581	322366	919	189590	
2/79	351	15836	0		1428	295453	924	271656	
3/79	389	17550	0		1581	331061	1023	211659	
4/79	376	16964	0		1530	316557	990	291060	
5/79	389	17550	0		1581	327109	1023	300762	
6/79	376	16964	0		1530	316557	990	291060	
7/79	1	45	0		1530	316557	792	232848	
8/79	1	45	0		1581	327109	1023	300762	
9/79	1	45	0		1530	316557	990	291060	
10/79	1	45	0		1581	327109	1023	300762	
11/79	376	16964	0		1530	316557	990	291060	
12/79	389	17550	0		1581	327109	1023	300762	
1/80	389	17550	0		1581	327109	1023	300762	
2/80	364	16422	0		1479	300681	957	196759	
3/80	389	17550	0		1530	311049	1023	210329	
4/80	376	16964	0		1530	389232	990	254628	
Total Additional Value		$ 293525		0		$ 6114472		$ 527728	
Royalty Decimal		.0625		.0625		.0625		.0625	
Add'l Royalty Due		$ 183.45		0		$ 382155		$ 32982	$ 7303.21

124565

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

May 1, 1980

Atlantic Richfield Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Agnes Beckham Lease
Sabre/Chapman, Deep (Atoka and Fuss) Field
Reeves County, Texas

Dear Ms. Murray:

Examination of your Gas Reports (Form MA-2) and royalty payments received for the subject lease indicates for the period August, 1977 through July, 1978, gas royalty has been underpaid $1,317.43. (See attached schedule.)

124565

These underpayments resulted from "Fuel Used on Lease" not being reported pursuant to the Oil and Gas Lease Agreement on file in this office. Please note that Paragraph 11 of said lease states that the State must be paid its specified royalty on production of oil and/or gas regardless of how used or disposed of.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please forward a check for $1,580.91 to pay the $1,317.43 additional royalty and the required statutory delinquency penalty of $263.48 as provided by Sec. 52.131, Texas Natural Resources Code. The delinquency penalty is computed for the period April, 1978 through April, 1980.

Please schedule charges for subject fuel used for the period August, 1978 to the present and include additional royalty due and the statutory delinquency penalty, with your remittance for the charges cited above.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

Recd 6/21/80 REG #124565

1351 1602

m 35430 8620.64 263.48

$ REMITTANCE DISTRIBUTION - DO NOT FILE $

NAME	REMITTANCE DESCRIPTION					FISCAL YEAR	REGISTER NUMBER	AMOUNT
	REFER	TYPE	MO	DAY	YR			
ARCO O&G CO	122		06	21	80	81	124565	8,884.12

FILE NUMBER	CONTROL NO.	AMOUNT	FILE NUMBER	CONTROL NO.	AMOUNT
7/78 M-35430	1351	1317.43			
9/80 ✓	✓	7303.21			
✓	1602	263.48			

ARCO Oil and Gas Company
Division of AtlanticRichfieldCompany

122

Detach check before depositing

Date	Invoice Number	Voucher Number	Amount	
			556899	
			124565	
6-19-80		6-2052	8,884.12	CM

TO PAY ADDITIONAL ROYALTY DUE THE STATE OF TEXAS FOR FUEL USED ON LEASE FOR PERIOD AUGUST, 1977 THROUGH APRIL, 1980 $8,620.64

TO PAY STATUTORY DELINQUENCY PENALTY $ 263.48

STATE LEASE NO. 35430 - AGNES BECKHAM

Audited

Questions regarding this remittance should be directed to ARCO Oil and Gas Company, Division of Atlantic Richfield Company, Attn: Input Payments, Post Office Box 2819, Dallas, Texas 75221

AR 3B-7 4/79

(53)

M. F. 35430

CORRESPONDENCE FILE

Re Arco

From

Dated 6-19-80 gc

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

May 15, 1980

General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

"B" File

ATTENTION: Ernest H. Hielscher

Re: Agnew Beckham Lease
State Lease M-35430

Gentlemen:

We are currently investigating our records on the Agnes Beckham Lease, State Lease M-35430, as requested in your letter of May 1, 1980. We have been advised that, for the period from August, 1977, through March, 1980, fuel used on the lease was not reported, which resulted in royalty underpayments. Upon completion of our review, we will forward our findings to your office.

Very truly yours,

Annette Petty for

Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

MA/jc

PS

(54)

M. F. 35430

CORRESPONDENCE FILE

From Arco

Dated 5-15-80

6-16-80

General Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

September 23, 1980

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: SUSAN MURRAY

RE: State Lease M-35430
Beckham,Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

An audit of your September, 1979 Gas Reports (Form MA-2) for the subject lease indicates prior months adjustments for use of incorrect BTU, which we wish clarified. We noted that:

1. The report for Well #1 (RRC No. 0871990) shows an adjustment for incorrect BTU for the March, 1979 production; however, a review of the March report shows zero production. Is this adjustment of $41,931.84 Gross Value and royalty due of $2,620.74 meant to be for production not previously reported and not as a result of incorrect BTU? Please provide required supporting statement for this adjustment.

2. The report for Well #2-U (Atoka) (RRC No. 87578) shows a credit adjustment for incorrect BTU for the month of March, 1979. Please provide substantiating document for this adjustment.

3. The report for well #2-L (Fusselman) (RRC No. 875539) shows a credit adjustment for incorrect BTU for the months of March and May, 1979. Please provide substantiating documents for these adjustments.

Your early reply to the above inquiries is appreciated so that we may conclude our audit of these reports.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

(55)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 9-23-80

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

October 9, 1980

General Land Office
Austin, Texas 78701

Attn: Mr. Ernest H. Hielscher
Resource Accounting

RE: State Lease M-35430
Beckham, Angnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

In response to your September 23, 1980 letter, please be advised we are researching the questions posed in the letter and will advise you our findings as soon as we reach a definite conclusion.

Sincerely yours,

Annette Petty for/
Susan H. Murray, Supervisor
Gas Royalty & Tax Reporting Unit

AP/sl

PS

(56)

M. F. M-35430

CORRESPONDENCE FILE

To

ARCO Oil & Gas

Dated 10/9/80

10-12-90

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

November 18, 1980

General Land Office
State Of Texas
1700 North Congress
Austin, Texas

Re: Agnes Beckham Lease
RRC # 0871990, M-35430
SW Well # 1

Gentlemen:

The subject lease had an adjustment made to it for July, 1980, production which was in error. The adjustment was to correct erroneous BTU for 3/79. As you can see, by the attached 3/79 MA-2 Gas Report, there was no production on M-35430, SW Well # 1. Therefore, this was not the lease needing the adjustment due to the erroneous BTU. In an attempt to correct this adjustment, the following entries were made on M-35430, SW Well # 1:

9/79	$2620.74	(initial adjustment-erroneous)
8/80	(2620.74)	(to back out erroneous adjustment)
9/80	226.06	(over adjustment)
	$ 226.06	royalty overpaid

Please see attached Gas Reports for further information. We would like your approval to recoup the $226.06 over-payment of royalty.

Yours truly,

Annette Betty for

Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

BBS/gdc

Attachments

(57)

M. F. M-35430

CORRESPONDENCE FILE

To

ARCO Oil & Gas

From

Dated 11/15/90

11-55-90

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

December 4, 1980

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

This refer to our September 23, 1980 letter and your reply dated November 18, 1980 (copy enclosed).

We have reviewed your reply in which you request approval to recoup $226.06 overpayment for the September, 1980 adjustment. Please refer to the enclosed copies of your Gas Reports which indicate you have recouped $228.89 in lieu of $226.06, on the Atoka Well #2 (RRC No. 0875788), which was transferred from the SW Well No. 1 (RRC. No. 0871990) Gas Report as noted. These adjustments have resulted in additional royalty of $2.83 due the State. Please remit this amount or include it as a separate line item on your next monthly royalty remittance and attach a copy of this letter with your remittance for proper identification.

Please provide substantiating documents for the credit adjustments shown on your September, 1979 Atoka and Fusselman Gas Reports. These documents were previously requested in our September 23, 1980 letter.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No.512-475-2858
PS/glc
Enclosure

(58)

M. F. 35430

CORRESPONDENCE FILE

To Arco Oil & Gas

From

Dated 12-4-80

GENERAL LAND OFFICE LEASE NUMBER M-35430
GAS REPORT

FORM MA2 PRODUCTION MONTH SEPTEMBER ,1979

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-U(ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAR
(8) R R C LEASE I D #'S 0075736
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.094PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	990	2910.60
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	27,299	[illegible]
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	28,289	57166.20
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 3572.90

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER	A GROSS VALUE	$	.00
B ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	-41017.03 *
B ROYALTY ON ADJUSTMENTS	.06250000	$	-2563.57
(14)TOTAL ROYALTIES DUE STATE		$	1009.33

(15) REMARKS

* Correction of erroneous value due to incorrect BTU used. 3/79

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6515126 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

301,460.03 / 145,691 × 2.0754 = .997 Well # 2L 422-05

41,931.04 / 20,084 × 2.0754 = 1001 Well # 2H 422-06

FORM 34-3020 REV 1-78
BANK CD - CHK# MB-008719
CV# 04-1006 REIMB# 306

UNITED TEXAS TRANSMISSION COMPANY
P. O. BOX 1478
HOUSTON, TEXAS 77001

GAS PURCHASE CHECK STATEMENT
REFERENCE NUMBER 791121715
DATE OF CHECK 04-25-79
INTEREST OWNER NO 91-03013

419-01	0379	NATURAL GAS - MCF	944	2349.	1.000000	2349.76
422-01	0379	NATURAL GAS - MCF	121569	252052.	1.000000	252052.05
422-02	0379	NATURAL GAS - MCF	1694	3456.	1.000000	3456.74
422-03	0379	NATURAL GAS - MCF	11491	24015.	1.000000	24015.36
422-04	0379	NATURAL GAS - MCF	15423	32328.	1.000000	32328.93
2L 422-05	0379	NATURAL GAS - MCF	145691	301460.03	1.000000	301460.03
2H 422-06	0379	NATURAL GAS - MCF	20084	41931.04	1.000000	41931.04
458-01	0379	NATURAL GAS - MCF	12800	26937.04	1.000000	26937.04
		TOTAL **				684533.30

DETACH FOR RECORDS

(Above under volume)

422-04 all goes 4.2.08

II

FORM 34-3019 REV 1-76

UNITED TEXAS TRANSMISSION COMPANY
P O BOX 1478
HOUSTON, TEXAS 77001

GAS PURCHASE CHECK STATEMENT

BANK CD - CHK# CN-005700
CV# 06-1006 REMIT 307

REFERENCE NUMBER 791711970
DATE OF CHECK 06-25-79
INTEREST OWNER NO 91-03013

419-01	0579	NATURAL GAS - MCF	2562	6377.20	1.000000	6377.20
422-01	0579	NATURAL GAS - MCF	121116	251112.83	1.000000	251112.83
422-02	0579	NATURAL GAS - MCF	1719	3592.59	1.000000	3592.59
422-03	0579	NATURAL GAS - MCF	8333	17415.37	1.000000	17415.37
422-05 (1)	0579	NATURAL GAS - MCF	~~165869~~	~~343211.82~~	1.000000	~~343211.82~~
422-06	0579	NATURAL GAS - MCF	24533	51374.04	1.000000	51374.04
458-01	0579	NATURAL GAS - MCF	13686	26801.58	1.000000	26801.58
		TOTAL **				701862.43

DETACH FOR RECORDS

(1) Value 343,211.82 / Volume 165,869 Rate $ 2.0694 = .777 Mcf

Well #2L

III

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

January 9, 1981

Arco Oil and Gas Company
P.O.Box 2819
Dallas, Texas 75221

ATTENTION: Ms. Susan Murray

RE: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Dear Ms. Murray:

This refers to your letter dated December 12, 1980 in which you provided additional data concerning adjustments reported for March, 1979 production on the subject lease. We have reviewed these adjustments and agree with your findings. You may take credit of $223.58 on your next regular monthly remittance and attach a copy of this letter to your remittance for proper identification.

We have also reviewed the supporting documents you provided for adjustments shown on Gas Reports (Form MA-2) for Well #2U (RRC No. 087578) and Well #2L (RRC No. 875539). We have verified the adjustment reported for well #2L, however, we have been unable to verify the $41,017.03 credit Gross Value adjustment reported for well #2U. (See attached). Please provide an explanation of how this adjustment was determined. If other documents were used; please provide copies so that we may verify this adjustment.

Sincerely yours,

Ernest H. Hielscher, Supervisor
Resource Accounting
Telephone No. 512-475-2858

PS/pdg
Enclosure

59

M. F. 35430
CORRESPONDENCE FILE
TO
Arco Oil & Gas
~~FROM~~
DATED 1-9-81

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

June 19, 1980

General Land Office
1700 North Congress
Austin, Texas 78701

ATTENTION: Ernest H. Hielscher, Unit Supervisor
Resource Accounting

"B" File

Re: State Lease M-35430
Agnes Beckham Lease
Sabre/Chapman, Deep (Atoka and Fuss) Field
Reeves County, Texas

Gentlemen:

In response to your May 1, 1980, letter, attached is our check for $8,884.12 (which represents $8,620.64 additional royalty due and $263.48 statutory delinquency penalty), covering "Fuel Used on Lease" royalty for the period August, 1977, through April, 1980. Also attached is a schedule of charges for lease use fuel from August, 1978, to April, 1980.

If you have any questions, please call Margaret Ackermann, A/C 214/651-5638.

Very truly yours,

Annette Petty for
Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

AP:jc

Attachments

cc: Bill McClure - with attachment
Annette Petty - with attachment

124565

X $8,884.12

Lease Use Fuel - 8/78 - 4/80

6/17

Production Month	Agnes Beckham (Sabre) #62-22889-0002 MCF	Agnes Beckham (Sabre) #62-22889-0002 Additional Value	Agnes Beckham #1 #62-22919-0002 MCF	Agnes Beckham #1 #62-22919-0002 Additional Value	Agnes Beckham #2L #62-22919-0004 MCF	Agnes Beckham #2L #62-22919-0004 Additional Value	Agnes Beckham #2U #62-22919-0006 MCF	Agnes Beckham #2U #62-22919-0006 Additional Value	Total
8/78	389	$ 17550	0		1581	$ 322366	1023	$ 211045	
9/78	376	16964	0		1530	311967	990	204237	
10/78	389	17550	0		0	–	1023	211045	
11/78	376	16964	0		0	–	990	204237	
12/78	389	17550	0		1530	311967	1023	211045	
1/79	419	18903	0		1581	322366	919	189590	
2/79	351	15836	0		1428	295453	924 *	271656	
3/79	389	17550	0		1581	331061	1023	211659	
4/79	376 *	16964	0		1530	316557	990 *	291060	
5/79	389	17550	0		1581	327109	1023 *	300762	
6/79	376	16964	0		1530	316557	990 *	291060	
7/79	1	45	0		1530	316557	792 *	232848	
8/79	1	45	0		1581	327109	1023 *	300762	
9/79	1	45	0		1530	316557	990 *	291060	
10/79	1	45	0		1581	327109	1023 *	300762	
11/79	376	16964	0		1530	316557	990 *	291060	
12/79	389	17550	0		1581	327109	1023 *	300762	
1/80	389	17550	0		1581	327109	1023 *	300762	
2/80	364	16422	0		1479	300681	957	196759	
3/80	389	17550	0		1530	311049	1023	210329	
4/80	376	16964	0		1530	389232	990 *	254628	
Total Additional Value		$ 293525		0		$ 6114472		$ 5277128	
Royalty Decimal		.0625		.0625		.0625		.0625	
Add'l Royalty Due		$ 18345		0		$ 382155		$ 329821	$ 73034

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

February 9, 1981

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: SUSAN MURRAY

RE: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Dear Ms. Murray:

This refers to your June 19, 1980 letter and supporting schedule (enclosed) concerning additional royalty paid for "Used on Lease" fuel for the period August, 1977 through April, 1980.

During a recent audit of the Gas Reports (Form MA-2) for the subject lease and the aforementioned schedule we noted that in some cases the MCF price used in computing the Gross Value does not appear consistent with the price per MCF used for residue sales. We have identified these questional values on the enclosed schedule; please provide an explanation for the variances noted.

If upon completion of your examination you determine that royalty has been overpaid, please prepare an amended schedule and send it to us for verification.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

(60)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 2-9-81 gr

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

March 26, 1981

General Land Office
1700 North Congress
Austin, Texas 78701

Attention: Ernest H. Hielscher, Unit Supervisor
Resource Accounting

Re: State Lease M-35430 B
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

We have identified the variances highlighted in your letter of February 9, 1981. As depicted on the attached 6/17/80 worksheet, wherever the price of $2.094 appeared, the multiplication was incorrect; a constant of $2.94 was used and created an overpayment.

Per your request, the attached schedule is being sent for verification. We await your response on the overpayment. If you have any questions, please call Annette Petty, A/C 214 655-6467.

Very truly yours,

Susan H. Murray

Susan H. Murray, Supervisor
Gas Royalty & Tax Reporting Unit

AP/dg

Attachment

PS

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

Agnes Beckham Lease - M 35430 Page 1 of 2 AP 6/17/80

Lease Use Fuel - 8/78 - 4/80

Production Month	1 Agnes Beckham (Sabre) #62-22889-0002			3 Agnes Beckham #1 #62-22919-0002			5 Agnes Beckham #2L #62-22919-0004			7 Agnes Beckham #2U #62-22919-0006			9 S/B	10 Overpaid
	MCF	Price	Total	MCF	Price	Total	MCF	Price	Total	MCF	Price	Total		
August, 1978	389	.44167		0			1581	2.039	$3223.66	1023	$2.063	$2110.45		
September, 1978	376	.45132		0			1530	2.039	3119.67	990	2.063	2042.37		
October, 1978	389	.48059		0			0	2.039	—	1023	2.063	2110.45		
November, 1978	376	.50991		0			0	"	—	990	"	2042.37		
December, 1978	389	.53927		0			1530	"	3119.67	1023	"	2110.45		
January, 1979	419	.47573		0			1581	"	3223.66	919	"	1895.90		
February, 1979	351	.35119		0			1428	2.069	2954.53	924	2.094	~~2716.56~~	193486	78170
March, 1979	389	.45621		0			1581	2.094	3310.61	1023	2.069	2111.59		
April, 1979	376	.43448		0			1530	2.069	3165.57	990	2.094	2910.60	207306	83754
May, 1979	389	.41691		0			1581	2.069	3271.09	1023	2.094	3007.62	214216	86546
June, 1979	376	.43231		0			1530	2.069	3165.57	990	2.094	2910.60	207306	83754
July, 1979	1	.41375		0			1530	2.069	3165.57	792	2.094	2328.48	165845	67003
August, 1979	1	.46915		0			1581	2.069	3271.09	1023	2.094	3007.62	214216	86546
September, 1979	1	.43521		0			1530	2.069	3165.57	990	2.094	2910.60	207306	83754
October, 1979	1	.47102		0			1581	2.069	3271.09	1023	2.094	3007.62	214216	86546

Agnes Beckham lease - M 35430
Lease Use Fuel - 8/78 - 4/80

AP 6/17/80

Production Month	1 Agnes Beckham (Sabre) #62-22889-0002 MCF	Price	Total	3 Agnes Beckham #1 #62-22919-0002 MCF	Price	Total	5 Agnes Beckham #2L #62-22919-0004 MCF	Price	Total	7 Agnes Beckham #2U #62-22919-0006 MCF	Price	Total	9 S/B	10 Total
November, 1979	376	.36767		0			1530	$2.069	$3165.57	990	$2.094	$2910.60	207306	837.54
December, 1979	389	.32331		0			1581	"	3271.09	1023	"	3007.62	214216	865.46
January, 1980	389	.30729		0			1581	"	3271.09	1023	"	3007.62	214216	865.46
February, 1980	364	.45177		0			1479	$2.053	3006.81	957	$3.056	1967.59		9129.19
March, 1980	389	.51013		0			1530	"	3110.49	1023	"	2103.29		x .0625
April, 1980	376	.73256		0			1530	2.544	3892.32	990	$2.572	2546.28		$570.51
		9.47145												
Total	6506	.45116 (avg)	$2935.25	0		0	29325		$61144.72	20752		$52771.28		$73032.1
Royalty decimal			.0625						.0625			.0625		
Additional Royalty Due			$183.45						$3821.55			$3298.21		

OK 110 + 47 = 44396.42 + 3329.73 = 47726.13

compt. by MH 6/18/80.

3-26-81

(61)

M. D. 35430

CORRESPONDENCE FILE

To

ARCO

Public

Dated 3-26-81

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

April 8, 1981

Arco Oiland Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

Dear. Ms. Murray:

This refers to your letter dated March 26, 1981 concerning overpayment on "Used on Lease" fuel. We have reviewed your amended schedule and agree with your findings. You may take credit of $570.57 as a separate line item on your next regular royalty remittance forwarded to this office. Please attach a copy of this letter to your remittance for proper identification.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

(62)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 4-8-81 gr

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

January 26, 1981

General Land Office
1700 N. Congress
Austin, Texas 78701

ATTN: Ernest H. Hielscher

Re: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

We are in receipt of your January 9, 1981, letter concerning well #2L of the subject lease. We are researching the $41,017.03 credit adjustment for this well on the September, 1979, MA-2 report. As soon as our research is completed, the results will be forwarded to your office.

Yours truly,

Annette Petty for

Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

BBS/bp

xc: RAM

PS

63

M. F. 35430

CORRESPONDENCE FILE

From Arco

Dated 1-26-81

1-28-81

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

February 3, 1981

General Land Office
1700 N. Congress
Austin, Texas 78701

ATTN: Ernest H. Hielscher

121

Re: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

This is in response to your January 9, 1981, letter concerning the $41,017.03 credit gross value adjustment for well #2U on the September, 1979, MA-2 report. The problem originated with an erroneous booking on well #2U in March, 1979. The wrong BTU adjustment was used on 20,024 Mcf of the 35,447 Mcf booked in March, 1979. (See page 1 & 2 for correct BTU's.) In an attempt to correct this error in 9/79, all of the original $73,346.01 was taken off and the correct booking (15,423 Mcf), $32,328.98, was added back. The result was a $41,017.03 gross credit adjustment ($32,328.98 - $73,346.01). The 20,024 Mcf that was booked incorrectly was rebooked using the correct BTU, but was added back to well #1 instead of well #2U. The attached schedules will help to explain the adjustments that have been made from March, 1979, through September, 1980.

If you have any further questions, please contact Bette Smart at (214) 651-5638.

Very truly yours,

Annette Petty for/

Susan H. Murray, Supervisor
Gas Royalty and Tax Reporting Unit

BBS/bp

Attachment

xc: AP
RAM

PS

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

AGNES BECKHAM LEASES:

RRC#'s 0875788 AND 0871990

Well #2U (Atoka): RRC# 0875788

	ADJUST. VALUE		PROD. DATE		NOTES
	$73,346.01	(p. 3)	3/79	-	20,024 of 35,447 Mcf booked incorrectly
	($73,346.01)	(p. 5)	9/79	-	backed off all of 3/79 booking
	$32,328.98	(p. 5)	9/79	-	added back 15,423 Mcf booked correctly
	$45,554.37	(p. 7)	8/80	-	added back too much to correct 20,024 Mcf
	($ 3,662.13)	(p. 9)	9/80	-	amt. to reduce 8/80 adjustment
Balance	$74,221.22 X .0625 = $4,638.83				
S/B	$74,260.82 X .0625 = $4,641.30				
	(p. 1)				
			$ 2.47		(due State and paid $2.48 with Nov.,'80, prod.)

Well #1: RRC# 0871990

	ADJUST. VALUE		PROD. DATE		NOTES
	$ 00.00	(p. 4)	3/79	-	no production
	$41,931.84	(p. 6)	9/79	-	erroneously added, s/b to well #2U
	($41,931.84)	(p. 8)	8/80	-	correctly backed off
	$ 226.06	(p.10)	9/80	-	erroneously added (net adjust.)
Balance	$ 226.06	(amt. overpaid and recouped in Nov.,'80, prod.)			

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

RECEIVED
JAN 14 1981
ROYALTY & TAX REPORTING

#274

January 9, 1981

Arco Oil and Gas Company
P.O.Box 2819
Dallas, Texas 75221

ATTENTION: Ms. Susan Murray

RE: State Lease M-35430
Beckham, Agnes 26 Lease
Chapman Deep Field
Reeves County, Texas

Dear Ms. Murray:

This refers to your letter dated December 12, 1980 in which you provided additional data concerning adjustments reported for March, 1979 production on the subject lease. We have reviewed these adjustments and agree with your findings. You may take credit of $223.58 on your next regular monthly remittance and attach a copy of this letter to your remittance for proper identification.

We have also reviewed the supporting documents you provided for adjustments shown on Gas Reports (Form MA-2) for Well #2U (RRC No. 087578) and Well #2L (RRC No. 875539). We have verified the adjustment reported for well #2L, however, we have been unable to verify the $41,017.03 credit Gross Value adjustment reported for well #2U. (See attached). Please provide an explanation of how this adjustment was determined. If other documents were used; please provide copies so that we may verify this adjustment.

Sincerely yours,

Ernest H. Hielscher, Supervisor
Resource Accounting
Telephone No. 512-475-2858

PS/pdg
Enclosure

recouped $223.58 on Nov. '80 MA-2.

UTICo #

1. $\frac{32,328.98}{15,423}$ ·/. 2.0754 = 1010 Well #24 422-04

2. $\frac{301,460.03}{145,691}$ ·/. 2.0754 = .997 Well #2L 422-05

3. $\frac{41,931.04}{20,024}$ ·/. 2.0754 = 1009 Well #2U 422-06

FORM 34-3020 REV 1-78

UNITED TEXAS TRANSMISSION COMPANY
P. O. BOX 1478
HOUSTON, TEXAS 77001

GAS PURCHASE CHECK STATEMENT

BANK CD - CHK# MB-008719
C.V.# 04-1006 REIMB# 306
REFERENCE NUMBER 791131715
DATE OF CHECK 04-25-79
INTEREST OWNER NO. 91-02013

GAS PURCHASE CONTRACT NO.	PROD DATE MO. YR.	PRODUCT TABLE OF ITEM DESCRIPTION	QUANTITY	GROSS	DECIMAL MULTIPLIER	INTEREST VALUE
419-01	0379	NATURAL GAS - MCF	944	2349.76	1.000000	2349.76
422-01	0379	NATURAL GAS - MCF	121569	252052.05	1.000000	252052.05
422-02	0379	NATURAL GAS - MCF	1654	3456.74	1.000000	3456.74
422-03	0379	NATURAL GAS - MCF	11491	24015.36	1.000000	24015.36
① 422-04	0379	NATURAL GAS - MCF	15423	32328.98	1.000000	32328.98
② 422-05	0379	NATURAL GAS - MCF	145691	301460.03	1.000000	301460.03
③ 422-06	0379	NATURAL GAS - MCF	20024	41931.84	1.000000	41931.84
458-01	0379	NATURAL GAS - MCF	12800	26937.04	1.000000	26937.04
		TOTAL **	35,447	$74,260.82	should have been booked in 3/79, not $73,346.01.	684531.30

①+③ = should equal #2U (35,447)

DETACH FOR RECORDS

422-04 all goes 422-06

LaVaca - meters volumes (two meters but used as one primary & secondary

83-338 -04 } Same meter but 10 & 22" on Beckham #1 & #2
360 -06 }

II

(page 1)

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                AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86650
 282                          UNITED TEXAS TRANS CO
 37024                          CONTRACT DESCRIPTION          ISSUE DATE  80-10-04
                                CO 36   GPC 00422-04
ACTIVE        REGULAR
01-DIST   91 UNITED TEXA              02-AREA  917 WEST TEXAS AREA
03-FIELD  2354 CHAPMAN FIELD 2354                04-TYPE PURCH  0 WELLHEAD
05-MOV OF GAS  1 INTRASTATE           06-COUNTY NAME  REEVES
07-GASO PLT                                      08-CATEGORY 105-03 INTRA/SEC. 102
09-SUPER AUTH DATE  00-09-04          10-STATUS  1      11-ALLOC CD  1
12-SELLER NAME  ATLANTIC RICHFIELD COMPANY
13-COMMON PT/WELL NAME  BECKHAM 25 NO. 1 WELL
14-STATE  TX                  15-COUNTY  195          16-GASO PLT CD
17-                                   18-ASSOC CO  00
19-OPERATOR NAME  ATLANTIC RICHFIELD COMPANY
20-LOCATION OF DELIVERY POINT  R. R. COMM DIST. 8
21-                           22-                    23-TAXPAYER NO
24-                           25-SUPERCEDES GPC              26-
27-DATE 1ST DELIV THIS WELL/D.P.  77-07-07       28-THIS GPC  75-06-25
29-LEASE/FACILITY NO                             30-
31-                                   32-
                    PF1  - DISPLAY PANEL SELECTION MENU
                    PF10 - TUTORIAL
                AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86670
80-282                        UNITED TEXAS TRANS CO
0937024                         PAYMENT INFORMATION          ISSUE DATE  80-10-04
                                CO 36   GPC 00422-04
ACTIVE        REGULAR
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT          2.371817
 80-03-01 82-ADD CODE   86-CURRENT BTU        0992  91-TAX REIMB        0.177886
          83-           87-TAX DED RT       0.000000  92-TOTAL RT       2.549703
          84-TAX PDBY 8 88-AO COMM RT       0.539946
                        89-AO TAX REIMB     0.000000
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT          2.349125
 80-02-01 82-ADD CODE   86-CURRENT BTU        0992  91-TAX REIMB        0.176184
          83-           87-TAX DED RT       0.000000  92-TOTAL RT       2.525309
          84-TAX PDBY 8 88-AO COMM RT       0.539946
                        89-AO TAX REIMB     0.000000
 EFF DATE 81-TAX TYPE 2 85-ADD RT          0.000000  90-COMM RT          2.096154
 79-02-01 82-ADD CODE   86-CURRENT BTU        1010  91-TAX REIMB        0.000000
          83-           87-TAX DED RT       0.000000  92-TOTAL RT       2.096154
          84-TAX PDBY 8 88-AO COMM RT       0.000000
                        89-AO TAX REIMB     0.000000
       PF10 - TUTORIAL       PF11 - PAGE BACK       PF12 - PAGE FORWARD
                AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86650
80-282                        UNITED TEXAS TRANS CO
0937024                         CONTRACT DESCRIPTION          ISSUE DATE  80-10-04
                                CO 36   GPC 00422-05
ACTIVE        REGULAR
01-DIST   91 UNITED TEXA              02-AREA  917 WEST TEXAS AREA
03-FIELD  2354 CHAPMAN FIELD 2354                04-TYPE PURCH  0 WELLHEAD
05-MOV OF GAS  1 INTRASTATE           06-COUNTY NAME  REEVES
07-GASO PLT                                      08-CATEGORY 105-03 INTRA/SEC. 102
09-SUPER AUTH DATE  80-09-04          10-STATUS  1      11-ALLOC CD  1
12-SELLER NAME  ATLANTIC RICHFIELD COMPANY
13-COMMON PT/WELL NAME  BECKHAM 26 NO. 2 WELL-FUSSELMAN
14-STATE  TX                  15-COUNTY  195          16-GASO PLT CD
17-                                   18-ASSOC CO  00
19-OPERATOR NAME  ATLANTIC RICHFIELD COMPANY
20-LOCATION OF DELIVERY POINT  RR COMM DIST. 8
21-                           22-                    23-TAXPAYER NO
24-                           25-SUPERCEDES GPC              26-
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT          2.346757
 80-02-01 82-ADD CODE   86-CURRENT BTU        0991  91-TAX REIMB        0.176007
          83-           87-TAX DED RT       0.000000  92-TOTAL RT       2.522764
          84-TAX PDBY 8 88-AO COMM RT       0.000000
                        89-AO TAX REIMB     0.000000
 EFF DATE 81-TAX TYPE 2 85-ADD RT          0.000000  90-COMM RT          2.094079
          82-ADD CODE   [illegible]                  91-TAX REIMB        0.000000
          83-           87-TAX DED RT       0.000000  92-TOTAL RT       2.094079
          84-TAX PDBY 8 88-AO COMM RT       0.000000
                        89-AO TAX REIMB     0.000000
       PF10 - TUTORIAL       PF11 - PAGE BACK       PF12 - PAGE FORWARD
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(page 2)

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                              22-
                              25-SUPERCEDES GPC                    26-
 ATE 1ST DELIV THIS WELL/D.P.  78-03-13      28-THIS GPC  75-06-25
LEASE/FACILITY NO                           30-
                                   32-
                    PF1  - DISPLAY PANEL SELECTION MENU
                    PF10 - TUTORIAL
          AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86670
80-282                      UNITED TEXAS TRANS CO
0937024                       PAYMENT INFORMATION          ISSUE DATE  80-10-04
                              CO 36   GPC 00422-05
ACTIVE        REGULAR
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT        2.343126
 80-03-01 82-ADD CODE   86-CURRENT BTU        0980  91-TAX REIMB      0.175734
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.518860
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT        2.320709
 80-02-01 82-ADD CODE   86-CURRENT BTU        0980  91-TAX REIMB      0.174053
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.494762
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
 EFF DATE 81-TAX TYPE 2 85-ADD RT          0.000000  90-COMM RT        2.069174
 79-02-01 82-ADD CODE   86-CURRENT BTU        0997  91-TAX REIMB      0.000000
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.069174
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
    PF10 - TUTORIAL       PF11 - PAGE BACK       PF12 - PAGE FORWARD
          AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86650
80-282                      UNITED TEXAS TRANS CO
0937024                       CONTRACT DESCRIPTION         ISSUE DATE  80-10-04
                              CO 36   GPC 00422-06
ACTIVE        REGULAR
01-DIST   91 UNITED TEXA            02-AREA  917 WEST TEXAS AREA
03-FIELD  2354 CHAPMAN FIELD 2354              04-TYPE PURCH  0 WELLHEAD
05-NOV OF GAS  1 INTRASTATE         06-COUNTY NAME  REEVES
07-GASO PLT                                    08-CATEGORY 105-03 INTRA/SEC. 102
09-SUPER AUTH DATE  80-09-04        10-STATUS  1      11-ALLOC CD  1
12-SELLER NAME  ATLANTIC RICHFIELD COMPANY
13-COMMON PT/WELL NAME  BECKHAM 26 NO. 2 WELL - ATOKA
14-STATE  TX                15-COUNTY  195          16-GASO PLT CD
17-                         18-ASSOC CO  00
19-OPERATOR NAME  ATLANTIC RICHFIELD COMPANY
20-LOCATION OF DELIVERY POINT  R R COMM DIST 8
21-                         22-                    23-TAXPAYER NO
24-                         25-SUPERCEDES GPC            26-
27-DATE 1ST DELIV THIS WELL/D.P.  78-03-13      28-THIS GPC  75-06-25
29-LEASE/FACILITY NO                           30-
31-                                32-
                    PF1  - DISPLAY PANEL SELECTION MENU
                    PF10 - TUTORIAL
          AUTHORIZATION FOR PAYMENT FOR GAS PURCHASED - INQUIRY      DMS86670
80-282                      UNITED TEXAS TRANS CO
0937024                       PAYMENT INFORMATION          ISSUE DATE  80-10-04
                              CO 36   GPC 00422-06
ACTIVE        REGULAR
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT        2.369426
 80-03-01 82-ADD CODE   86-CURRENT BTU        0991  91-TAX REIMB      0.177707
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.547133
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
 EFF DATE 81-TAX TYPE 1 85-ADD RT          0.000000  90-COMM RT        2.346757
 80-02-01 82-ADD CODE   86-CURRENT BTU        0991  91-TAX REIMB      0.176007
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.522764
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
 EFF DATE 81-TAX TYPE 2 85-ADD RT          0.000000  90-COMM RT        2.094079
 79-02-01 82-ADD CODE   86-CURRENT BTU        1009  91-TAX REIMB      0.000000
          83-           87-TAX DED RT      0.000000  92-TOTAL RT       2.094079
          84-TAX PDBY 8 88-AO COMM RT      0.000000
                        89-AO TAX REIMB    0.000000
       PF10 - TUTORIAL       PF11 - PAGE BACK       PF12 - PAGE FORWARD
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(page 2)

(I)

FORM MA2 PRODUCTION MONTH MARCH ,1979

(1) PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-J(ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(2) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-OAK
(8) R R C LEASE I D #'S 0375728
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.089PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	1,023	.00
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	35,447	→ 73346.01
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	36,470	73346.01
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 4584.13

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13) SULPHUR OR OTHER A GROSS VALUE $ .00
B ROYALTY ON SULPHUR OR OTHER .06250000 $ .00

***ADJUSTMENTS	GROSS ADJUSTMENT	$ .00
B ROYALTY ON ADJUSTMENTS	.06250000	$ .00

(14) TOTAL ROYALTIES DUE STATE $ 4584.13

(16) REMARKS

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 651-5126 TITLE: SUPERVISOR, GAS ROYALTY AND TAX REPORTING UNIT

(page 3)

FORM MA2 PRODUCTION MONTH MARCH ,1979

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #1	26	97	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0871990
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ *PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)		.00
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)		.00
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE		.00
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ .00

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER	A GROSS VALUE	$	.00
B ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	.00
B ROYALTY ON ADJUSTMENTS	.06250000	$	.00
(14)TOTAL ROYALTIES DUE STATE		$	.00

(16) REMARKS

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6515126 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 4)

Sept. '79

(1) PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-U (ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR: ARCO OIL AND GAS COM
(3) ADDRESS: *
(4) PURCHASER(S): UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY: ****
(6) NAME OF FIELD: CHAPMAN DEEP
(7) LEASE OR UNIT NAME: BECKHAM, AGNES -26- 0222919-CAK
(8) R R C LEASE I D #'S: 08757c8
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE: INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.094 PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	990	.00
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	27,299	57166.26
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	28,289	57166.26
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 3572.90

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE (FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES (ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13) SULPHUR OR OTHER	A GROSS VALUE	$	.00
B ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	-41017.03 *
B ROYALTY ON ADJUSTMENTS	.06250000	$	-2563.57
(14) TOTAL ROYALTIES DUE STATE		$	1009.33

(16) REMARKS

* Correction of erroneous value due to incorrect BTU used. 3/79

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6515126 TITLE: SUPERVISOR, GAS ROYALTY AND TAX REPORTING UNIT

(page 5)

Sept. '79

(1) PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #1	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0871990
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ *PER MCF			
DISPOSITION OF NON-PROCESSED GAS		MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE			$ .00
C OTHER USE ON LEASE (FUEL,ETC)			.00
D USED OFF LEASE			.00
E TOTAL SALES (ATTACH STATEMENT)			.00
F VENTED OR FLARED			.00
G TOTAL MCF AND VALUE			.00
		==========	==========
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL		$ .00

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

		MCF	GROSS VALUE
F GASOLINE VALUE			$ .00
G OTHER LIQUIDS VALUE			$ .00
DISPOSITION OF RESIDUE GAS			
H RETURNED FOR GAS LIFT & INJECTION ON LEASE			.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)			.00
J RETURNED AND USED OFF LEASE			.00
K VENTED OR FLARED			.00
L RESIDUE GAS SALES(ATTACH STATEMENT)			.00
M TOTALS		==========	==========
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL		$ .00

(13) SULPHUR OR OTHER		A GROSS VALUE	$ .00
B ROYALTY ON SULPHUR OR OTHER	.06250000		$ .00
***ADJUSTMENTS		GROSS ADJUSTMENT	$ 41931.84
B ROYALTY ON ADJUSTMENTS	.06250000		$ 2620.74
(14) TOTAL ROYALTIES DUE STATE			$ 2620.74

(16) REMARKS

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 651512o TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 6)

FORM MA2 PRODUCTION MONTH AUGUST ,1980

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-U(ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0875788
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.671PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	1,023	2552.98
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	12,632	33740.73
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	13,655	36293.71

H ROYALTY ON NON-PROCESSED GAS .06250000 DECIMAL $ 2268.35

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.UTTC0360
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00

N ROYALTY ON PROCESSED GAS .06250000 DECIMAL $ .00

(13)SULPHUR OR OTHER A GROSS VALUE $ .00
B ROYALTY ON SULPHUR OR OTHER .06250000 $ .00

***ADJUSTMENTS GROSS ADJUSTMENT $ 45554.37
B ROYALTY ON ADJUSTMENTS .06250000 $ 2847.15 *

(14)TOTAL ROYALTIES DUE STATE $ 5115.50

(16) REMARKS

* Correction of erroneous value due to use of inconect BTU. Requested supporting statements from purchaser and (3/79) they are attached. The purchaser said the 2/79 BTU's are the same as the 3/79 BTU's.

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD

NAME: SUSAN MURRAY
TELEPHONE: 651-5126 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 1)

FORM MA2 PRODUCTION MONTH AUGUST ,1980

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #1	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0871990
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ *PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)		.00
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)		.00
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE		.00
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ .00

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.UTTC0338
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER A GROSS VALUE $ .00
B ROYALTY ON SULPHUR OR OTHER .06250000 $ .00

**ADJUSTMENTS GROSS ADJUSTMENT $ <41931.84>
b ROYALTY ON ADJUSTMENTS .06250000 $ <2620.74>*

14)TOTAL ROYALTIES DUE STATE $ <2620.74>

16) REMARKS

On our 9/79 report we made a correction of erroneous value due to use of correct BTU for 3/79; however, this entry was in error. Production for 3/79 was zero. Rebooked on REC# 0875788, SW well #2-U (atoka) this month.

CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
ND DISPOSITION THEREOF FOR THE PERIOD INDICATED
EPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
AME: SUSAN MURRAY
ELEPHONE: [illegible] TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 8)

FORM MA2 PRODUCTION MONTH SEPTEMBER ,1980

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-U(ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0875785
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.700PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	990	2497.95
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	15,819	42720.63
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	16,809	45218.58
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 2826.16

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.UTTC0360
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER A GROSS VALUE $ .00
B ROYALTY ON SULPHUR OR OTHER .06250000 $ .00

***ADJUSTMENTS GROSS ADJUSTMENT $ -3662.13
D ROYALTY ON ADJUSTMENTS .06250000 $ -228.89 *

(14)TOTAL ROYALTIES DUE STATE $ 2597.27

(16) REMARKS

* On our 9/79 report we made a correction of erroneous value due to use of incorrect BTU for 3/79; however, this entry was in error. This erroneous entry was made to RRC#0871990 which had zero production in 3/79. The adjustment was then transferred to this lease in order to make the proper correction against a lease with production.

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6515126 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 9)

FORM MA2 PRODUCTION MONTH SEPTEMBER ,1980

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #1	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0871990
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ *PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)		.00
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)		.00
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE		.00
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ .00

(12) PROCESSED GAS GWG

I LIQUIDS GPM B METER NO.UTTC0538
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER	A GROSS VALUE	$	.00
E ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	3617.00
E ROYALTY ON ADJUSTMENTS	.06250000	$	226.06*
(14)TOTAL ROYALTIES DUE STATE		$	226.06

(16) REMARKS
On our 9/79 report we made a correction of erroneous value due to use of incorrect BTU for 3/79; however, this entry was in error. reduction for 3/79 was zero. This entry should cancel the erroneous ones.

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 915152 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

(page 10)

Rebooked on RRC# 0875788, SW well #2 - (Catoka) this month

64

M. F. 35430

CORRESPONDENCE FILE

Arco

From

Dated 2-3-81

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

November 17, 1981

Arco Oil and Gas Corporation
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: SUSAN MURRAY

RE: State Lease M-35430
Beckham Agnes 26 Lease
Chapman Deep (Atoka & Fusselman) Field
Reeves County, Texas

Gentlemen:

An audit of the subject lease for the month of September, 1980 indicates a price of $2.700590/MMBTU (Atoka) and $2.6706/MMBTU (Fusselman) for gas sold.

The gas purchase contract between Arco Oil and Gas Company as seller and United Texas Transmission as buyer on file in this office indicates a price of $2.560/MMBTU (NGPA Section 102). Please explain the reason for this difference.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

(65)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 11-17-81

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

January 20, 1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Sabre Lease
Beckham Agnes Field
Reeves County, Texas

Gentlemen:

An audit of your December, 1980 Gas Report (Form MA-2) for the subject lease shows a price per MCF of $.564257 for residue gas sales which we have been unable to verify. We also noted that the Conoco, Inc. purchase statement indicates this is "Vintage 5A" gas, however, we cannot identify this gas with our NGPA schedules. Please provide a breakdown and/or method you utilize in determining the MCF price being used.

Also, if your records indicate the aforementioned vintage gas equates to a specific NGPA Section, please provide that information for the following which we have noted on other Conoco, Inc purchase statements:

Vintage 1A, 2A, 3A, 7A, and 9A

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

(66)

M. F. 35430

CORRESPONDENCE FILE

To Arco Oil

From

Dated 1-20-82

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

171

November 23, 1981

General Land Office
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

Re: State Lease M-35430 — "B"
Beckham, Agnes 26 Lease
Chapman Deep (Atoka and Fusselman) Field
Reeves County, Texas

Gentlemen:

We are in receipt of your November 17, 1981 letter concerning the subject lease. The question of price per MMBTU will be investigated and the results will be forwarded to your office.

Very truly yours,

Sharon Travis for
Ed Gonzales, Supervisor
Revenue Royalty Reporting Unit

BBS/dg

xc: Ruth Ann Meek (#359)

PS

(67)

M. F. 35430

CORRESPONDENCE FILE

Arco

From

Dated 11-23-81

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

December 1, 1981

General Land Office
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

Re: State Lease M-35430 B
Beckham, Agnes 26 Lease
Chapman Deep (Atoka & Fusselman) Field
Reeves County, Texas

Gentlemen:

Please refer to your November 17, 1981 letter concerning the subject lease. The price per MCF that appears on line 11A of the MA-2 includes BTU adjustment and tax reimbursement, as well as the contract price. Our files show the price per MCF for 9/80 production (NGPA Section 102 @ 14.65) to be $2.546094. The Price mentioned in your letter, $2.560, is for a test pressure base of 14.73.

Please refer to the attached schedule for a more detailed explanation of the price per MCF that appears on line 11A of the 9/80 MA-2. If you have any further questions, please contact Bette Smart at (214) 651-5638.

Yours truly,

Sharon Travis for
Ed Gonzales, Supervisor
Revenue Royalty Reporting Unit

BBS:dg

Attachments

xc: Ruth Ann Meek (#359)

PRICE PER MCF EXPLANATION
FOR AGNES BECKHAM
SEPTEMBER, 1980

WELL #2 - U(ATOKA)

2.546094	Contract Price (NGPA Section 102 @ 14.65)
X .991	BTU
2.523179	BTU Adjusted Price
X 15,819	Volume
39,914.17	Residue Value
+ 2,806.46	State's Share of Tax Reimbursement (.0703125 X $39,914.17)
42,720.63	Line 11E on MA-2

42,720.63/15,819 = $2.700 (line 11A)*

*See attached MA-2 and purchaser's statement.

WELL #2 - L(FUSS)

2.546094	Contract Price (NGPA Section 102 @ 14.65)
X .980	BTU
2.495172	BTU Adjusted Price
X 312,618	Volume
780,035.72	Residue Value
+54,846.26	State's Share of Tax Reimbursement (.0703125 X 780,035.72)
834,881.98	Line 11E on MA-2

834,881.98/312,618 = $2.6706 (Line 11A)*

*See attached MA-2 and purchaser's statement.

#359

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

6222919

November 17, 1981

Arco Oil and Gas Corporation
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: SUSAN MURRAY

RE: State Lease M-35430
Beckham Agnes 26 Lease
Chapman Deep (Atoka & Fusselman) Field
Reeves County, Texas

Gentlemen:

An audit of the subject lease for the month of September, 1980 indicates a price of $2.700590/MMBTU (Atoka) and $2.6706/MMBTU (Fusselman) for gas sold.

The gas purchase contract between Arco Oil and Gas Company as seller and United Texas Transmission as buyer on file in this office indicates a price of $2.560/MMBTU (NGPA Section 102). Please explain the reason for this difference.

Sincerely yours,

Ernest H. Hielscher

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

RECEIVED
NOV 19 1981
Revenue Royalty Reporting

FORM MA2 PRODUCTION MONTH SEPTEMBER ,1980

(1)PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-U(ATOKA)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 8222919-CAK
(8) R R C LEASE I D #'S 0875788
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.700PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	990	2497.95
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	15,819	42720.63
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	16,809	45218.58
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 2826.16

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.UTTC0360
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13)SULPHUR OR OTHER	A GROSS VALUE	$	.00
B ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	-3662.13
D ROYALTY ON ADJUSTMENTS	.06250000	$	-228.89
(14)TOTAL ROYALTIES DUE STATE		$	2597.2

(16) REMARKS
* On our 9/79 report we made a correction of erroneous value due to use of incorrect BTU for 3/79; however, this entry was in error. This erroneous entry was made to RRC#087990 we had zero production in 3/79. The adjustment was then transferred this le in order to make the proper correct against a lease with production.

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6315126 TITLE:SUPERVISOR,GAS ROYALTY AND TAX REPORTING UNIT

COPY 2

DS140501-109

METER STATEMENT
GAS VOLUME DELIVERIES

METER NUMBER
36-91-83-360-0

COMPANY
UNITED TEXAS TRANSMISSION CO

CUSTOMER OR WELL OWNER
ATLANTIC RICHFIELD CO

CUSTOMER NUMBER

DATE
1980, SEPT

P. L. SEC. NUMBER
91-53

LOCATION
BECKHAM 26 NO 2 WELL-ATOKA

LEASE NUMBER

WELL CODE

G.P.C. NUMBER
422-06

DOWNSTREAM P.L. SEC. NUMBER
00-00

COUNTY OR PARISH
REEVES

STATE
TX

CONTRACT PRESSURE BASE
14.650

CORRECTED FOR
GTSRYMAL 01

DATE FLACID MO.	DAY	S E O.	INTEGRATOR READING DIAL DIFF.	CLOCK FACTOR ATMOS. PRESS.	SPEC. GRAV.	T E M P	AVERAGE PRESSURE	COMBINED FACTOR	MACH CONSTANT & COEFFICIENT PRESSURE MULTIPLIER	I N T R Y	VOLUMES IN M. C. F. 14.73 PSIA CONTRACT CONDITIONS	STATE STANDARD PRESSURE BASE	CONTRACT PRESSURE BASE
09	01	0	220	1.0000	.572	89	1055	1.0534	3160.8		732	736	736
09	02	0	879	1.0000	.572	89	1053	1.0535	3160.8		2,927	2,943	2,943
09	08	0	1278	1.0000	.572	84	1050	1.0604	3160.8		4,284	4,308	4,308
09	15	0	965	1.0000	.572	90	1049	1.0519	3160.8		3,208	3,226	3,226
09	22	0	1062	1.0000	.572	76	1034	1.0717	3160.8		3,598	3,618	3,618
09	29	0	291	1.0000	.572	78	1033	1.0685	3160.8		983	988	988
			CHART	COUNT	6			METER	TOTAL		15,732	15,819	15,819

ENTRY LEGEND

(B) Back Flow
(D) Direct Reading Mtr.
(E) Estimate
(F) Farm Taps
(J) Volumes for Others
(M) Adj. of Prev. Billing
(N) Meter Adjustment
(R) Rural Services

CORRECTED FOR LEGEND

(G) Gravity
(T) Temperature
(Z) Super Compressibility Factor
(H) Reynolds' No. Factor
(Y) Expansion Factor
(M) Manometer Factor
(A) Orifice Thermal Expansion Factor
(L) Gauge Location Factor

METER NUMBER
36-91-83-360-0

NOTE: BTU IS OBTAINED FROM OUR DISTRICT OFFICE IN MIDLAND, TX OVER THE PHONE. [SAME FOR 24 (FUSS)]

FORM MA2 PRODUCTION MONTH SEPTEMBER 1980

(1) PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
SW WELL #2-L(FUSS)	26	57	STATE OF TEXAS		REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) UNITED TEXAS TRANSMI
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD CHAPMAN DEEP
(7) LEASE OR UNIT NAME BECKHAM, AGNES -26- 6222919-CAK
(8) R R C LEASE I D #'S 0875539
(9) NUMBER OF WELLS PRODUCING GAS: 000002 GWG
(10) INTERSTATE OR INTRASTATE INTRASTATE

(11) NON-PROCESSED GAS GWG

A GROSS PRICE $ 2.670PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	1,479	3690.36
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)	312,618	834,881.87
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE	314,097	838,572.23
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 52410.76

(12) PROCESSED GAS GWG

A LIQUIDS GPM B METER NO.UTTC0358
C PLANT NAME AND OPERATOR
D TOTAL LEASE MCF TO PROCESSING PLANT
E RESIDUE GAS PRICE: $ *PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ .00
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)		.00
M TOTALS		.00
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ .00

(13) SULPHUR OR OTHER	A GROSS VALUE	$	.00
E ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	.00
B ROYALTY ON ADJUSTMENTS	.06250000	$	.00
(14) TOTAL ROYALTIES DUE STATE		$	52410.76

(16) REMARKS

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 683-5128 TITLE: SUPERVISOR, GAS ROYALTY AND TAX REPORTING UNIT

COPY 2

METER STATEMENT
GAS VOLUME DELIVERIES

DS140501-109

METER NUMBER
36-91-83-358-0

DATE
1980, SEPT

COMPANY
UNITED TEXAS TRANSMISSION CO

CUSTOMER OR WELL OWNER
ATLANTIC RICHFIELD CO

CUSTOMER NUMBER

P. L. SEC. NUMBER
91-53

LOCATION
BECKHAM 26 NO 2 WELL-FUSSELMAN

LEASE NUMBER

WELL CODE

G.P.C. NUMBER
422-05

DOWNSTREAM P.L. SEC. NUMBER
00-00

COUNTY OR PARISH
REEVES

STATE
TX

CONTRACT PRESSURE BASE
14.650

CORRECTED FOR
GTSRYMAL 01

DATE PLACED MO.	DAY	S E O	INTEGRATOR READING DIAL DIFF.	CLOCK FACTOR ATMOS PRESS.	SPEC. GRAV.	T E M P	AVERAGE PRESSURE	COMBINED FACTOR	MACH CONSTANT & COEFFICIENT PRESSURE MULTIPLIER	E N T R Y	VOLUMES IN M. C. F. 14.73 PSIA CONTRACT CONDITIONS	STATE STANDARD PRESSURE BASE	CONTRACT PRESSURE BASE
09	01	0	597	1.0000	.582	107	1079	1.0206	19264.4		11,738	11,803	11,803
09	02	0	3466	1.0000	.582	91	1079	1.0421	19264.4		69,581	69,964	69,964
09	08	0	3819	1.0000	.582	89	1058	1.0439	19264.4		76,801	77,223	77,223
09	15	0	3776	1.0000	.582	88	1038	1.0443	19264.4		75,964	76,382	76,382
09	22	0	2859	1.0000	.582	82	1025	1.0522	19264.4		57,952	58,271	58,271
09	29	0	931	1.0000	.582	82	1024	1.0522	19264.4		18,871	18,975	18,975
			CHART	COUNT	6			METER	TOTAL		310,907	312,618	312,618

ENTRY LEGEND

(B) Back Flow
(D) Direct Reading Mtr.
(E) Estimate
(F) Farm Tap
(J) Volumes for Others
(M) Adj. of Prev. Billing
(N) Meter Adjustment
(R) Rural Services

CORRECTED FOR LEGEND

(G) Gravity
(T) Temperature
(S) Super Compressibility Factor
(R) Renolds' No. Factor
(Y) Expansion Factor
(M) Manometer Factor
(A) Orifice Thermal Expansion Factor
(L) Gauge Location Factor

METER NUMBER
36-91-83-358-0

(68)

M. F. 35430

CORRESPONDENCE FILE

From Arco

Dated 12-1-81 QK

15. 2.81

CONTENTS OF FILE NO. M-35430 Supp. 2

69.	Ltr. fr. Arco	1-28-82	34.
70.	Ltr. to Arco	4-6-82	35.
71.	Ltr. to ARCO Oil & Gas Co	4-6-82	36.
72.	Ltr. fr. Arco Oil & Gas	4-23-82	37.
73.	Ltr. to Arco	8-10-82	38.
74.	Ltr Fr ARCO	9-15-82	39.
75.	Ltr. to Arco	9-23-82	40.
76.	Ltr to Arco O & G	10-12-82	41.
77.	Ltr. fr. ARCO	9-27-82	42.
78.	Ltr to Arco	12-17-82	43.
79.	Ltr fr Arco	12-21-82	44.
80.	Ltr fr ARCO	12-6-82	45.
81.	Ltr fr ARCO	1-18-83	46.
82.	Letter from ARCO	1-20-83	47.
83.	Ltr to Arco	3-23-83	48.
84.	Ltr to Arco O & G	4-12-83	49.
85.	Ltr to Arco	4-28-83	50.
86.	Ltr fr. Arco	3-28-83	51.
87.	Ltr fr. Arco	3-31-83	52.
88.	Ltr. fr. Arco	5-6-83	53.
89.	Ltr to Arco	11-8-83	54.
90.	Ltr to Arco	12-13-83	55.
91.	Ltr. fr. Arco	12-19-83	56.
92.	Ltr. fr. Arco	11-15-83	57.
93.	Ltr to Arco O&G Co.	4-27-84 JRF	58.
94.	93½ Letter from ARCO 2-2-84 Ltr fr. Arco O&G Co.	12-12-84 JL	59.
95.	Ltr. to Arco O & G Co.	5-31-84 JRF	60.
96.	Ltr fr. Arco O & G Co.	6-22-84 JL	61.
97.	Memo to Susan Conklin	10/31/88 KRC	62.
98.	Memo to Susan Dorsey	10/31/88 KRC	63.
	We scanned it	9-1-2020	64.
32.			65.
33.			66.

121

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

January 28, 1982

General Land Office
1700 N. Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

RE: State Lease M-35430 B
Agnes Beckham Field
Sabre Lease
Reeves County, Texas

Gentlemen:

Please refer to your January 20, 1982 letter concerning the subject lease. After contacting Conoco, we received the following formula for calculating the price per MCF on the 12/80 report:

	.701171	per MCF (NGPA 104 @ 14.65)
X	1.075	Tax Reimbursement
	.753759	
X	1.132	BTU (not on statement, have to call Conoco)
	.85325	
+	.0149	Gathering Charge
	.86815	
X	.65	% of Proceeds (ARCO's Share)
	.564298	
X	429	MCF on 12/80 Conoco statement
$	242.07	Line 12L on MA-2

Conoco informed us they are currently using NGPA section 106 @ 14.65 for their base price. The monthly BTU can be obtained by calling Dorothy Gill at Conoco on (405) 767-4879.

A list of Conoco's vintage numbers and their meanings can be found on the following page.

Vintage	Meaning
1A	NGPA Section 106
2A	NGPA Section 104 '73-'74
3A	NGPA Section 104 post '74
5A	NGPA Section 104 Replacement Rate
6A	NGPA Section 103
7A	NGPA Section 108
9A	Suspended price - Basically, NGPA Section 108

If you have any further questions, please call Bette Smart on (214) 651-5638.

Yours truly,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

BBS/clw

Attachments

xc: Ruth Ann Meek (#376)

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

January 20, 1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSAN MURRAY

RE: State Lease M-35430
Sabre Lease
Beckham Agnes Field
Reeves County, Texas

Gentlemen:

An audit of your December, 1980 Gas Report (Form MA-2) for the subject lease shows a price per MCF of $.564257 for residue gas sales which we have been unable to verify. We also noted that the Conoco, Inc. purchase statement indicates this is "Vintage 5A" gas, however, we cannot identify this gas with our NGPA schedules. Please provide a breakdown and/or method you utilize in determining the MCF price being used.

Also, if your records indicate the aforementioned vintage gas equates to a specific NGPA Section, please provide that information for the following which we have noted on other Conoco, Inc purchase statements:

Vintage 1A, 2A, 3A, 7A, and 9A

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

RECEIVED
JAN 25 1982
Revenue Royalty Reporting

PRODUCTION MONTH DECEMBER ,1980

(1) PART OR AREA	SECT/TRACT	BLOCK	GRANTEE	ACRES	COUNTY
T&P RY CO.	26	57	STATE OF TEXAS	640.00	REEVES

(2) NAME OF OPERATOR ARCO OIL AND GAS COM
(3) ADDRESS *
(4) PURCHASER(S) CONOCO INC
(5) ROYALTY PAID BY ****
(6) NAME OF FIELD SABRE
(7) LEASE OR UNIT NAME BECKHAM AGNES 6222889-CAK
(8) R R C LEASE I D #'S 0812665
(9) NUMBER OF WELLS PRODUCING GAS: 010 OWG
(10) INTERSTATE OR INTRASTATE INTERSTATE

(11) NON-PROCESSED GAS OWG

A GROSS PRICE $ *PER MCF

DISPOSITION OF NON-PROCESSED GAS	MCF	GROSS VALUE
B GAS LIFT AND INJECTION ON LEASE		$ .00
C OTHER USE ON LEASE (FUEL,ETC)	389	249.90
D USED OFF LEASE		.00
E TOTAL SALES (ATTACH STATEMENT)		.00
F VENTED OR FLARED		.00
G TOTAL MCF AND VALUE		.00
H ROYALTY ON NON-PROCESSED GAS	.06250000 DECIMAL	$ 15.62

(12) PROCESSED GAS OWG

A LIQUIDS GPM B METER NO.CNT05025
C PLANT NAME AND OPERATOR RAMSEY
D TOTAL LEASE MCF TO PROCESSING PLANT 1,288
E RESIDUE GAS PRICE: $ .564PER MCF

	MCF	GROSS VALUE
F GASOLINE VALUE		$ .00
G OTHER LIQUIDS VALUE		$ 220.15
DISPOSITION OF RESIDUE GAS		
H RETURNED FOR GAS LIFT & INJECTION ON LEASE		.00
I RETURNED FOR OTHER USE ON LEASE(FUEL,ETC)		.00
J RETURNED AND USED OFF LEASE		.00
K VENTED OR FLARED		.00
L RESIDUE GAS SALES(ATTACH STATEMENT)	429	242.07
M TOTALS	429	462.22
N ROYALTY ON PROCESSED GAS	.06250000 DECIMAL	$ 28.89

(13) SULPHUR OR OTHER	A GROSS VALUE	$	.00
B ROYALTY ON SULPHUR OR OTHER	.06250000	$	.00
***ADJUSTMENTS	GROSS ADJUSTMENT	$	.00
B ROYALTY ON ADJUSTMENTS	.06250000	$	.00
(14) TOTAL ROYALTIES DUE STATE		$	44.51

(16) REMARKS

I CERTIFY THAT THIS IS A TRUE AND CORRECT STATEMENT OF PRODUCTION
AND DISPOSITION THEREOF FOR THE PERIOD INDICATED
REPORTING COMPANY: ARCO OIL AND GAS COMPANY
DIVISION OF ATLANTIC RICHFIELD
NAME: SUSAN MURRAY
TELEPHONE: 6515126 TITLE: SUPERVISOR, GAS ROYALTY AND TAX REPORTING UNIT

CONOCO INC.
PONCA CITY, OKLAHOMA 74601

NUMBER 016
GASOLINE PLANT
COUNTY TEXAS
IS 3
E 0

PRODUCER NAME ATLANTIC RICHFIELD CO
PRODUCER OWNER NO. 02715000
LEASE NAME AGNES BECKHAM
LEASE NO. 0356800

METER STATION NO. 016-05-025
BTU TEST 1000
GPM TEST 1.320
THEO REM PCT 79.90
TEST GALLONS 1,700
THEO REM VOLUME 1,029

LEASE SETTLEMENT DATA:

STATE STANDARD VOLUME	CONTRACT VOLUME	RESIDUE RETURNED TO LEASE	GAS SALES VOLUME	NON REIMBURSED CONSERVATION TAX
1,288	1,288	0	429	0.00
1,288	1,288	0	429	0.00

GASOLINE SETTLEMENT VALUE	BY-PRODUCT SETTLEMENT VALUE	TOTAL LIQUID SETTLEMENT VALUE	GAS SETTLEMENT VALUE	SETTLEMENT VALUE	GROSS TAX REFUND	TAX PAID	VALUE ADJUSTMENT	NET SETTLEMENT VALUE
.00	220.15	220.15	242.07	462.22	.00	34.67	.00	427.55
.00	220.15	220.15	242.07	462.22	.00	34.67	.00	427.55

replacement / recompletion rate

.70171 14.65

NGPA 104 - 1.932447
NGPA 106 - ~~.713~~ .713105

PLANT TOTAL DATA:

ALL VOLUMES ARE AT 14.650 PSIA PRESSURE BASE)	
GAS PURCHASED	58,930
TEST GALLONS	67,804
GALLONS GASOLINE SOLD	59,560
GALLONS SOLD OF COMBINED PRODUCTS	59,560
AC PRICE PER GALLON OF COMBINED PRODUCTS	.4912075
THEORETICAL REMAINING RESIDUE VOLUME	48,065
ACTUAL RESIDUE REMAINING VOLUME	20,053
RESIDUE GAS RETURNED TO LEASE	109
RESIDUE AVAILABLE FOR SALE	19,944
RESIDUE SOLD	19,944
AC SALES PRICE OF RESIDUE PER MCF	1.6631819

Total 1 1991

(69)

M. F. 35430

CORRESPONDENCE FILE

~~To~~ Arco

From

Dated 1-28-82

1.30.83

April 6, 1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MS. SUSANMMURRAY

RE: State Lease M-35430
Beckham Agnes - 26 (RRC #0871990) Lease
Chapman Deep Field
Reeves County, Texas

Dear Ms. Murray

A review of our records indicates blank Gas Reports (Form MA-2) are being received each month on the subject lease. Our records reveal these reports are no longer required and we request you discontinue filing them. Please resume filing reports if gas production is re-established at a later date.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc

(70)

M. F. 35430

CORRESPONDENCE FILE

To ARCO

From

Dated 4-6-82

3

April 6, 1982

GLO 924

Arco Oil and Gas Company
P.O.Box 2819
Dallas, Texas 75221

ATTENTION: R.R. Hawthorne - Manager, Gas Contracts

RE: State Lease M-35430
Beckham, Agnes
Charman Deep
Reeves County, Texas
Contract No. AR 47189

Gentlemen:

We have been advised by our gas audit section that the price per MCF reported on your Gas Reports (Form MA-2) for the month of June, 1981 exceeds the price reflected in our copy of your Gas Purchase Contract with United Texas Transmission, dated February 1, 1975.

It appears the subject Contract has been renegotiated from a price of $2.94 per MCF to a current price of $8.229 per MCF.

Please provide this office with a copy of the document amendint the contract for the higher price.

Sincerely yours,

Harry T. Finnell
Supervisor, Gas Contracts
Resource Accounting
Telephone No. 512-475-4541

HTF/pdg

M. F. 35430 (11)

CORRESPONDENCE FILE

TO

Arco Oil & Gas Co.

~~FROM~~

DATED 4-6-82

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 4677

W. R. Harper, Jr.
Sr. Representative
Gas Contracts, Sales

121
55
4
File

April 23, 1982

General Land Office
Austin, Texas 78701

Attention: Mr. Harry T. Finnell, Supervisor,
Gas Contracts, Resource Accounting

Re: State Leases M-40133 & M-35430
Chapman Deep Field Area
Reeves County, Texas
AR-47189

Dear Mr. Finnell:

In response to your letter of April 6 and April 13, 1982, this is to advise you that the price for gas sold from the referenced leases have been redetermined effective February 1, 1982. As you will note from the attached Documents, the price applicable to certain "deep high cost natural gas" qualifying under Section 107 (C) (1) of the NGPA is now $8.052 per MMBTU plus Tax Reimbursement. All other gas will be priced at the monthly NGPA Section 102 price plus Tax Reimbursement.

Very truly yours,

W. R. Harper, Jr.

WRH/mlb
Attachments

cc: Mr. C. R. Robison - 1239 FUT

35430 (72)

M. F. ~~10473~~ 3

CORRESPONDENCE FILE

~~TO~~

Arco

FROM

DATED 4-23-82

A-SP-83

STATE LEASE M-3540
AGNES BECKHAM LEASE
CHAPMAN DEEP FIELD

	Initials	Date
Prepared By	[illegible]	8/3/81
Approved By		

REEVES COUNTY

OPR: ARCO OIL & GAS CO

		1	2	3	4	5	6	7	8	9	10	11	12	13	
		LEASE FUEL	REPORTED				GLO-ADJUSTED MA-2				ROYALTY	ADDITIONAL	ACCUMULATED	PENALTY DUE	
		MCF VOLUME	PRICE	GROSS VALUE	ROYALTY DUE		MMBTU PRICE	BTU	GROSS VALUE	ROYALTY DUE	PAID	ROYALTY DUE	SHORTAGE	@ 1% PER MONTH	
JUL 1980	(A)	1581	2.390088	377998	23629		2.99040	.980	385858	24146	23624	492	492	05	1
AUG	✓											-0-	492	05	2
SEP	✓											-0-	492	05	3
OCT	✓											-0-	492	05	4
NOV	✓											-0-	492	05	5
DEC	✓ (A)	1581	2.611140	412862	25803		2.62566	.997	413872	25867	25803	-			6
✓	✓ (B)	1023	✓	267146	16696		✓	1.009	270122	16938	16696	306	798	08	7
JAN 1981	(A)	1581	✓	412862	25803		2.65252	.997	418105	26132	25803				8
✓	✓ (B)	1023	✓	267146	16696		✓	1.009	273799	17112	16696	745	1543	15	9
FEB	✓ (A)	1275	✓	332953	20810		(C) 7.56	.997	961008	60063	20810				10
✓	✓ (B)	825	✓	215440	13965		2.68335	1.009	223369	13961	13965	39749	41292	413	11
MAR	✓ (A)	1581	2.68335	424237	26515		(C) 7.56	.997	1191650	74478	26515				12
✓	✓ (B)	1023	✓	274506	17157		2.71408	1.009	280149	17509	17157	48315	89607	896	13
APR	✓ (A)	1428	✓	383182	23949		(C) 7.56	.997	1076329	67271	23949				14
✓	✓ (B)	924	✓	247941	15496		2.74600	1.009	256014	16001	15496	43827	133434	1334	15
MAY	✓ (A)	1581	✓	424237	26515		(C) 7.56	.987	1179698	73731	26515				16
✓	✓ (B)	1023	✓	274506	17157		2.77186	1.017	288382	18024	17157	48083	181517	1815	17
JUN	✓ (A)	1530	✓	410552	25660		(C) 7.56	.985	1139330	71208	25660				18
✓	✓ (B)	990	✓	265651	16603		2.79772	1.017	281683	17605	16603	46550	228067	2281	19
JUL	✓ (A)	1674	2.697799	451643	28228		(C) 7.5605	.985	1296643	77915	28228				20
✓	✓ (B)	1023	✓	276009	17250		2.82458	1.017	293866	18367	17250	50804	278871	2789	21
										636298	351427	278871		9576	22
															23
										1% PENALTY PER MONTH ON $2,788.71					24
										COMPUTED FROM OCT 81 – JUL 82				27887	25
															26
														PENALTY	27
A = AGNES BECKHAM LEASE (RRC #0875539) 6222918 - CAIK										$ 278871	ADD'L ROYALTY				28
B = " " " (RRC #0875788) ✓ ✓										37463	PENALTY			$ 37463	29
C = PRICED PER RETROACTIVE PRICE CHANGE W/JUN 81 GAS REPORT															30
										$ 316334	TOTAL DUE				

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General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

August 10, 1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MR. GILBERT SEGOVIA, JR.

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

Examination of your Gas Reports (Form MA-2), United Texas Transmission Company gas purchase statements, and your royalty payments received for the subject lease indicates for the period July, 1980 through July, 1981, gas royalty has been underpaid $2,788.71. (See attached schedule.)

Our examination also revealed that used on lease fuel values were computed on other than the residue sales MCF price. Please be advised that it is our policy that used gas should be based on the price at which gas is being sold from the subject lease. Hence, we have computed these fuel values accordingly, less the .0703125 tax reimbursement.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay or make arrangement for payment of $3,163.34 which includes $2,788.71 additional royalty and the required statutory delinquency penalty of $374.63 as provided by Section 52.131, Texas Natural Resources Code. The statutes require that each such penalty shall never be less than Five Dollars ($5). The delinquency penalty is computed for the period September, 1980 through July, 1982.

Please review subsequent reports and if you find that additional royalty is due based on the aforementioned pricing policy, prepare a schedule for this additional royalty. Please include any additional royalty and penalty with the charges cited above.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

(73)

M. F. 35430

CORRESPONDENCE FILE

(To) Arco Oil + Gas

From

Dated 8-10-82

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

September 15, 1982

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest Hielscher

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

X 6,545.94 07895

Gentlemen:

We have investigated your letter of August 10 and agree with your findings. Attached is a check for $6,545.94 which includes the $3,163.34 additional royalty and penalty requested in your letter, and $3,382.60 additional royalty for August, 1981 through current per the attached schedule.

If you have any questions, please contact Dena Owens at (214) 651-5638.

Very truly yours,

Gilbert Segovia

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw
Attachment

xc: Bette Smart (#458)

02893 SEP82

NATIONAL 45-112 EYE EASE 45-412 20/30 BUFF Made in U.S.A.

STATE LEASE
AGNES BECKHAM

9-21-82

9/8/82

	LEASE FUEL MCF VOLUME	WAS REPORTED PRICE	WAS REPORTED GROSS VAL.	WAS REPORTED ROY. DUE	ADJUSTED VALUE AS OF 9/82 BTU	ADJUSTED VALUE AS OF 9/82 PRICE	ADJUSTED VALUE AS OF 9/82 GROSS VAL.	ADJUSTED VALUE AS OF 9/82 ROY. DUE	ADDITIONAL ROY. DUE
AUG. 1981 (A)	1173	269799	316474	19780	985	756050	873544	54597	34817
✓ (B)	759	✓	204777	12799	1017	284745	219796	13737	938
SEPT. 1981 (A)	1530	✓	412792	25800	985	756050	1139405	71213	45413
✓ (B)	990	✓	267101	16694	1017	287032	288992	18062	1368
OCT. 1981 (A)	1581	271183	428740	26796	985	756050	1177385	73587	46791
✓ (B)	1023	✓	277420	17339	1017	289320	301006	18813	1474
NOV. 1981 (A)	1428	✓	387249	24203	985	756050	1063445	66465	42262
✓ (B)	924	✓	250573	15661	1017	292403	274773	17173	1512
DEC. 1981 (A)	1581	✓	428740	26796	985	756050	1177385	73587	46791
✓ (B)	1023	✓	277420	17339	1017	295486	307421	19214	1875
JAN. 1982 (A)	1581	272667	431086	26943	985	756050	1177385	73587	46644
✓ (B)	1023	✓	278938	17434	1017	298669	310733	19421	1987
FEB. 1982 (A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø
✓ (B)	924	272667	251944	15747	1017	301652	283465	17717	1970
MAR. 1982 (A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø
✓ (B)	1023	272667	278938	17434	1017	304636	316941	19809	2375
APR. 1982 (A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø
✓ (B)	990	274330	271587	16974	1017	309300	311413	19463	2489
MAY 1982 (A)	1581	✓	433715	27107	985	805200	1253926	78370	51263
✓ (B)	1023	✓	280639	17540	1017	311200	323770	20236	2696
JUNE 1982 (A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø
✓ (B)	990	✓	271587	16974	1017	313200	315339	19709	2735
JULY 1982 (A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø
✓ (B)	1023	275827	282171	17636	1017	315200	327931	20496	2860
TOTALS			$6031891	$376996			$1444055	$715256	$338260

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

August 10, 1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MR. GILBERT SEGOVIA, JR.

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

Examination of your Gas Reports (Form MA-2), United Texas Transmission Company gas purchase statements, and your royalty payments received for the subject lease indicates for the period July, 1980 through July, 1981, gas royalty has been underpaid $2,788.71. (See attached schedule.)

Our examination also revealed that used on lease fuel values were computed on other than the residue sales MCF price. Please be advised that it is our policy that used gas should be based on the price at which gas is being sold from the subject lease. Hence, we have computed these fuel values accordingly, less the .0703125 tax reimbursement.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay or make arrangement for payment of $3,163.34 which includes $2,788.71 additional royalty and the required statutory delinquency penalty of $374.63 as provided by Section 52.131, Texas Natural Resources Code. The statutes require that each such penalty shall never be less than Five Dollars ($5). The delinquency penalty is computed for the period September, 1980 through July, 1982.

* Please review subsequent reports and if you find that additional royalty is due based on the aforementioned pricing policy, prepare a schedule for this additional royalty. Please include any additional royalty and penalty with the charges cited above.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

X 6,545.94 9/21/82

1357 1602

M-35430 6171.31 374.63

* SENT IN ADDL ROYALTY FOR 8/81-2/82 -- NO PENALTY INCLUDED -- HAVE REC'D $291.56 PENALTY FOR THIS PERIOD

$ REMITTANCE DISTRIBUTION - DO NOT FILE $

NAME	REMITTANCE DESCRIPTION REFER	TYPE	MO	DAY	YR	FISCAL YEAR	REGISTER NUMBER	AMOUNT
ATLANTIC RICHFIELD	122		09	21	82	83	7895	6,545.94

FILE NUMBER	CONTROL NO	AMOUNT	FILE NUMBER	CONTROL NO	AMOUNT
M-35430	1351	6171.31			
✓	1602	374.63			

Atlantic Richfield Company

Detach check before depositing

VM- 53671

Date	Invoice Number	Voucher Number	Amount
9-17-82	PER ATTACHED	9-2893	$6,545.94 cjh

TO PAY STATE OF TEXAS $6,171.31 ADDITIONAL ROYALTY
AND $374.63 PENALTIES FOR 62-22919

07895

Non Negotiable

RECEIVED
SEP 21 1982
General Land Office

122

Audited

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221. Attention Input Payments

AR 3B—7—A 4/82

74

M. F. M-35430

CORRESPONDENCE FILE

To

Arco Oil & Gas Co

From

Dated 9/15/82

STATE LEASE
AGNES BECKHAM

9/3/82

		LEASE FUEL MCF VOLUME	WAS REPORTED PRICE	WAS REPORTED GROSS VAL.	WAS REPORTED ROY. DUE	ADJUSTED VALUE AS OF 9/82 BTU	ADJUSTED VALUE AS OF 9/82 PRICE	ADJUSTED VALUE AS OF 9/82 GROSS VAL.	ADJUSTED VALUE AS OF 9/82 ROY. DUE	ADDITIONAL ROY. DUE	ACCUM SHORTAGE	PENALTY DUE @ 12% PER MONTH
AUG. 1981	(A)	1173	269799	316474	19780	985	756050	873544	54597	34817		
✓	(B)	759	✓	204777	12799	1017	284745	219796	13737	938	35755	358
SEPT 1981	(A)	1530	✓	412792	25800	985	756050	1139405	71213	45413		
✓	(B)	990	✓	267101	16694	1017	287032	288992	18062	1368	82536	825
OCT. 1981	(A)	1581	271183	428740	26796	985	756050	1177385	73587	46791		
✓	(B)	1023	✓	277420	17339	1017	289320	301006	18813	1474	130801	1308
NOV. 1981	(A)	1428	✓	387249	24203	985	756050	1063445	66465	42262		
✓	(B)	924	✓	250573	15661	1017	292403	274773	17173	1512	174575	1746
DEC 1981	(A)	1581	✓	428740	26796	985	756050	1177385	73587	46791		
✓	(B)	1023	✓	277420	17339	1017	295486	307421	19214	1875	223241	2232
JAN. 1982	(A)	1581	272667	431086	26943	985	756050	1177385	73587	46644		
✓	(B)	1023	✓	278938	17434	1017	298669	310733	19421	1987	271872	2719
FEB. 1982	(A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø		
✓	(B)	924	272667	251944	15747	1017	301652	283465	17717	1970	273842	2738
MAR. 1982	(A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø		
✓	(B)	1023	272667	278938	17434	1017	304636	316941	19809	2375	276217	2762
APR. 1982	(A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø		
✓	(B)	990	274330	271587	16974	1017	309300	311413	19463	2489	278706	2787
MAY 1982	(A)	1581	✓	433715	27107	985	805200	1253926	78370	51263		
✓	(B)	1023	✓	280639	17540	1017	311200	323770	20236	2696	332605	3327
JUNE 1982	(A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø		
✓	(B)	990	✓	271587	16974	1017	313200	315539	19709	2735	335400	3354
JULY 1982	(A)	Ø	Ø	Ø	Ø	985	805200	Ø	Ø	Ø		
✓	(B)	1023	275827	282171	17636	1017	315200	327931	20496	2860	338260	
TOTALS				$6031891	$376996			$1444055	$715256	$338260		24156

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

September 23,1982

Arco Oil and Gas Company
P. O. Box 2819
Dallas, Texas 75221

ATTENTION: MR. GILBERT SEGOVIA, JR.

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

This refers to your September 15, 1982 letter and check in the amount of $6,545.94 for additional royalty and penalty, received by us on September 21, 1982. We noted that this check included additional royalty for August, 1981 through July, 1982 in the amount of $3,382.60 (see attached schedule); however, we also noted that you failed to include the statutory 1% delinquency penalty for this additional royalty.

We have computed the penalty on the additional royalty of $3,382.60 to be $241.56. Please remit this amount.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/glc
Enclosure

(75)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 9-23-82

	Initials	Date
Prepared By		
Approved By		

STATE LEASE M-35430

OPERATOR ARCO

lease # 06284722881800

Agnes Beckham Lease

Sabre (Delaware) Field

	MONTH	GROSS VALUE	ROYALTY DUE 6.25%	ROYALTY PAID	ADDITIONAL ROYALTY DUE	ACCUMULATED SHORTAGE	PENALTY DUE AT 1% PER MONTH
		1	2	3	4	5	6
1	3-81	$110,275.81	$6,892.24	6,543.51	348.73	348.73	3.49
2	4-81				0	348.73	3.49
3	5-81	99,211.59	6,200.72	6,074.08	126.64	475.37	4.75
4	6-81	91,461.35	5,716.33	5,676.51	39.82	515.19	5.15
5			18,809.29	$18,294.10	$515.19		16.88
6							
7				1% per month penalty on $515.19			
8				Computed from 9/81 - 9/82			6.97
9							$83.85
10							

COLUMN WRITE®

U.S.A. • "COLUMN WRITE" G7606 PADDED / WG7606 "WYRING" BOUND •

General
Land Office
AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR TOTAL DUE.

October 12, 1982

Arco Oil and Gas
P.O.Box 2819
Dallas, Texas 75221

ATTENTION: Jim Bower

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

Examination of your Oil and Condensate Reports (Form MA-1), Chevron's oil purchase statements, and your royalty payments received for the subject lease indicates for the period March, 1981 through June, 1981, oil royalty has been underpaid $515.19. (See attached schedule.)

Chevron is reporting higher prices on their run statements which resulted in higher gross values included in the schedule.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay or make arrangement for payment of $599.04 which includes $515.19 additional royalty and the required statutory delinquency penalty of $83.85 as provided by Section 52.131, Texas Natural Resources Code. The statutes require that each such penalty shall never be less than Five Dollars ($5). The delinquency penalty is computed for the period May, 1981 through September, 1982.

Sincerely yours,

Ms. Del West, Unit Supervisor
Resource Accounting
Telephone No. 512-475-4524

AG/pdg
Encl.

(76)

M. F. 35430
CORRESPONDENCE FILE
TO
ARCO Oil & Gas
~~FROM~~
DATED 10-12-82

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

September 27, 1982

B

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

RE: State Lease M-35430
Agnes Beckham Lease
Chapman Deep Field
Reeves County, Texas

122

Gentlemen:

X-241.56 10875

Attached is a check for $241.56 in penalties as requested in your letter of September 23, 1982.

Very truly yours,

Sharon Travis for

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachments

xc: Bette B. Smart (#493)

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

$ REMITTANCE DISTRIBUTION - DO NOT FILE $

NAME	REMITTANCE DESCRIPTION					FISCAL YEAR	REGISTER NUMBER	AMOUNT
	REFER	TYPE	MO.	DAY	YR			
ATLANTIC RICHFIELD	122		10	01	82	83	10875	241.56

FILE NUMBER	CONTROL NO.	AMOUNT	FILE NUMBER	CONTROL NO.	AMOUNT
M-35430	1602	241.56			

Atlantic Richfield Company

Detach check before depositing

Date	Invoice Number	Voucher Number	Amount
9-28-82	PER ATTACHED 9-3190	VM- 54078	$241.56 cjh

10875

122

TO PAY STATE OF TEXAS ADDITIONAL PENALTY ON 62-22919

Non Negotiable

Audited

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221. Attention Input Payments

AR 3B—7—A 4/82

M. F. 35430
CORRESPONDENCE FILE
~~TO~~
Arco
FROM
DATED 9-27-82

History of Payments To State of Texas

	1	2	3	4	5	7	8	9	10	11	12	13
Agnes Beckham 26 #2U	MCF	BTU	Contract Price	Gross Value	State Interest .0625	Orig Payment	11/80 Corr.	5/81 Corr.	10/81 Corr.	Total Payments To St of TX @ 11/81	Total Should Be Paid	Adj. of over-payment
62-22919-0006												
8 79	28717	1.0019	2.0754	60135.66	3758.48	3758.48	+ 249.36	- (400.84)	+ 3758.48	= 3758.48	3758.48	- 0 -
9	27299			57166.25	3572.89	3572.89	+ 268.21	—	+ (15.87)	= 3825.23	3572.89	(252.34)
10	24159			50590.84	3161.93	3161.93	264.92	—	(39.80)	= 3387.05	3161.93	(225.12)
1 80	21436			44888.68	2805.54	2805.54	299.82	—	(95.82)	= 3009.54	2805.54	(204.00)
									Overpayment #			(681.46)
Agnes Beckham 26 #2L												
62-22919-0004												
12 79	38346.7	.9997	2.0754	79345.95	4959.125	4959.125	+ 9827.25	- (9827.25)	+ 3903.43	= 53494.68	4959.125	(3903.43)
									Overpayment #			(3903.43)
									Total overpayment to be recovered @ Nov., 1981 prod. pymt.			(4584.89)

45-104 EYE-EASE
45-464 20 20 BUFF

History of Payments To State of Texas

	Agnes Beckham 26 #2U	MCF	BTU	Contract Price	Gross Value	State Interest .0625	Orig Payment	11/80 Corr. (10/80 paid)	5/81 Corr. (4/81 paid)	10/81 Corr. (9/81 paid)	Total Payments To St. of TX @ 11/81	Total Should Adj. Be Paid of Over-payment
1	62-22919-0006											
2	1979											
3												
4												
5												
6	11	20948	1.009	2.0754	43866 76	274167	274167	25081		(5421)	= 293827	274167 (19658)
7	12	21064	1.009	2.0754	44/0967	275685	275685	27341		(7433)	= 295593	275685 (19905)
8												
9												
10										Overpayment #		(395.63)

General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

December 17, 1982

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MR. GILBERT SEGOVIA, JR.

RE: State Lease M-35430
Agnes Beckham 26 (Well #2U Atoka; #2L Fusselman) (6222919 Cak) Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

An audit of your November and December, 1981 Gas Reports (Form MA-2) for the subject lease indicates prior months' adjustments we have been unable to verify. Please refer to the attached schedules, which were attached to the subject reports, showing adjustments for August, 1979 through January, 1980 with subsequent adjustments made on November, 1980, May, 1981, and October, 1981. We have been able to verify the initial volumes and values reported, however, it appears the subsequent values were not reported to us nor paid.

Please review your records and advise us accordingly. We have disallowed these credit adjustments pending your reply.

Sincerely yours,

Ernest H. Hielshcer, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/hlm
Enclosure

(18)

35430

M. F. ~~24888~~

CORRESPONDENCE FILE

To ACO O&G

Am. Retrofire of Mt

From

Dated 12-17-82

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

December 21, 1982

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

B

RE: State Lease M-35430

Gentlemen:

We have received your letter of December 17, 1982, and are investigating this matter. As soon as we have completed our investigation, we will forward our results to you.

Very truly yours,

Gilbert Segovia

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

xc: Bette B. Smart (#525)

(79)

M. F. 35430

CORRESPONDENCE FILE

~~To~~

Arco

From

Dated 12-21-82

15-53-85

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

ay 121

December 6, 1982

General Land Office
Resource Accounting
Stephen F. Austin Building
Austin, Texas 78701

Attn: Ms. Del West, Unit Supervisor

RE: State Lease M-35430 - B
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Dear Ms. West:

Upon receipt of your October 12, 1982 letter concerning the pricing discrepancy on State Lease M-35430 (Exhibit I), we contacted Chevron. They sent us revised purchaser statements for March, May, and June, 1981. (Exhibit II) When the 6.25% royalty rate is applied to the revised figures, the amount is equal to or slightly less than what ARCO paid as shown on your worksheet (Exhibit III).

If you have any questions, please contact Kathy Roberson at (214) 651-5402.

Very truly yours,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

KR/clw

Attachments

F/U #152

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

(80)

M.P. 35430

CORRESPONDENCE FILE

~~TO~~

Arco

FROM

DATED 12-6-82

19. 9.93

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

January 18, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

"B"

RE: State Lease M-35430

Gentlemen:

We are still investigating your letter of December 17 on the subject lease. We will forward our findings to you as soon as possible.

Very truly yours,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachment

xc: Bette Smart (#525)

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

(81)

[redacted] 35430

[redacted]RESPONDENCE FILE

To

ARCO

From

Dated 1-18-83

1.31.83

	Initial	Date
Prepared by	dd	-18-83
Approved by		

AGNES BECKHAM 26 - Schedule of Payments

		1	ADJUSTMENTS - BY REPORT PRODUCTION DATE 2	3	4	5	6	7	8	9	10	11	12
		ORIGINAL PAYMENT	12/80	4/81		9/81	11/81	12/81	TOTAL	TOTAL SHOULD BE	ADJUST-MENT		
	62-22919-0006												
	#2-4												
879		375848	26327	(26329)		375848			751696	375848	(375848)		
979		357290	25234			(1587)	(25234)		355703	357289	1586		
1079		316192	22510			(3980)	(22512)		312212	316193	3981		
1179		274167	19659			(5422)		(19658)	268746	274167	5421		
1279		275686	19907			(7434)		(19905)	268254	275685	7431		
180		280554	20400			(9582)	(20400)		270972	280554	9582		
											(347847)		
	62-22919-0004												
	#2-L												
1279		4959125				390343	(390343)		4959125	4959125	-0-		

ADJUSTMENTS VERIFIED

WILSON JONES MADE IN USA

B2112 BUFF • WB7112 WYRING BOUND • G7112 GREEN • 7012 WHITE

121

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

January 20, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

RE: State Lease M-35430
Agnes Beckham 26
(Well #2U Atoka; #2L Fusselman)
(62-22919 CAK) Lease
Chapman Deep Field
Reeves County, Texas

B

Gentlemen:

We have completed our investigation of your letter of December 17 disallowing the credit adjustments made on our November and December, 1981 gas reports. We have made copies of all reports that show adjustments for the period in question, and have prepared a schedule of payments. According to our schedule, the credit adjustments on our November and December, 1981 gas reports are correct, however, we also need to take an additional credit of $3,478.47. We will be taking this credit on our MA-2 report for December, 1982 production.

If you have any questions, please contact Dena Owens at (214) 651-5638.

Very truly yours,

Gilbert Segovia

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachments

xc: Bette Smart (#525)

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

(82)

M. F. 35430

CORRESPONDENCE FILE

To

ARCO

From

Dated 1-20-83

1-25-83

Garry Mauro
Commissioner
General Land Office

March 23, 1983

Arco Oil and Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. SHARON TRAVIS

RE: State Lease M-35430
Beckham, Agnes 26 (6222919-CAK) (Fusselman) Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

An audit of your August, 1982 Gas Report (Form MA-2) shows prior period adjustments we have been unable to verify. Please provide a detailed schedule showing your pricing computations and values used in determining the net credit/ additional royalty due.

Your cooperation and assistance in providing this verification is greatly appreciated.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/ml

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(83)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 3-23-83

Garry Mauro
Commissioner
General Land Office

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

April 12, 1983

Arco Oil and Gas
P.O. Box 2819
Dallas, Texas 75221

ATTENTION: Jim Bower

RE: State Lease M-35430
Agnes Beckham Lease
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require certain records to be filed in the General Land Office each month pertaining to production for the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

Chevron's oil purchase statement for May, 1982.

Please file these records at the earliest possible time.

Sincerely yours,

Ms. Del West, Unit Supervisor
Resource Accounting
Telephone No. 512-475-4524

AG/pdg

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. F. 35430

CORRESPONDENCE FILE

TO

Arco Oil & Gas

FROM

DATED 4-12-83

Garry Mauro
Commissioner
General Land Office

IMPORTANT: RETAIN WHITE COPY AND RETURN YELLOW COPY WITH REQUESTED DOCUMENTS.

May 2, 1983

ARCO Oil and Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. SHARON TRAVIS

RE: State Lease M-35430
Beckham, Agnes 26 (6222919 CAK) Atoka and Fusselman Lease
Chapman Deep Field
Reeves County, Texas
Gentlemen:

This is to advise that the statutes require certain records to be filed in the General Land Office each month pertaining to production for the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

BTU Statements from November, 1982 to the present and monthly thereafter.

Please file these records at the earliest possible time.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/ml

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

(85)

M. F. 35430

CORRESPONDENCE FILE

To Arco

From

Dated 5-2-83

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

March 28, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

RE: State Lease M-35430 B

Gentlemen:

We have received your letter of March 23, 1983 and are investigating. We will provide you with the requested schedule as soon as we have completed our investigation.

Very truly yours,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

xc: Bette Smart (#116)

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

Garry Mauro
Commissioner
General Land Office

#116

RECEIVED
MAR 25 1983
Revenue Royalty Reporting

March 23, 1983

Arco Oil and Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. SHARON TRAVIS

RE: State Lease M-35430
Beckham, Agnes 26 (6222919-CAK) (Fusselman) Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

An audit of your August, 1982 Gas Report (Form MA-2) shows prior period adjustments we have been unable to verify. Please provide a detailed schedule showing your pricing computations and values used in determining the net credit/ additional royalty due.

Your cooperation and assistance in providing this verification is greatly appreciated.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/ml

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. F. 35430

CORRESPONDENCE FILE

(86)

To Arco

From

Dated 3-28-83

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

121

March 31, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest H. Hielscher

B

RE: State Lease M-35430
Beckham, Agnes 26 (6222919-CAK)(Fusselman) Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

We have completed our investigation of your letter dated March 23, 1983. We have attached a revised summary of adjustments, and the requested detailed schedule showing our value calculations for the adjustments on our August, 1982 Gas Report. Also included on the schedule are the adjustments made with the November and December, 1982 Gas Reports.

During our investigation, we discovered one month, 3/81 production, for which we overrecouped $44.95. This amount will be paid on our February, 1983 MA-2 report filed in April. All other nominal differences are due to rounding.

If you have any questions, please contact Dena Owens at (214) 651-5638.

Very truly yours,

Gilbert Segovia Jr.

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachment

xc: Bette Smart (#116)

ATTACHMENTS RETURNED

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

Garry Mauro
Commissioner
General Land Office

#116

RECEIVED
MAR 25 1983
Revenue Royalty Reporting

March 23, 1983

Arco Oil and Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. SHARON TRAVIS

RE: State Lease M-35430
Beckham, Agnes 26 (6222919-CAK) (Fusselman) Lease
Chapman Deep Field
Reeves County, Texas

Gentlemen:

An audit of your August, 1982 Gas Report (Form MA-2) shows prior period adjustments we have been unable to verify. Please provide a detailed schedule showing your pricing computations and values used in determining the net credit/ additional royalty due.

Your cooperation and assistance in providing this verification is greatly appreciated.

Sincerely yours,

Ernest H. Hielscher, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/ml

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. F. 35430

CORRESPONDENCE FILE

To

Arco

(87) From

Dated 3-31-83

P. 8.93

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 651 5151

May 6, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

Attn: Ernest Hielscher

RE: State Lease M-35430
Beckham, Agnes 26 (6222919 CAK)
Atoka and Fusselman Lease
Chapman Deep Field

Gentlemen:

The BTU's for the Agnes Beckham lease for November, 1982 through February, 1983 production are:

Fusselman - .985
Atoka - 1.017

We will begin furnishing this information each month with our MA-2 Reports starting with the March, 1983 report filed in May.

If you have any questions, please call Dena Owens at (214) 651-5638.

Very truly yours,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

xc: Bette B. Smart (#124)

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

M. F. 35430

CORRESPONDENCE FILE

To

(88) ARCO

From

Dated 5-6-83

2-11-83

ARCO Lse # 6222919 - CAK

Schedule of Differences
State Lease M-35430
Agnes Beckham 26 Lease

	Initials	Date
Prepared By		11/7/85
Approved By		

	MCF Volume	Production Month	As Reported G. Value	As Reported Royalty Due	Adjustment G. Value	Adjustment Royalty Due	GLO Computed Values MMBTU Price	BTU	MCF Price	G. Value	Royalty Due	Difference Col 2+4-9
1	14,721	March 1983 - Atoka	5300439	331277	(1) 26336	1646	3.344	1.017	3.63997	5358400	334900	(1977)
2												
3	292,993	Nov 1980 - Fusselman	81283652	5080228	(2) (1223024)	(76439)	2.614	.977	2.73345	80088100	5005506	(17717)
4	360,935	Dec " - "	101128433	6320527	(2) (1521328)	(95083)	2.64	.977	2.76064	99641002	6227563	(21197)
5	371,895	Jan 1981 - "	105264899	6579056	(2) (1583808)	(98988)	2.667	.977	2.78887	103716658	6482291	(22237)
6												
7	38655	Dec 1982 - Fusselman (3)	2713504	1357094	(1) 247376	15461	5.42	.985	5.71408	22087776	1380486	(7931)
8	32534	Feb 1983 - " (4)	18057948	1128622	(1) 569008	35563	5.464	1.011	5.91252	192357 85	1202237	(38052)
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25		* MCF Price Includes Tax Reimbursement @ .0703125 decimal										
26		(1) Adjusted on June 1983 MA-2										
27		(2) " " May 1983 "										
28		(3) Value based on 38000 MCF Reported										
29		(4) " " " 31508 " "										
30												

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November 8, 1983

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. DENA OWENS

RE: State Lease M-35430
Agnes Beckham (#6222889-CAK & 6222919-CAK) Lease
Sabre - Chapman Deep (Atoka & Fusselman) Fields
Reeves County, Texas

Dear Ms. Owens:

This confirms telephone conversations on October 28, 1983 and November 7, 1983 with Mr. Solis of this office concerning the following:

Sabre Field: Please provide price (BTU) and volume breakout for each well being reported. Provide this information for January, 1983 to the present and monthly thereafter.

Chapman Field (Atoka & Fusselman): Please provide an explanation for the differences noted on the enclosed schedule.

Should you have any questions, please call.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/lkj
Enclosure

M. F. 35430

CORRESPONDENCE FILE

To Arco Oil & Gas

(89)

From

Dated 11-8-83

SECOND REQUEST

December 13, 1983

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. DENA OWENS

RE: State Lease M-35430
Agnes Beckham (#6222889-CAK & 6222919-CAK) Lease
Sabre - Chapman Deep (Atoka & Fusselman) Fields
Reeves County, Texas

Dear Ms. Owens:

Enclosed is a copy of our letter to you dated November 8, 1983 and as of this date we have not received a reply to this letter.

In order to expedite the handling of your correspondence, please direct your reply to the undersigned Supervisor.

Your prompt attention to this matter is requested.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/jrf
Enclosure

M. F. 35430

CORRESPONDENCE FILE

To Arco O & G

(90)

From

Dated 12-13-83

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 880 2500

121

November 15, 1983

Commissioner of the General Land Office
State of Texas
1700 North Congress
Austin, Texas 78701

"B"

Attn: Charles Whitsel

RE: State Leases M-38591 & M-38645
& State Lease M-35430

Gentlemen:

We have received your letters of November 8 on the subject leases. We are investigating these matters and will advise you of our findings as soon as possible.

Very truly yours,

Gilbert Segovia, Jr.

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachments

xc: Bette Smart (#191 & #192)

Mauro
Commissioner
General Land Office

RECEIVED
NOV 14 1983
Revenue Royalty Reporting

November 8, 1983

#191

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. DENA OWENS

RE: State Lease M-35430
Agnes Beckham (#6222889-CAK & 6222919-CAK) Lease
Sabre - Chapman Deep (Atoka & Fusselman) Fields
Reeves County, Texas

Dear Ms. Owens:

This confirms telephone conversations on October 28, 1983 and November 7, 1983 with Mr. Solis of this office concerning the following:

Sabre Field: Please provide price (BTU) and volume breakout for each well being reported. Provide this information for January, 1983 to the present and monthly thereafter.

Chapman Field (Atoka & Fusselman): Please provide an explanation for the differences noted on the enclosed schedule.

Should you have any questions, please call.

Sincerely yours,

Charles Whitsel

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/lkj
Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

Land Office

RECEIVED
NOV 14 1983
Revenue Royalty Reporting

November 8, 1983

#197

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

ATTENTION: MS. DENA OWENS

RE: State Leases M-38591 & M-38645
Rosa Mitchell - State (Arco #6252508) Lease
Puckett (Ellenburger) Field
Pecos County, Texas

Dear Ms. Owens:

Enclosed, per telephone conversation with Mr. Solis on November 7, 1983, is a schedule of volume differences noted between your Gas Report (Form MA-2) supporting statements and the Railroad Commission Records, as pertain to the subject leases. Please review these differences and advise us of your findings.

Sincerely yours,

Charles Whitsel

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/lkj
Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

M. F. 35430

CORRESPONDENCE FILE

(92)

~~TO~~

Arco

FROM

DATED 11-15-83

11.19.83

IMPORTANT: **RETAIN WHITE COPY AND RETURN BLUE COPY WITH SEPARATE CHECK FOR THE TOTAL DUE.**

April 27, 1984

Arco Oil and Gas Company
Box 2819
Dallas, TX 75221

ATTENTION: MS. SHARON TRAVIS

RE: State Lease M-35430
Beckham, Agnes - 26 Lease
Chapman Deep/Sabre Fields
Reeves County, Texas

Gentlemen:

Examination of your Gas Reports (Form MA-2), United Texas Transmission Company gas purchase statements, and your royalty payments received for the subject lease indicates for the period October, 1982 through July, 1983, gas royalty has been underpaid $270.54. (See attached schedule.)

Our audit revealed that these uderpayments resulted from lease fuel values being computed at other than the MCF price used for sales (excluding tax reimbursement). In this regard, please refer to our letter dated May 4, 1981 which states, "Royalty calculations for vented, flared, and/or lease used gas should be based on the price at which gas is being sold from the subject lease."

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay or make arrangement for payment of $305.01 which includes $270.54 additional royalty and the required statutory delinquency penalty of $34.47 as provided by Sec. 52.131, Texas Natural Resources Code. Penalty is calculated at the rate of 1% for each 30 day period of delinquency, or fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars ($5).

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/jrf
Enclosure

M.F. # 35430

CORRESPONDENCE FILE

TO Arco Oil & Gas Co.

FROM

DATED 4-27-84

INDEX # 93

	Initials	Date
Prepared By	RG	4/26/84
Approved By		

Backman, Agnes Lease

STATE LEASE M-35430

Reeves County | Chapman Deep/Sabre Fields | OPERATOR ARCO Oil & Gas Co

	MONTH	MCF	ADJUSTED GROSS VALUE	ROYALTY DUE	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NO. DAYS LATE	PENALTY DUE AT 1% PER 30 DAY PERIOD
1	Oct 82	(A)	5983375	373961	373758	203	498	35
2	Nov ✓	(A)	5692789	355799	355447	352	467	56
3	Dec ✓	(A)	5470991	341937	341535	402	435	60
4	Jan 83	(A)	5397467	337341	336778	563	408	79
5	Feb ✓	(A)	4750138	296884	296246	638		
6	— ✓	(B)	18822602	1176413	1157603	18810	377	2528
7	MAR ✓	(A)	5644462	352779	352039	740		
8	✓ ✓	(1) (B)	17503328	1093958	1095605	(1647)	—	
9	Apr ✓	(A)	5925717	370357	367192	3165	316	348
10	MAY ✓	(A)	4953370	309586	308278	1308	286	131
11	Jun ✓	(C)	174016	10876	11234	(358)		
12	✓ ✓	(A)	3203842	200240	199021	1219	255	77
13	Jul ✓	(A)	2238692	139918	138259	1659	229	133
14								
15				5360049	5332995	27054		3447

$ 27054 Add'l Royalty
3447 Penalty

$ 30501 Total Due

(A) Atoka #2 W - 6222919 - Calc
(B) Fuss #2 - " "
(C) Sabre Fld - 6222889 Calc

(1) Includes adjustment reported on 6/83 MA-2

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ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 880 2500

February 2, 1984

(121)

Commissioner of the General Land Office
State of Texas
1700 North Congress Ave.
Austin, Texas 78701

"B"

Attn: Pete Solis

RE: State Lease M-35430
Agnes Beckham Lease
Sabre Field
Reeves County, Texas

Dear Mr. Solis:

Per your conversation with Dena Owens on February 1, attached is a copy of our June, 1983 production MA-2 report submitted in August, 1983.

If we can be of any further assistance, please let us know.

Very truly yours,

Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachment

xc: Bette Smart

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

RECEIVED FEB 061984

93 1/2 ~~94~~

M. F. 35430

CORRESPONDENCE FILE

Arco O & G Co.

FROM

DATED 2-2-84

5-JN-9N

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 880 2500

121

December 19, 1983

"B"

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

Attn: Charles Whitsel

RE: State Lease M-35430
Agnes Beckham (#6222889-CAK & 6222919-CAK) Lease
Sabre - Chapman Deep (Atoka & Fusselman) Fields
Reeves County, Texas

Dear Mr. Whitsel:

Our investigation of your letter of November 8 revealed the following:

Sabre Field

This lease is under a percentage-of-proceeds contract, and we cannot provide a breakout by well. However, we have derived Conoco's value calculation method. As an example, we have calculated 9/83 production below:

	.85930	(Sec. 106 price at 14.65 p.b.)
X	1.124	BTU*
	.9658532	
+	.0149	Gathering
	.9807532	
X	672	Gas Sales Volume
	659.07	
X	.65	Percent-of-Proceeds
	428.40	

*The BTU can be obtained by contacting Shelly Schenk of Conoco at (405) 767-3555.

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

For your information, below is a listing of the vintages and the applicable NGPA Section on Conoco's statement:

Vintage	NGPA Section
02	104 '73-'74
03	104 post '74
05	106 Interstate Rollover
OK	109
OH	103
ON	103
OF	102
OJ	108

If the vintage ends in an alpha character (i.e., 3K) then the NGPA Section would be the same as the associated vintage above (OK is NGPA Sec. 109, so 3K would also be 109).

Chapman Field

The differences noted on your schedule are due to the following:

The December, 1982 and the February, 1983 production BTUs on your worksheet were incorrect. They should have been .979. The March, 1983 production BTU of 1.017 is at a 14.73 p.b. and should be converted to a 14.65 p.b. BTU of 1.011. Using these BTUs in your calculations will show our payments for February and March to be correct. December, 1982 production was overpaid $4.79. We recouped this amount on our October, 1983 MA-2 Report which we filed in December.

The differences for 11/80-1/81 production are due to differences in the calculation method, i.e. ARCO was not using the MMBTU method at this time. Below is a comparison of the calculations for 11/80 production. These calculations are equivalent, with the BTU and price at different pressure bases.

November 1980 Production

ARCO:

Vol. @ 14.65		BTU @ 14.73		Price @ 14.65		t.r.		State Royalty
292,993	X	.982	X	2.5998	X	1.070313	X	.0625=

Royalty Due
$50,037.89

State:

Vol. @ 14.65		BTU @ 14.65		Price/mmbtu		t.r.		State Royalty	
292,993	X	.977	X	2.614	X	1.070313	X	.0625	=

Royalty Due
$50,055.06

Total Difference ($ 17.17)

Note: .982 X $\frac{14.65}{14.75}$ = .977 2.5998 X $\frac{14.74}{14.65}$ = 2.614

In summation, we believe our payments to be correct with the exception of December, 1982 production which will be corrected. If you have any questions about the information provided, please contact Dena Owens on (214) 880-2564.

Very truly yours,

Sharon Travis for
Gilbert Segovia, Jr., Supervisor
Revenue Royalty Reporting Unit

DO/clw

xc: Bette B. Smart (#191)

Garry Mauro
Commissioner
General Land Office

RECEIVED
NOV 14 1983
Revenue Royalty Reporting

November 8, 1983

Arco Oil & Gas Company
Box 2819
Dallas, Texas 75221

#191

ATTENTION: MS. DENA OWENS

RE: State Lease M-35430
Agnes Beckham (#6222889-CAK & 6222919-CAK) Lease
Sabre - Chapman Deep (Atoka & Fusselman) Fields
Reeves County, Texas

Dear Ms. Owens:

This confirms telephone conversations on October 28, 1983 and November 7, 1983 with Mr. Solis of this office concerning the following:

62-22889 Sabre Field: Please provide price (BTU) and volume breakout for each well being reported. Provide this information for January, 1983 to the present and monthly thereafter.

62-22919 Chapman Field (Atoka & Fusselman): Please provide an explanation for the differences noted on the enclosed schedule.

Should you have any questions, please call.

Sincerely yours,

Charles Whitsel

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
PS/lkj
Enclosure

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 475-2071

12-24-83

Initials D.C.
Prepared By: DC 11/7/83
Approved By:

- = underpaid
+ = overpaid

Schedule of Differences
State Lease M-35430
Agnes Baukham 26 Lease

RCO Lse # 6222919 - CAK

1 MCF Volume	2 Production Month	3 As Reported G. Value	3 As Reported Royalty Due	4 Adjustment G. Value	4 Adjustment Royalty Due	5 GKO MMBTU Price	6 GKO BTU	7 Computed MCF Price	8 Values G. Value	9 Values Royalty Due	Difference Col 2+9 - 9
14,721 ✓	March 1983 - Atoka 2-L	5300439	331277	(1) 26336	1646	3.344	~~1.017~~ 1.011	3.63997	5358400	~~334900~~ 332924	✓ (1977)
222,993 ✓	Nov 1980 - Fusselman 2-L	81283652	5080228	(2) (2230241)	(76439)	2.614	.977	2.73345	80088100	5005506	(1717)
360,935 ✓	Dec ~ - ~	101128433	6320527	(2) (2521328)	(95083)	2.64	.977	2.76064	99641002	6227563	(2119)
371,895 ✓	Jan 1981 - ~	105264899	6579056	(2) (2583808)	(98988)	2.667	.977	2.78887	103716658	6482291	(2223)
										1372076	4.79
38655 ✓	Dec 1982 - Fusselman (3)	2713504	1357094	(1) 247316	15461	5.42	~~.485~~ .979	5.71408	22087776	~~1380486~~	(7931)
32534 ✓	Feb 1983 - ~ (4)	18057948	1128622	(1) 569008	35563	5.464	~~1.011~~ .979	5.91252	19235785	~~1202237~~ 1116184	✓ (38052)

* MCF Price Includes Tax Reimbursement @ .0703125 decimal

(1) Adjusted on June 1983 MA-2
(2) ~ ~ May 1983 ~
(3) Value Based on 38000 MCF Reported ✓
(4) ~ ~ ~ 31508 ~ ~ ✓

28-PS-81

M. F. 35430
CORRESPONDENCE FILE
~~TO~~
(94) Arco
FROM
DATED 12-19-84

SECOND REQUEST

May 31, 1984

Arco Oil and Gas Company
Box 2819
Dallas, TX 75221

ATTENTION: REVENUE ROYALTY REPORTING

RE: State Lease M-35430
Beckham, Agnes - 26 Lease
Chapman Deep/Sabre Fields
Reeves County, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated April 27, 1984 and as of this date we have not received a reply to this letter.

In order to expedite the handling of your correspondence, please direct your reply to the undersigned Supervisor.

Your prompt attention to this matter is requested.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858

PS/jrf
Enclosure

M.F. # 35430

CORRESPONDENCE FILE

TO Arco O&G Co.

FROM

DATED 5-31-84

INDEX # 95

ARCO Oil and Gas Company
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 880 2500

6-26-84

June 22, 1984

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

Attn: Charles Whitsel

RE: State Lease M-35430
Beckham, Agnes - 26 Lease
Chapman Deep/Sabre Fields
Reeves County, Texas

122

Gentlemen:

X-302.16 134865

We have completed our investigation of your letter of April 27 concerning the lease fuel price. We agree that the price was incorrect for (A) and (B), 6222919-CAK, on your schedule, however, we feel that royalty due for October, 1982 through July, 1983 is $267.69. We have indicated on a schedule all differences. June, 1983 production for (C), 6222889-CAK, was corrected on our July, 1983 report.

Attached is our check for $302.16 which includes $267.69 in additional royalties and $34.47 in penalties. If you have any questions, please contact Dena Owens on (214) 880-2564.

Very truly yours,

J. D. Bower, Acting Supervisor
Revenue Royalty Reporting Unit

DO/clw

Attachment

xc: Bette B. Smart (#244)

0511U JUN 84

ARCO Oil and Gas Company is a Division of AtlanticRichfieldCompany

$ REMITTANCE DISTRIBUTION - DO NOT FILE $

NAME	REMITTANCE DESCRIPTION REFER	TYPE	MO	DAY	YR	FISCAL YEAR	REGISTER NUMBER	AMOUNT
ATLANTIC RICHFIELD	122		06	26	84	84	134865	302.16

FILE NUMBER	CONTROL NO.	AMOUNT	FILE NUMBER	CONTROL NO.	AMOUNT
3 M-35430	1351	267.69			
3 ✓	1602	34.47			

Atlantic Richfield Company ✦

Detach check before depositing

DM- 011196

Date	Invoice Number	Voucher Number	Amount
6/21/84	PERAT	6-0511U	$302.16 jv

134865

TO PAY ADDITIONAL ROYALTY OF 267.69 AND PENALTY
OF 34.47 ON STATE LEASE M-35430

122
PE

Audited

JS

Questions regarding this remittance should be directed to Atlantic Richfield Company, Post Office Box 2819, Dallas, Texas 75221. Attention Input Payments

AR3B—7-1

6·26·84

	Initials	Date
Prepared by		
Approved by		

SCHEDULE OF DIFFERENCES

			ROYALTY DUE PER STATE	ROYALTY DUE PER ARCO	Differences	
1	OCT 82	<A>	203	203	-0-	
2	NOV ✓	<A>	352	353	<01>	
3	DEC ✓	<A>	402	402	-0-	
4	JAN 83	<A>	563	564	<01>	
5	FEB ✓	<A>	638	638	-0-	
6	✓ ✓	<B>	18810	18761	49	
7	MAR ✓	<A>	740	855	<115>	
8	✓ ✓	<B>	<1647>		<1647>	OUR RECORDS DO NOT INDICATE WE PAID LEASE FUEL ON FUSS #2L
9	APR ✓	<A>	3165	980	2185	
10	MAY ✓	<A>	1308	1178	130	
11	JUN ✓	<C>	<358>		<358>	Paid on July '83 REPORT
12	✓ ✓	<A>	1219	1308	<89>	
13	JUL ✓	<A>	1659	1527	132	
14						
15			27054	26769	285	
16						

<A> ATOKA #2L 6222919
<B> FUSS #2L ✓
<C> SABRE FIELD 62-22889

0511U JUN 84

B7106 BUFF • WB7106 "WYRING" BOUND • G7106 GREEN • 7006 WHITE

M. F. 35430B
CORRESPONDENCE FILE
Arco O & G Co.
FROM
DATED June 22, 1984

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: October 31, 1988

TO: Susan Conklin

FROM: Drew Reid/Lease Compliance

SUBJECT: **Field Audit for MF-35430**

After a review of this mineral file, I found no violations--the surface owners Int. is correct and there are no assignments back to the surface owners. All the assignments and the Division Orders are in the file.

DR/krl

cc: Carey Tynan
Della Pearson
Walt Rosenbusch

(97)

MF 35430
ITEM memo
TO Susan ~~Bobby~~ Conklin
FROM Drew Reid
DATE 10/31/88 KRL

GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: October 31, 1988

TO: Susan S. Dorsey/Archives & Records

FROM: Drew Reid/Lease Compliance

SUBJECT: RAL MF No. 35430
Yates Field Unit
Pecos County, Texas

I have reviewed the correspondence in the captioned Relinquishment Act mineral file. There were no references to the position of the General Land Office's interpretation of the Relinquishment Act.

A cursory review of the instruments in the file did not give any indication of a possible violation of the Act, but a more thorough examination would be needed to completely clear the file.

DR/krl

cc: Mineral File
Carey Tynan/Lease Compliance
Walt Rosenbusch/Royalty Management & Compliance
Stroud Kelley/Legal Services

(9f)

MF 35430
ITEM memo
TO Susan Dorsey
FROM Drew Reid
DATE 10/31/88 KRL

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 28, 2014

Natalie Holeman
Exploration Land Services, LLC
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 8918

Dear Ms. Holeman,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

> Memorandum of Term Assignment and Agreement is effective April 1, 2013 from Walsh and Watts, Inc., as assignor, to BHP Billiton Properties (N.A.) LP as assignee. As filed for record in Reeves County, in volume 1027, page 632.

Please see attached "Exhibit A" for reference. Filing fees of $50.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
8918	*Reeves*	MF035430

EXPLORATION LAND SERVICES LLC

4858

Texas General Land Office

11/15/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/15/2013	Bill	Filing Fees	50.00	50.00		50.00
					Check Amount	50.00

14703774

129

Iberia Bank Filing-2 Leases X 50.00

MF-035430

HK-BNR-0001

13-07211
FILED FOR RECORD
REEVES COUNTY, TEXAS
Oct 04, 2013 at 11:09:00 AM

MEMORANDUM OF TERM ASSIGNMENT AND AGREEMENT

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

State: Texas

County: Reeves

Assignor: Walsh and Watts, Inc., 1111 Seventh Street, Wichita Falls, Texas 76301

Assignee: BHP Billiton Petroleum Properties (N.A.) LP, 1360 Post Oak Blvd. Suite 150 Houston, Texas 77056

Effective Date: September 10, 2013

For adequate consideration, Assignor, named above, granted, sold, transferred, assigned and conveyed to Assignee, named above, all of Assignor's rights, titles and interests, subject to the limitations, exceptions, reservations, conditions, and agreements contained in the subject Term Assignment and Agreement (the "Agreement"), in and to the following lease (the "Lease") and lands (the "Lands"):

Lessor:	Guy Caldwell and others
Lessee:	L.C. Wahlenmaier
Dated	February 3, 1950
Recorded:	Volume 128, page 604, Deed Records of Reeves County, Texas
Description:	Section 26, Block 57, Township 2, T&P Ry. Co. Survey, Reeves County, Texas and **limited to the rights between 6,590 feet to 11,238 feet subsurface as indicated in the electric log on the Atlantic Richfield Co. – Agnes Beckham #26-1 Well (API No. 42-389-30422), Reeves County, Texas.**

The Agreement is for a primary term of eighteen (18) months from the Effective Date stated above and is effective as long thereafter as oil, gas, or other minerals are produced in paying quantities from the Lands, or other lands pooled with the Lands, according to and by the terms and provisions of the Agreement between Assignor and Assignee. The Agreement, with all of its terms, covenants, and other provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Agreement. The originals of the Agreement are maintained in the offices of the Assignor and Assignee.

This Memorandum is signed by Assignor and Assignee as of the date of acknowledgment of their signatures, but is effective for all purposes as of the Effective Date stated above.

ASSIGNOR:

WALSH AND WATTS, INC.

By: Alfred B. Guinn
Its: Vice President

ASSIGNEE:

BHP BILLTION PETROLEUM PROPERTIES (N.A.) LP
By: BHP Billiton Petroleum Properties (GP), LLC
Its: General Partner

By: John W. Walsh
Attorney-in-fact

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

STATE OF TEXAS,

COUNTY OF WICHITA

On this 10th day of September, 2013, before me personally appeared Alfred B. Guinn, the Vice President of Walsh and Watts, Inc., a Texas corporation, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

MARK A WELCH
NOTARY PUBLIC
STATE OF TEXAS
COMM. EXP. 3-17-17

Mark A. Welch

NOTARY PUBLIC in and for
the State of Texas

My Commission Expires: 3-17-2017

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this the 18 day of SEPTEMBER, 2013, by **JOHN W. WALSH,** as Attorney-in-Fact of **BHP Billiton Petroleum Properties (N.A.), LP, by: BHP Billiton Petroleum Properties (GP), LLC,** Its General Partner, a Texas limited liability company, on behalf of said limited partnership.

LYNN LATIOLAIS
Notary Public, State of Texas
Commission No.: 00210736-6
My Commission Expires: October 10, 2013

Lynn Latiolais
Notary Public, State of Texas

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

Inst No. 13-07211
DIANNE O. FLOREZ
COUNTY CLERK
2013 Oct 04 at 11:09 AM
REEVES COUNTY, TEXAS
By: VG Imelda Lucia DEPUTY

VOL 1027 PG 0633

(54)

File No. MF 035430
Assignment #8618 Walsh & Watts
to BHP 12.11.20
Date Filed: 11.19.13
Jerry E. Patterson, Commissioner
By

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1027 PAGE 632, THRU 633 OFFICIAL PUBLIC RECORD

I hereby certified on 11/12/2013

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY _____ DEPUTY
NORMA CHAVEZ

TEXAS GENERAL LAND OFFICE
JERRY PATTERSON, COMMISSIONER

July 28, 2014

Natalie Holeman
Exploratin Land Services, LLC
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 8919

Dear Ms. Holeman,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

> Partial Term Assignment of Oil, Gas and Mineral Lease, is effective September 10, 2013 from Walsh and Watts, Inc., as assignor, to BHP Billiton Petroleum Properties (N.A.), LP, as assignee. As filed for record in Reeves County, in volume 128, page 604.

Please see attached "Exhibit A" for reference. Filing fees of $25.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
8919	*Reeves*	MF035430

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

November 15, 2013

Via FedEx

Mr. Drew Reid
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building, RM 847
Austin, Texas 78701

Re: Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Drew:

Enclosed herewith, please find certified copies of one (1) Oil and Gas Lease and one (1) Memorandum of Term Assignment and Agreement, as well as a copy of the term assignment, taken in the name of the State of Texas, in favor of BHP Billiton Petroleum Properties (N.A.), LP, listed as follows:

Lease No.	**Date**	**Lessor**
ELS-0095J	10/01/2013	Nancy Smith Chandler (**MF 112764**)
HK-BNR-0001	9/10/2013	Walsh and Watts, Inc.

Assignment # 8918
8919

Also enclosed, please find a check in the amount of $50.00. This amount covers the filing fees for the one lease and one assignment taken in the name of the State of Texas @ $25/per lease. Be advised that the fees for the tract listed under ELS-0095J (MF 112764) were previously paid by check number 3652, issued April 4, 2012. This should cover all required fees associated with the above listed lease.

Please sign and return the copy of the check to me in the enclosed prepaid envelope. I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman

encl.

IBERIABANK

4858

84-7041/2652

EXPLORATION LAND SERVICES LLC
P.O. BOX 52105
LAFAYETTE, LA 70505

11/15/2013

PAY TO THE ORDER OF Texas General Land Office $ **50.00

Fifty and 00/100********** DOLLARS

Details on Back. Security Features Included

Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building RM847
Austin, TX 78701

MEMO Filing-2 Leases

AUTHORIZED SIGNATURE

⑈004858⑈ [redacted]

EXPLORATION LAND SERVICES LLC 4858

Texas General Land Office 11/15/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/15/2013	Bill	Filing Fees	50.00	50.00		50.00
					Check Amount	50.00

Iberia Bank Filing-2 Leases 50.00

EXPLORATION LAND SERVICES LLC 4858

Texas General Land Office 11/15/2013

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
11/15/2013	Bill	Filing Fees	50.00	50.00		50.00
					Check Amount	50.00

Received By: _____

Iberia Bank Filing-2 Leases 50.00

Delaware Basin Leasing

621513

PARTIAL TERM ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

FILE
G. Kowalski

STATE OF TEXAS,

COUNTY OF_____

109319

This Partial Term Assignment of Oil, Gas and Mineral Leases (the "Agreement"), is made and entered into effective as of September 10, 2013 (the "Effective Date"), by and between WALSH AND WATTS, INC., represented herein by its duly authorized Vice President, Alfred B. Guinn, whose mailing address is 1111 Seventh Street, Wichita Falls, Texas 76301 (the "Assignor"), BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP, a Texas limited partnership with its mailing address at 1360 Post Oak Blvd., Suite 150, Houston, Texas 77056-3030, represented herein by BHP Billiton Petroleum Properties (GP), LLC, its General Partner, said BHP Billiton Petroleum Properties (GP), LLC, appearing herein through John W. Walsh, its Attorney-in-fact, duly authorized to act herein (the "Assignee").

WITNESSETH:

WHEREAS, Assignor represents, but does not warrant, that Assignor is the owner of the entire leasehold interest in and to each of the oil, gas and mineral leases described on Exhibit "A" attached hereto and made a part hereof (whether one or more, the "Leases") insofar as the Leases cover the Assigned Interests (described below), the Leases covering lands in Reeves County, Texas, as more particularly described therein; and

WHEREAS, Assignee desires to purchase from Assignor, on the terms and conditions set forth herein, all of the right, title and interest of Assignor in the Leases insofar, and only insofar, as the Leases cover the lands (the "Lands") specifically described on Exhibit "B" attached hereto and incorporated herein, and the depths covered by the Leases lying between the stratigraphic equivalent of the depth of 6,590 feet and 11,238 feet as shown on the electric log of the Atlantic Richfield Co. – Agnes Beckham #26-1 Well (API No. 42-389-30422), dated November 6, 1976, located in Reeves County, Texas, (the "Assigned Depths"), and the Leases, but only insofar as the Leases cover the Lands and the Assigned Depths, are hereinafter referred to as the "Assigned Interests."

LAND RECORDS
OCT 07 2013
RECEIVED

NOW, THEREFORE, Assignor, in consideration of the sum of $100.00 and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, does hereby TRANSFER, ASSIGN, CONVEY and DELIVER unto Assignee, subject to the exceptions, reservations, conditions and other provisions hereinafter set out, all of the right, title

10.01.11

and interest of Assignor in the Assigned Interests. Assignor expressly reserves unto itself, its successors and assigns, and excepts from this Agreement the right to use, occupy and enjoy the Leases, including the Assigned Interests, for the purposes of: (i) conducting seismic or other geophysical exploration with respect to all lands and depths covered by the Leases; (ii) exploring for and producing oil, gas and other minerals from depths lying above and below the Assigned Depths, as well as from the Assigned Depths after this Agreement terminates as to any of the Assigned Interests, if ever; (iii) constructing canals, roads, ditches, ponds, pits, levees, dams, fences, buildings, pipelines, telephone lines and other facilities, structures and improvements; and (iv) using any road or canal constructed or maintained by Assignee to the extent that Assignee has such rights of use and the right to assign such use rights to Assignor; provided, however, that any use, occupation and enjoyment by Assignor pursuant to the reservations in (i) through (iv) above shall not unreasonably interfere with the rights granted hereunder to Assignee. Assignor shall be responsible for any repairs or upgrades required on any roads, canals or bridges constructed or maintained by Assignee and used by Assignor to the extent damages or upgrades are caused by, or required for, Assignor's use, and agrees to pay a fair share of the costs of routine maintenance on any such roads, canals, and bridges.

ARTICLE 1
PRIMARY TERM

Subject to other provisions contained in this Agreement, this Agreement shall remain in full force and effect for a term of eighteen (18) months from the Effective Date ("Primary Term"), and for so long thereafter as oil, gas or other minerals are being produced in paying quantities from the Assigned Interests, or from lands pooled therewith, from any well drilled by or on behalf of Assignee thereon pursuant to this Agreement or this Agreement is being maintained in force by any other provision herein. Notwithstanding this Primary Term, Assignee acknowledges that it is aware that all of the Leases are beyond their primary terms and are being held in force and effect by producing wells operated by Assignor or others which are completed in depths covered by the Leases which do not comprise the Assigned Interests. Assignee further acknowledges and agrees that should any such well cease to produce in paying quantities at any time subsequent to the Effective Date of this Agreement, Assignor is under no obligation whatsoever to commence reworking or any other operations either on the well which ceased to produce in paying quantities or on any other or new well, so as to maintain any of the

Leases in force and effect during the Primary Term or at any other time that this Agreement would otherwise remain in force and effect. Assignor agrees, however, to provide notice to Assignee as soon as practicable should Assignor cease to produce or intend to cease to produce, for longer than 90 consecutive days, any well operated by Assignor; provided, however, that Assignor shall have no liability to Assignee for the failure to give such notice or for failure to give such notice timely.

ARTICLE 2
OPERATIONS ON ASSIGNED INTERESTS

During the Primary Term, Assignee shall have no obligation to conduct any operations on the Assigned Interests and this Agreement shall remain in full force and effect. If on, or within 90 days prior to, the expiration of the Primary Term, Assignee commences the actual drilling of a well on any portion of the Assigned Interests, or on land pooled therewith, this Agreement shall remain in full force as to all of the Assigned Interests so long as drilling operations continue on such well with due diligence, and on successive wells thereafter such that not more than 180 days shall elapse between the completion or abandonment of one well and the commencement of actual drilling of another well (the "Continuous Drilling Program"). A well shall be deemed to have either been completed or abandoned sixty (60) days after the date that the drilling rig has completed operations for the drilling of the well and is released from the well. Notwithstanding the stated period of 180 days between wells, should Assignee commence actual drilling operations prior to the last day of any 180-day period, the number of days between commencement of actual drilling of such well and the expiration of the 180-day period applicable to such well shall be banked and added to the next ensuing 180-day period, and any such banked time shall continue to carry over to each successive 180-day period until it has been used by Assignee. Each and every well drilled by Assignee in conformity with this Agreement shall be deemed to produce from and hold six hundred and forty (640) acres of the Assigned Interests (a "Retained Tract"). Assignee acknowledges that Assignor is or may be conducting operations, including water flood operations, in depths that are shallower than the Assigned Depths and, therefore, Assignee agrees that it will set sufficient casing in its wells drilled on the Assigned Interests at all depths shallower than the Assigned Depths in which Assignor is currently conducting operations at the time such well is drilled by Assignee in order to limit

ET·ST·TT

interference with any such operations by Assignor. During the Primary Term, and any period during which Assignee is conducting the Continuous Drilling Program, Assignor shall not drill any well on the Lands or lands pooled therewith that is to be completed in the Assigned Interests.

For purposes of this Agreement, all drilling operations conducted off the Assigned Interests that are intended to result in the completion of a producing well on and in the Assigned Interests, or land pooled therewith, shall be considered operations on the Assigned Interests for purposes of maintaining this Agreement in force.

In connection with its operations on the Assigned Interests, Assignee shall have the right at any and all times to use existing roads, canals and bridges located on the land covered by the Leases to the extent that Assignor has such rights of use and the right to assign such rights to Assignee. Assignee shall pay a fair share of the costs of maintaining any such roads, canals and bridges so used by Assignee. Prior to constructing additional roads, laying pipelines, installing telephone lines, building or dredging canals, building bridges or erecting any other structure on the lands within the Assigned Interests, Assignee shall notify (and, if necessary under existing agreements or applicable law, secure the consent of) the affected surface owner.

ARTICLE 3
CONSEQUENCES FOR FAILURE TO DRILL

Notwithstanding anything contained herein to the contrary, Assignee is not obligated to drill any well on the Assigned Interests or lands pooled therewith. At the expiration of the Primary Term, or such time when Assignee ceases to comply with the Continuous Drilling Program, and after Assignee has designated the Retained Tracts, whichever is later, this Agreement shall terminate as to all of the Assigned Interests not included within a Retained Tract. Assignee shall have no obligation to designate the Retained Tracts until 90 days after cessation of the Continuous Drilling Program, and such Retained Tracts shall be designated by Assignee within such time in its sole discretion. At such time that this Agreement terminates as to all Assigned Interests not included in a Retained Tract, Assignor shall be entitled to drill such wells on the Assigned Interests as are necessary, in Assignor's sole opinion, to fully develop or explore all lands and Depths covered by the Leases, and to complete any such well for production at any depth covered by the Leases; provided, however, that Assignor shall not be entitled to drill any well that is to be completed within the Assigned Depths on any Retained Tract; provided, further, that no part of any well drilled by Assignor on the Leases shall be

21.01.11

located closer than 500 feet to any well drilled by Assignee. Within 30 days after this Agreement terminates as to all or part of the Assigned Interests, as provided in this Article 3, Assignee shall deliver to Assignor a recordable written instrument evidencing such termination and releasing all of the Assignor's interests in the Assigned Interests except for any Retained Tracts that Assignee is entitled to retain hereunder.

ARTICLE 4
PARTIAL TERMINATION AND CESSATION OF PRODUCTION

This Agreement will remain in force and effect as to such Assigned Interests for so long as any well drilled by Assignee on the Assigned Interests, or lands pooled therewith, continues to produce in paying quantities; provided, however, that continuation of this Agreement shall be determined on a Retained Tract basis. Additionally, on the date that is six (6) years after the end of the Primary Term or the Continuous Drilling Program, whichever is later, this Agreement shall terminate as to all of the Assigned Depths within a Retained Tract except the correlative depth of the producing formations as seen on the Schlumberger Electric Log run on November 6, 1976, on Atlantic Richfield Co. – Agnes Beckham #1-26 (API #42-389-30422), located 1320' from South line and 660' from West line of Section 26, Block 57, T-2, T&P RR Co Survey, Reeves County, Texas.

Upon cessation of production in paying quantities from the Assigned Interests in any Retained Tract, this Agreement shall lapse as to such Retained Tract unless, within 90 days following such cessation, Assignee restores production in paying quantities or commences actual drilling or reworking operations in the Assigned Depths in and under the Retained Tract, or lands pooled therewith, in an effort to restore production in paying quantities from the Assigned Depths and continues such operations with no lapse of more than 30 consecutive days in such operations, or between operations on different wells, until production in paying quantities from the Assigned Depths in and under such Retained Tract is restored.

Within 30 days after this Agreement lapses as to any Retained Tract, or a portion thereof, Assignee shall deliver to Assignor a recordable written instrument evidencing the expiration of this Agreement and releasing all rights of Assignee as to such Retained Tract or the portion thereof for which this Agreement has terminated.

ARTICLE 5
RESERVED OVERRIDING ROYALTY

Assignor hereby excepts and reserves unto Assignor from the Assigned Interests an overriding royalty (hereinafter sometimes called "Assignor's Overriding Royalty") on each of the Leases equal to the difference between twenty-five percent (25%) and the total of all royalty, overriding royalty and any other burdens on production of record affecting the Assigned Interests in such Lease as of the Effective Date. It is the intent and agreement of Assignor and Assignee that Assignee acquire a seventy-five percent (75%) of 8/8ths net revenue interest in each of the Assigned Interests covered by this Agreement. With respect to Assignor's Overriding Royalty, Assignor and Assignee agree as follows:

(a) Assignor's Overriding Royalty shall be free and clear of all costs and expenses of operating the Leases but shall bear its proportionate part of any severance, production and gathering taxes and shall be delivered and computed in the same manner as the lessors' royalties under the Leases.

(b) In the event any Lease covers less than the entire interest in the oil and gas rights in and under the lands covered thereby, or in the event Assignor owns less than the entire leasehold interest in any such Lease, then, as to such Lease, the Assignor's Overriding Royalty shall be reduced proportionately to the assigned working interest.

(c) If any part of the Assigned Interests is pooled or unitized with other lands, then, with respect to the part thereof so pooled or unitized, Assignor's Overriding Royalty shall be calculated on, and payable out of, the production allocated to the part of the Assigned Interests so pooled or unitized.

(d) Assignor shall have the right at all times, and from time to time, while this Agreement is in force, to take in kind, or market separately all or any part of its share of gas production from the Assigned Interests. Assignor shall notify Assignee not less than 30 days prior to the time at which Assignor intends to take in kind or market separately of its intention to do so, and shall specify the delivery point, and the time during which it will take in kind. Assignor shall furnish to the delivery point of such gas, all pipe line and metering facilities to receive, measure and transport such gas as is delivered to the delivery point by Assignee. All such equipment shall be furnished by Assignor at its expense and such equipment shall be of like kind and quality as Assignee uses and shall be installed by Assignor in such manner as to be compatible with Assignee's equipment and systems. The method of taking and the time of taking of such gas by the Assignor must be done so that same shall in no way interfere with the operation of the well by the Assignee. The delivery point shall be at or near the point at which Assignee delivers, or is prepared to deliver, gas to a pipe line purchaser; otherwise, at such other point as may be mutually agreed upon. After its delivery into the facilities provided by Assignor for its reception, Assignee's responsibility for the gas so

21-81-11

delivered shall cease. If between the wellhead and the delivery point specified by Assignor any pipeline, compression, dehydration or other post production facilities of Assignee are utilized in connection with Assignor's share of gas production, Assignee shall make no charge therefor to Assignor which exceeds the lowest amount for such post production services being charged by Assignee to any other person having an interest in gas production from the same well. Provided, however, Assignor shall be entitled to make no more than one election to take in kind, or to cease taking in kind, during any twelve-month period.

(e) Payments by Assignee of Assignor's Overriding Royalty shall commence within ninety (90) days after the date of first sales and will continue thereafter no later than thirty (30) days after the end of the calendar month within which subsequent production of oil is sold and no later than sixty (60) days after the end of the calendar month within which subsequent production of gas is sold. All such payments or deliveries not timely made, as set out above, shall include interest at the rate of ten percent (10%) per annum, or such greater interest as may be authorized by applicable statute, from the date due until such payments are made.

Assignor will not be obligated to execute a division order or other similar instrument ("Division Order") as a prerequisite to receiving Assignor's Overriding Royalty. Assignee cannot use Assignor's failure or refusal to execute a Division Order as a reason or excuse not to pay or deliver timely Assignor's Overriding Royalty. This Agreement may not be modified or amended in any respect by Assignor's execution of a Division Order, and any provision in a Division Order executed by Assignor which conflicts with, amends or modifies, in any respect, any term or provision of this Agreement will be deemed null and void.

ARTICLE 6
WELL INFORMATION

With respect to any well drilled by Assignee on the Assigned Interests, or on lands pooled therewith, representatives of Assignor shall (at the risk of Assignor and any such representative or representatives, as the case may be) have access to the premises, including the derrick floor, at all reasonable times to witness all activities conducted by Assignee thereupon, and to any books and records kept by Assignee and in any way relating to any such activities or operations by Assignee; provided, however, that Assignor, and its representatives, shall be required to execute Assignee's standard form of visitor release and comply with any safety training and requirements of Assignee prior to being able to access the derrick floor. In addition, as to all such wells, Assignee shall furnish Assignor daily drilling reports, copies of driller's log and mud log, all information developed in connection with any drill stem or other tests made (and in connection with any such tests, shall give Assignor notice of its intention to make any

21-21-11

such tests far enough in advance for Assignor to have the opportunity to have a representative present to witness any such tests), copies of any electric logs or other surveys made, copies of all core and side wall core analyses, as well as samples of all cores and cuttings taken from the well, all to be furnished to Assignor at the address set forth herein within seven (7) business days after same has been obtained by Assignee. All such information furnished to Assignor by Assignee shall be kept confidential and for Assignor's own use and shall not be divulged or released to third parties without written consent of Assignee.

ARTICLE 7
ASSIGNOR'S EXISTING WELLS

In order to protect the integrity of any currently existing and producing wells located on the Leases and owned by Assignor from any damage caused by or attributable to the operations of Assignee on the Assigned Interests, Assignee agrees that no part of any well drilled by Assignee under this Agreement shall be located closer than 500 feet to any existing producing well owned by Assignor.

ARTICLE 8
RECIPROCAL INDEMNITIES

With respect to Assignor's wells presently located or located in the future on the lands covered by the Leases, Assignor does hereby agree to protect indemnify, save and hold harmless Assignee from any and all claims, causes of action, obligations or requirements, if any, arising from or related to Assignor's operations on the lands covered by the Leases, or pooled or unitized therewith, including, without limitation, obligations to plug and abandon such well or wells, to clean up the location surrounding said wells, to remove any equipment located in, on or around said wells, and to pay each owner its share of the proceeds of production from Assignor's wells and to pay monetary compensation for damages to the surface or sub-surface owner of the lands covered by the Leases in accordance with any oil, gas and mineral lease, or rules, regulations or directives of the Railroad Commission of Texas or any other governmental agency having jurisdiction or any right of lessor under the Texas Natural Resources Code or other law; it being the intent of the Assignor and Assignee that Assignor shall be responsible for Assignor's operations on the lands covered by the Leases. This indemnity of Assignor is in favor of Assignee and its partners, managers, employees, officers, attorneys, agents, successors and

assigns, and shall include all attorneys' fees and costs associated with any defense thereof arising directly or indirectly as a result of Assignor's failure to fully comply with the obligations of this Article 8.

With respect to Assignee's wells located in the future on the Assigned Interests, Assignee does hereby agree to protect, indemnify, save and hold harmless Assignor from any and all claims, causes of action, obligations or requirements, if any, arising from or related to Assignee's operations on the lands covered by the Leases, or pooled or unitized therewith, including, without limitation, obligations to plug and abandon such well or wells, to clean up the location surrounding said wells, to remove any equipment located in, on or around said wells, and to pay each owner its share of the proceeds of production from Assignee's wells and to pay monetary compensation for damages to the surface or sub-surface owner of the lands covered by the Leases in accordance with any oil, gas and mineral lease, or rules, regulations or directives of the Railroad Commission of Texas or any other governmental agency having jurisdiction or any right of lessor under the Texas Natural Resources Code or other law; it being the intent of the Assignor and Assignee that Assignee shall be responsible for Assignee's operations on the lands covered by the Leases. This indemnity of Assignee is in favor of Assignor and its shareholders, directors, employees, officers, attorneys, agents, successors and assigns, and shall include all attorneys' fees and costs associated with any defense thereof arising directly or indirectly as a result of Assignee's failure to fully comply with the obligations of this Article 8.

ARTICLE 9
SHUT-IN WELLS

At any time that this Agreement remains in force and effect, should there be a well drilled by Assignee on the Assigned Interests, or lands pooled therewith, capable of producing gas or gaseous substances in paying quantities but which the Assignee is unable to produce for the lack of market, marketing facilities or governmental regulations, and if this Agreement is not being otherwise maintained in force but the Leases are being otherwise maintained in force and the Continuous Drilling Program has terminated, then Assignee's rights as to such Retained Tract on which such well is drilled shall be maintained by paying or tendering payment to Assignor (hereinafter sometimes called "shut-in well payment") in the sum of Ten ($10.00) Dollars per surface acre of the Retained Tract, and it will be considered that gas is being produced in paying quantities within the meaning of Article 4 hereof as to the Retained

Tract during any period for which said payment is made. Said shut-in payment shall be payable within ninety (90) days after such well is shut-in and shall be subject to proportionate reduction. Thereafter, Assignee shall continue to make such payments quarterly until said well is placed on production or the Retained Tract becomes held by some other provision of this Agreement; provided, however, in no event shall Assignee's rights be maintained hereunder as to such Retained Tract by such payments without operations for production of oil or gas for a period of more than eight (8) consecutive calendar quarters. In addition to these shut-in provisions, Assignee shall also comply with the shut-in provisions of any of the Leases.

ARTICLE 10
COMPLIANCE WITH LAWS

All of the terms and provisions of this Agreement are expressly made subject to all federal, state and local laws and to all orders, rules, regulations and standards issued thereunder by all duly constituted political subdivisions and agencies having jurisdiction and this Agreement shall ipso facto be considered supplemented and/or amended accordingly to make this Agreement subject thereto, and Assignee hereby warrants that it will comply with same. Further, Assignee specifically warrants that it will comply with any and all such laws, orders, rules, regulations and standards of all such federal, state and local political subdivisions and agencies applicable to the control, regulation and prevention of pollution and discharge and Assignee expressly agrees to indemnify and hold Assignor harmless from and against any and all damages, claims, costs, demands, fines, causes of action and losses of whatever nature arising out of or in connection with any failure of compliance or violation by Assignee of any such laws, orders, rules, regulations and standards, including, but not limited to, any costs, and which relate to Assignee's operations on the Assigned Interests.

ARTICLE 11
PLUGGING OF WELLS

Assignee shall not plug and abandon any well drilled on the Assigned Interests, or on lands pooled therewith, without the consent of Assignor. As to any such well which Assignee intends to plug and abandon, Assignee shall give written notice to Assignor of Assignee's intent to plug and abandon the well, which notice shall describe with particularity the quantity, weight and size of all casing, tubing, rods or other downhole equipment in the well as well as all surface equipment on the well such as tanks, flow lines, well head assemblies and other equipment, and

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which notice shall specify the salvage value of each item of such downhole and surface equipment. Assignor shall have a period of 30 days from receipt of the notice (48-hours exclusive of Saturday, Sundays and legal holidays if a rig is on location) in which to advise Assignee in writing whether Assignor elects to take over the well and, if so, what downhole or surface equipment, if any, Assignor desires to acquire. Failure of Assignor to notify Assignee of the election to take over a well within the specified period shall be considered an election not to take over the well. In the event Assignor elects to take over the well, Assignee shall promptly deliver to Assignor a bill of sale covering all of the right, title and interest of Assignee in and to the well-bore, the equipment in the well, as well as the surface equipment, if any, which the Assignor elects to purchase (all of which must be owned by the Assignee free and clear of any encumbrance). Upon delivery by the Assignee of the executed bill of sale, the Assignor shall pay to the Assignee the salvage value of such well and equipment. "Salvage value" is herein defined as being the average of not less than three (3) bona fide written offers by responsible parties on a salvage basis for the equipment in and pertaining to such well, less the estimated reasonable plugging costs for such well. Assignee agrees to submit to Assignor the originals of all such bids along with the written notice of the intention to plug or abandon such well. As to any such well which is taken over by Assignor, Assignor shall thereupon become responsible for operation of the well, the subsequent plugging and abandonment thereof and the restoration of the surface location relating thereto. It is understood that this well takeover option is being extended to all parties having leasehold interests in the Assigned Interests who are assigning such interests to Assignee. Accordingly, it shall be left to such parties to determine among themselves their respective interests in any well and equipment taken over under this Article 11.

As to any such well which is taken over by Assignor and which is thereafter successfully completed by Assignor as a commercially producing well at any depth covered by this Agreement, Assignee shall, within ten (10) days following receipt of written request from Assignor, deliver to Assignor a recordable instrument releasing all of the rights of Assignee under this Agreement as to production from the wellbore of such well.

ARTICLE 12
NEW LEASES

Any new lease covering lands and depths comprising any part of the Assigned Interests which is taken by Assignor or Assignee within one (1) year following the expiration of

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a Lease described on attached Exhibit "A" which covered such interests shall, subject to the caveat below, automatically become covered by this Agreement to the extent of the Assigned Interests thereunder as if listed on attached Exhibit "A." Either party acquiring such a new lease shall immediately notify the other party of such acquisition; and, if acquired by Assignee, Assignee shall, upon request by Assignor, assign such new lease to Assignor subject to this Agreement, without any burdens thereon except those specified in the new lease, and without any reimbursement from Assignor for costs paid by Assignee to acquire the new lease. Notwithstanding the foregoing, should any such new lease taken by Assignee to which this Article 12 would apply place obligations on the lessee which Assignor is unwilling to assume, then such new lease shall not be assigned to Assignor and shall not be covered by this Agreement.

ARTICLE 13
UNITIZATION

In the event Assignee should deem it necessary or desirable to apply to state or federal governmental authority for rules or orders governing the spacing of wells or the establishment of drilling or other units affecting the Assigned Interests, Assignee shall, prior to initiating any such proceeding, notify Assignor of its proposed plan, setting forth in detail the purposes of such plan, the results to be achieved thereby, and full information with respect thereto, and shall thereafter keep Assignor fully informed with respect to such plan, including, without limitation, any changes or modifications thereof. Assignee shall also furnish Assignor with a copy of any filing relating to such plan, and shall at least fifteen (15) days prior to any hearing on such plan furnish Assignor with copies of all maps, plats, documents and other material or evidence to be submitted at such hearing in connection with such plan.

ARTICLE 14
LIMITATION OF ASSIGNOR'S WARRANTY

It is expressly understood that this Agreement covers only such interests in the Leases pertaining to the Assigned Interests as are actually owned of public record by Assignor at the Effective Date, or acquired by Assignor pursuant to Article 12. This Agreement is made without any warranty of title whatsoever, either express or implied, except that Assignor does hereby bind itself and its successors and assigns to warrant and forever defend title to the Assigned Interests unto Assignee, its successors and assigns, against every person whomsoever

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lawfully claiming the same, or any part thereof, by, through or under Assignor, but not otherwise. This Agreement is further made with full substitution and subrogation in and to all the rights and actions of warranty which Assignor has or may have against all former owners of the Leases.

ARTICLE 15
SUCCESSORS AND ASSIGNS

The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns; and such terms, covenants and conditions shall be covenants running with the Assigned Interests and each transfer of said Assigned Interests or of any interest therein. Assignee shall not assign, convey or transfer this Agreement, in whole, in part, as to any segregated portion or as to any interest in or bearing upon the whole or any part, except with Assignor's prior written consent; provided, Assignor's consent will not be unreasonably withheld; provided, further, that this restriction shall not apply to any assignee which succeeds (other than at a forced sale) to substantially all of the mineral properties of Assignee in the State of Texas, nor shall such restriction apply to a change of corporate name or structure of Assignee or transfer of Assignee's interest to any single subsidiary, parent or successor corporation. No sale or assignment by Assignor, or other change of ownership, in whole or in part, shall be binding upon Assignee until Assignee shall be furnished with thirty (30) days prior written notice, consisting of a certified copy of the recorded muniments of title.

ARTICLE 16
FORCE MAJEURE

Should Assignee be prevented from complying with any covenant of this Agreement (other than the obligation to make money payments), from conducting drilling or reworking operations on the Assigned Interests or from producing oil or gas from the Assigned Interests by reason of "force majeure," as hereinafter defined, the term for performing such obligation shall automatically be extended so long as the cause or causes for such delays or interruptions continue and for an additional 60 days following the cessation of such delay or interruption, provided that production or drilling or reworking operations are restored or commenced within said additional 60 days. "Force majeure" is herein defined as an act of God, adverse weather conditions, inability to obtain materials in the open market or transportation

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thereof, war, strikes, lockouts, riots, insurrections, and any federal, state or municipal law, order, rule or regulation preventing Assignee's operations on the Assigned Interests, or other similar conditions or circumstances not wholly within the control of Assignee (other than financial). Assignee shall not be liable to Assignor in damages for failure to perform any operation permitted or required hereunder or to comply with any covenant, agreement or requirement hereof during the time Assignee is relieved from its obligations hereunder, provided that Assignee has given written notice to Assignor within thirty (30) days after the occurrence of the cause relied upon to suspend the obligations of Assignee hereunder.

ARTICLE 17
NOTICES

All notices, reports and other communications required or permitted hereunder or desired to be given with respect to the rights or interests herein Assigned or reserved shall be deemed to have been properly given or delivered when delivered personally or when deposited with the United States Postal Service or any overnight express service such as Federal Express, with all postage or charges fully prepaid, and addressed to Assignor or Assignee at the addresses hereinabove set out; or to such other address as either party may from time to time designate by giving notice in writing to the other party.

ARTICLE 18
MISCELLANEOUS

(a) This Agreement shall be governed by the law of the State of Texas, without regard to rules concerning conflicts of law.

(b) This Agreement cannot be modified or amended except by a written instrument duly executed by Assignor and Assignee.

(c) If any provision of this Agreement is held invalid, such invalidity shall not affect the remaining provisions.

(d) This Agreement shall be executed in duplicate counterparts, each of which shall be deemed an original for all purposes.

(e) A notice of this Agreement may be recorded in lieu of this Agreement in order to make this Agreement effective as to third parties.

(f) In construing the provisions of this Agreement, it shall be presumed that the entire text of this Agreement was furnished by both parties hereto, such that no party alone shall be deemed to have submitted any provision hereof.

EXECUTED as of the 10 day of September, 2013, to be effective as provided above.

WITNESSES:

Mark Welch

Tracy Westmoreland

ASSIGNOR

WALSH AND WATTS, INC.

Alfred B Guinn

By: Alfred B. Guinn
Its: Vice President

ASSIGNEE

BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP

By: BHP Billiton Petroleum Properties (GP) , LLC
Its: General Partner

By John W. Walsh
John W. Walsh
Attorney-in-fact

E.T.S.T.T.

ACKNOWLEDGMENTS

STATE OF TEXAS,

COUNTY OF WICHITA

On this 10th day of September, 2013, before me personally appeared Alfred B. Guinn, the Vice President of Walsh and Watts, Inc., a Texas corporation, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

MARK A WELCH
NOTARY PUBLIC
STATE OF TEXAS
COMM. EXP. 3-17-17

Mark A. Welch

NOTARY PUBLIC in and for
the State of Texas

My Commission Expires: 3-17-2017

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on this the 18 day of SEPTEMBER, 2013, by **JOHN W. WALSH,** as Attorney-in-Fact of **BHP Billiton Petroleum Properties (N.A.), LP, by: BHP Billiton Petroleum Properties (GP), LLC,** Its General Partner, a Texas limited liability company, on behalf of said limited partnership.

LYNN LATIOLAIS
Notary Public, State of Texas
Commission No.: 00210736-6
My Commision Expires: October 10, 2013

Lynn Latiolais
Notary Public, State of Texas

21.91.11

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES EFFECTIVE SEPTEMBER 10, 2013, BY AND BETWEEN WALSH AND WATTS, INC., AS ASSIGNOR, AND BHP BILLITON PETROLEUM PROPERTIES, LP, AS ASSIGNEE.

The interests covered by the Agreement to which this Exhibit "A" is attached are limited in depth as more fully described in the body of said Agreement.

Oil and Gas Lease dated February 3, 1950 and recorded in Volume 128, Pages 604 et seq., Deed Records, Reeves County, Texas, by and between Guy Caldwell and others, as lessor, and L. C. Wahlenmaier, as lessee.

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Exhibit B

ATTACHED TO AND MADE A PART OF THAT CERTAIN PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES EFFECTIVE SEPTEMBER 10, 2013, BY AND BETWEEN WALSH AND WATTS, INC., AS ASSIGNOR, AND BHP BILLTION PETROLEUM PROPERTIES, LP, AS ASSIGNEE.

All of Section 26, Block 57, Township No. 2, Texas & Pacific Railway, Reeves County, Texas, consisting of 640 acres, more or less.

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File No. MF035430
Assignment #8919
Walsh & Watts to BHP Billiton
Date Filed: 11-14-13
Jerry E. Patterson, Commissioner
By

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 22, 2014

Natalie Holeman
Exploration Land Services, LLC
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 9114

Dear Ms. Holeman,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

> Assignment of Oil & Gas Lease is effective March 16, 1950 from L.C. Wahlenmaier, as assignor, to Sinclair Oil & Gas Co., as assignee. As filed for record in Reeves County, in volume 129, page 126.

Please see attached "Exhibit A" for reference. Filing fees of $50.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
9114	*Reeves*	MF035430

come due, or if the Lessee or his authorized agent should knowingly make any false return or false report concerning production, royalty or drilling, or if the Lessee should fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if the Lessee or his agent should refuse the proper authority access to the records pertaining to operations under this lease, or if such Lessee or his authorized agent should knowingly fail or refuse to furnish the log of any well as provided herein, or if Lessee shall knowingly violate any of the material provisions of this lease, this lease shall be subject to forfeiture by the Commissioner of the General Land Office, and when forfeited, the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases.

16. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative thereto.

17. In all cases the authority of a manager or agent to act for the Lessee must be filed in the General Land Office.

18. The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors, or assigns of the Lessee herein.

IN TESTIMONY WHEREOF, Witness the signature of the Commissioner of the General Land Office under the seal thereof, this 15 day of June A.D.1950.

(seal of General Land Office)

Bascom Giles

Commissioner of the General Land Office.

Filed for record on the 30th day of June A.D.1950 at 1:00 o'clock P.M. and recorded this 14th day of July A.D.1950 at 2:45 o'clock P.M.

Estelle Clinton

County Clerk, Reeves County, Texas.

File No. 2598 L. C. WAHLENMAIER TO SINCLAIR OIL AND GAS COMPANY

(ASSIGNMENT OF OIL & GAS LEASE)

WHEREAS, on the 3rd day of February, 1950, a certain oil and gas mining lease was made and entered into by and between Guy Caldwell and wife, Jeannette Caldwell; L. H. Beckham and wife, Agnes C. Beckham, all of Abilene, Taylor County, Texas; Mildred C. Touchstone (formerly Mildred F. Caldwell) joined by her husband, Claude T. Touchstone of Fort Worth, Tarrant County, Texas, individually and as agent for the State of Texas, Lessor and L. C. Wahlenmaier, Lessee covering the following described land in the County of Reeves, and State of Texas, to-wit:

Section No. Twenty-six (26) Block Fifty-seven (57) Township No. Two (2) Texas & Pacific Ry Co containing 640 acres, more or less.

Said lease being recorded in the office of the County Clerk in and for said County in book __ page___, and

WHEREAS, the said lease and all rights thereunder or incident thereto are now owned by L. C. Wahlenmaier, whose marital status has not changed during the ownership of said property.

NOW, THEREFORE, for and in consideration of One Dollar (and other good and valuable considerations) the receipt of which is hereby acknowledged, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder in so far as it covers the above described land, together with all personal property used or obtained in connection therewith to SINCLAIR OIL & GAS COMPANY, and its successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee, its successors, or assigns, that

STATE OF TEXAS REEVES COUNTY

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

he, the said L. C. Wahlenmaier, is the lawful owner of the said lease and rights and interests thereunder, and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and propertyare free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid, and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, The undersigned owner and assignor has signed this instrument this 16th day of March, 1950.

(Doc stamps $4.40 properly dated and cancelled)

L. C. Wahlenmaier

THE STATE OF TEXAS }
COUNTY OF MIDLAND }

BEFORE ME, The undersigned, a Notary Public in and for said County and State, on this day personally appeared L. C. WAHLENMAIER, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This the 16th day of March, A.D.1950.

(seal)

Virginia Pickett

Notary Public in and for Midland County Texas.

Filed for record on the 1day of July A.D.1950 at 9:50 o'clock A.M. and recorded this 14 day of July A.D.1950 at 3:00 o'clock P.M.

Estelle Clinton

County Clerk, Reeves County, Texas.

File No. 2599 L. C. WAHLENMAIER TO SINCLAIR OIL & GAS COMPANY

(ASSIGNMENT OF OIL & GAS LEASE)

WHEREAS, on the 3rd day of February, 1950, a certain oil and gas mining lease was made and entered into by and between Guy Caldwell and wife, Jeannette Caldwell; L. H. Beckham and wife, Agnes C. Beckham, all of Abilene, Taylor County, Texas,Mildred C. Touchstone (formerly Mildred F. Caldwell) joined by her husband, Claude T. Touchstone, of Fort Worth, Tarrant County, Texas, individually and as agent for the State of Texas, Lessor and L. C. Wahlenmaier of Midland, Texas, Lessee, covering the following described land in the County of Reeves and State of Texas, to-wit:

North one-half (N/2) Section No. Twenty-four (24) Block No.Fifty-seven (57) Township No. Two (2) Texas & Pacific Ry Co and containing 320 acres, more or less.

Said lease being recorded in the office of the County Clerk in and for said County in book___, page___, and

WHEREAS, The said lease and all rights thereunder or incident thereto are now owned by L. C. Wahlenmaier, whose marital status has not changed during the ownership of said property.

Now, therefore, for and in consideration of One Dollar (and other good and valuable considerations) the receipt of which is hereby acknowledged, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder in so far as it covers the above described land, together with all personal property used or obtained in connection therewith to Sinclair Oil & Gas Company and its successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee, its successors or assigns that he, the said L. C. Wahlenmaier is the lawful owner of the said lease and rights and interests thereunder and of the personal property thereon or used in connection therewith; that

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

(56)

File No. MF035430
Assignment #9114, L.C.
Wahlenmaier to Sinclair Oil & Gas
Date Filed: 8.8.14
Jerry E. Patterson, Commissioner
By aa

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1291, PAGE 136 THRU 137.

I hereby certified on 24th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY: Elizabeth Reyes DEPUTY

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 22, 2014

Natalie Holeman
Exploration Land Services, LLC
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 9115

Dear Ms. Holeman,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

> Assignment and Bill of Sale is effective June 1, 1991 from Atlantic Richfield Co., as assignor, to Walsh and Watts, Inc., as assignee. As filed for record in Reeves County, in volume 511, page 195.

Please see attached "Exhibit A" for reference. Filing fees of $50.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
9115	*Reeves*	MF035430

FILE NO. 1492 ATLANTIC RICHFIELD COMPANY TO WALSH AND WATTS, INC.

ASSIGNMENT AND BILL OF SALE

STATE OF TEXAS §
COUNTY OF REEVES §

For sufficient consideration, receipt of which is hereby acknowledged, ATLANTIC RICHFIELD COMPANY, a Delaware corporation, whose mailing address is P. O. Box 1610, Midland, Texas 79702, hereinafter called "Assignor", in accordance with the terms and provisions of that certain unrecorded Purchase and Sale Agreement executed by and between Assignor and Assignee and dated July 15, 1991, does hereby sell, transfer and assign to Walsh and Watts, Inc., whose mailing address is 1111 Seventh Street, Wichita Falls, Texas 76301, hereinafter called "Assignee", all of Assignor's right, title and interest in and to the oil and gas lease(s) described on Exhibit "A", attached hereto and made a part hereof. The lease(s) described on the attached Exhibit "A" and assigned hereby are hereinafter referred to as the "Assigned Premises".

For the same consideration recited above, Assignor does hereby grant, bargain, sell and convey unto Assignee all wells, including the wellbores, the casing and tubing therein, all downhole and wellhead equipment, and all leasehold equipment, structures and other personal property situated on the Assigned Premises described on Exhibit "A", but INSOFAR AND ONLY INSOFAR as same is(are) used solely and directly in connection with the Assigned Premises. Assignor expressly reserves to itself and its successors and assigns any and all such wells and other personal property which is(are) not situated on and used solely in connection with the Assigned Premises.

Additionally, for the same consideration recited above, Assignor does hereby sell, transfer and assign to Assignee, all of Assignor's rights and obligations under any Operating and/or Unit Operating Agreement(s) to which the Assigned Premises are subject, and in and to the operating rights and participating interests created and existing under and by virtue of said Operating and/or Unit Operating Agreement(s), to the extent derived from or pertaining to the Assigned Premises.

Furthermore, Assignor does hereby transfer and assign all rights and obligations of Assignor under all other agreements referenced on Exhibit "A" attached hereto and made a part hereof, insofar as such agreements pertain to the Assigned Premises

TO HAVE AND TO HOLD unto Assignee, the heirs, successors and assigns of Assignee, forever. This Assignment and Bill of Sale is made without warranty of title, either express or implied.

THE WELLS, EQUIPMENT AND OTHER PERSONAL PROPERTY COVERED HEREBY

STATE OF TEXAS REEVES COUNTY

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

ARE USED AND ARE SOLD ON AN "AS IS, WHERE IS" BASIS WITH ALL FAULTS, IF ANY. ASSIGNOR SHALL HAVE NO LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY, BY SAID WELLS, EQUIPMENT OR PERSONAL PROPERTY, BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS ASSIGNMENT AND BILL OF SALE. ASSIGNOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO SAID WELLS, EQUIPMENT AND PERSONAL PROPERTY AND EXPRESSLY DISCLAIMS ANY WARRANTIES WITH RESPECT THERETO.

Assignee agrees to properly plug and abandon the wells assigned herein whenever such wells shall have served their intended purpose, all in accordance with the valid rules and regulations of the appropriate state or federal regulatory agency or agencies having jurisdiction, and Assignee agrees to indemnify and hold Assignor harmless from and against all losses, costs, claims and expenses arising out of or in any way connected with Assignee's failure to so perform. Further, Assignee agrees to indemnify and hold Assignor harmless from any and all surface or subsurface restoration, well abandonment or other similar obligations pertinent to the wells assigned herein which may arise out of any oil and gas lease, contract, permit or other agreement or laws or regulation affecting the lands upon which said wells are located.

Within 180 days after the Execution Date, Assignor shall forward a post-closing statement, or statements, to Assignee to account for any production proceeds, less all royalty, overriding royalty, production payments, taxes, including production, severance and ad valorem taxes, operating and other costs and expenses incurred in connection with the Assigned Premises from the Effective Date of the sale to and including the Execution Date. Any sums which may be due either party shall be paid one party to the other as may be appropriate, promptly after receipt of the post-closing statement .

Oil remaining in the tanks above the pipeline connection on the Effective Date hereof shall be the property of Assignor. All gas produced and saved up to such Effective Date shall belong to Assignor. All gas produced and saved after such Effective Date shall belong to Assignee.

All ad valorem taxes, real property taxes, personal property taxes, and similar obligations ("property taxes") with respect to the tax period in which the Effective Date occurs shall be apportioned as of the Effective Date between Assignor and Assignee. With respect to properties which immediately prior to the Effective Date are not operated by Assignor, Assignor and

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Assignee shall agree on the manner in which property taxes will be remitted to the operator of the properties. If Assignor remits the property taxes to the operator, Assignee shall reimburse Assignor for its apportioned share of such property taxes as determined under this paragraph within thirty (30) days of receipt of Assignor's invoice therefor. If Assignee remits the property taxes to the operator, Assignor shall reimburse Assignee for its apportioned share of such property taxes as determined under this paragraph within thirty (30) days of receipt of Assignee's invoice therefor. With respect to properties which immediately prior to the Effective Date are operated by Assignor, the payment of each party's proportionate share of such property taxes shall be paid or reimbursed in accordance with the post-closing statement.

All taxes (other than income taxes) which are imposed on or with respect to the production of oil, natural gas or other hydrocarbons or minerals or the receipt of proceeds therefrom (including but not limited to severance, production, excise and windfall profit tax) shall be apportioned between the parties based upon the respective shares of production taken by the parties. All such taxes which accrued prior to the Effective Date have been or will be properly paid or withheld by Assignor and all statements, returns, and documents pertinent thereto have been or will be properly filed on behalf of Assignor. Payment or withholding of all such taxes which accrue after the Effective Date and the filing of all statements, returns, and documents incident thereto shall be the responsibility of Assignee. Nothing in the post-closing statement shall operate to alter the ultimate responsibility for the bearing or paying of taxes as set forth in this grammatical paragraph.

Assignee agrees that the purchase price provided for hereunder excludes any sales taxes or other taxes if any, required to be paid in connection with the sale of property pursuant to this agreement. Assignee shall be liable for and bear all sales and use taxes, conveyance, transfer and recording fees and real estate transfer stamps or taxes, if any, imposed on any transfer of property pursuant to this agreement.

In the case of properties operated by the Assignor, Assignor shall remove its name from the property on or as soon as possible after the Execution Date hereof. Within ten (10) days of the Execution Date hereof, Purchaser shall post its own sign in compliance with applicable state regulations.

Each party to this Assignment and Bill of Sale shall provide the other party with access to all relevant documents, data and other information which may be required by the other party for the purpose of preparing tax returns and responding to any audit by any governmental agency. Each party to this agreement shall cooperate with all reasonable requests of the other party made in connection with contesting the imposition of taxes. Notwithstanding anything to the contrary in

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

this agreement, neither party to this agreement shall be required at any time to disclose tax returns or other confidential tax information.

Subject to the provisions of the following paragraph, Assignee agrees that all books and records delivered to Assignee by Assignor pursuant to the provisions of this assignment shall be open for inspection by representatives of Assignor at reasonable times and upon reasonable notice during regular business hours for a period of ten (10) years following the Effective Date (or for such longer period as may be required by law or governmental regulation), and that Assignor may during such period at its expense make such copies thereof as it may reasonably request.

Without limiting the generality of the foregoing, for a period of ten (10) years after the Execution Date (or for such longer period as may be required by law or governmental regulation), Assignee shall not destroy or give up possession of any original or final copy of any of the books and records delivered to Assignee by Assignor hereunder without first offering Assignor the opportunity, at Assignor's expense (without any payment to Assignee), to obtain such original or final copy or a copy thereof. After the conclusion of such period, Assignee shall offer to deliver to Assignor, at Assignor's expense (without any payment to Assignee), all such books and records prior to destroying the same.

Assignee agrees to obtain any and all necessary permits, bonds, leases, rights of way, or other authorities, which may be necessary in order to operate the wells assigned herein, and agrees to indemnify and hold Assignor harmless from and against any and all losses, claims, damages or liability which may result directly or indirectly from Assignee's possession, ownership or operation of the said wells and related equipment assigned herein commencing with and after the Effective Date hereof.

Assignee hereby assumes and agrees to comply with all obligations and covenants, express or implied, imposed upon the lessee in the oil and gas lease(s) assigned hereby or contained in any intermediate assignments thereof insofar as concerns the Assigned Premises (including, but not limited to, the proper payment of all royalties, overriding royalties or other burdens on production from the Assigned Premises), and agrees to indemnify and save harmless Assignor from any risk, liability or expenses of whatsoever kind arising from Assignee's operations on the Assigned Premises or operations of said wells after the Effective Date hereof.

This assignment is made subject to the agreements referenced on the attached Exhibit "A" as well as any and all other agreements to which the Assigned Premises are subject.

STATE OF TEXAS REEVES COUNTY
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Any assignment of this agreement will be subject to any gas purchase contract now in existence which affects the Contract Acreage.

Assignee agrees that any gas purchased from the Contract Acreage will be subject to nomination by any Purchaser ("Purchaser") under the good faith negotiation procedure of Order Nos. 451, et al, of the Federal Energy Regulatory Commission if Assignor initiates such procedure with the Purchaser respecting any of Assignor's remaining gas sales agreements. Furthermore, Assignee shall not initiate any good faith negotiation procedure as to gas produced under the assigned gas sales agreements, either prior to or subsequent to execution of the assignment by Assignor without the prior written consent of Assignor. Such consent shall not be unreasonably withheld.

By executing this Assignment and Bill of Sale, Assignee acknowledges that Assignee is able to bear the economic risk of any oil and gas investment Assignee is obligated to or might choose to make in the Assigned Premises and that Assignee is capable of evaluating the merits and risks of investments in the Assigned Premises. Assignee also represents that Assignee is making the investment in the Assigned Premises for Assignee's own account and not with a view to the distribution or sale thereof, and that Assignee is acting solely for Assignee's own account in evaluating the Assigned Premises.

This Assignment and Bill of Sale shall bind and inure to the benefit of the heirs, successors and assigns of the parties hereto.

This instrument is executed on the respective dates indicated in the acknowledgements of the signatory parties hereto (the last of such dates being herein referred to as the "Execution Date"), but effective for all purposes as of June 1, 1991 at 7:00 a.m. in the time zone in which the Assigned Premises are located (herein referred to as the "Effective Date").

ATLANTIC RICHFIELD COMPANY

By: _____

Douglas L. Logan
Attorney-in-Fact

"ASSIGNOR"

WALSH AND WATTS, INC.

By: _____

Alfred B. Guinn
Vice-President

"ASSIGNEE"

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 31st day of July, 1991 by Douglas L. Logan as Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, a Delaware corporation, on behalf of said corporation.

Sue B. Blair
SUE B. BLAIR
Notary Public in and for the Sate of Texas

[print name]

SUE B. BLAIR
COMMISSION EXPIRES
DECEMBER 12, 1992

Commission Expires: 12-12-92

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 31st day of July, 1991 by Alfred B. Guinn as Vice-President of Walsh and Watts, Inc., on behalf of said corporation.

Sue B. Blair
SUE B. BLAIR
Notary Public in and for the State of TEXAS

[print name]

SUE B. BLAIR
COMMISSION EXPIRES
DECEMBER 12, 1992

Commission Expires: 12-12-92

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

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill of Sale, dated effective as of June 1, 1991, by and between Atlantic Richfield Company, as Assignor, and Walsh and Watts, Inc., as Assignee

FIELD NAME PROPERTY NAME	ARCO LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	BOOK	PAGE	DESCRIPTION OF LANDS	SUBJECT TO:
Sabre Field Sabre (Delaware) Unit Phase II							INSOFAR AND ONLY INSOFAR as the following described leases are limited in depth to the Delaware Formation, being the stratigraphic interval encountered between the top of the Lamar limestone and a depth 225 feet below the top of the Lamar limestone as defined in Sabre (Deleware) Unit Agreement, dated August 1, 1985, effective August 1, 1986, and recorded in Volume 468, Page 52 of the Deed Records of Reeves County, Texas:	1. Unit Agreement and Unit Operating Agreement, dated August 1, 1985, effective August 1, 1986, for the Sabre (Delaware) Unit, recorded in Volume 468, Page 52, and Volume 469, Page 27, of the Deed Records of Reeves County, Texas, by and between Atlantic Richfield Company, as operator, and Texaco, Incorporated, et al, as non-operator. (AR-84873) 2. Water Disposal Letter Agreement dated September 19, 1986, effective August 1, 1986, by and between Atlantic Richfield Company, as operator of the Sabre (Delaware) Unit, and Texaco, Inc. (AR-85183)
	42-389-000020-001	Guy Caldwell, et ux, Jeanette Caldwell, et al Individually and as Agent for the State of Texas	L. C. Wahlenmaier	2/3/50	128	604	Section 26, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas.	3. Salt Water Disposal Agreements dated June 3, 1987 and June 1, 1991, by and between Atlantic Richfield Company, as operator of the Sabre (Delaware) Unit and Water Injection System and Chevron U. S. A., Inc., et al, recorded in Volume 478, Page 470 of Deed Records of Reeves County, Texas. (AR-85464)
	42-389-005308-000	A. T. Randolph, et al, Individually and as Agent for the State of Texas	Joseph P. Ruppe	8/9/57	177	407	N/2 of Section 34, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas.	4. Oil Well Gas Contract dated August 7, 1959, by and between Sinclair Oil & Gas Company (Now Atlantic Richfield Company) as seller, and Continental Oil Company (Now Conoco, Inc.) as buyer. (AR-39854)
	42-389-052031-000	George L. Burr	Continental Oil Company	7/28/50	133	177	E/2 NW/4 of Section 35, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas	5. Salt Water Injection Agreement dated October 1, 1990, by and between Atlantic Richfield Company, as operator of the Sabre (Delaware) Unit and Water Injection System, and Atlantic Richfield Company, as owner of produced water from leases in the area of the Sabre (Delaware) Unit.

STATE OF TEXAS * REEVES COUNTY *

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Page 2

EXHIBIT "A"

Attached to and made a part of that certain Assignment and Bill of Sale, dated effective as of June 1, 1991, by and between Atlantic Richfield Company, as Assignor, and Walsh and Watts, Inc., as Assignee

FIELD NAME PROPERTY NAME	ARCO LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	BOOK	PAGE	DESCRIPTION OF LANDS	SUBJECT TO:
Sabre Field Sabre (Water Supply Facility: Lower Delaware) Unit							INSOFAR AND ONLY INSOFAR as the following leases are limited in depth to the Lower Delaware Formation defined as that subsurface interval from directly below the base of the Unitized Formation of the Sabre (Delaware) Unit as defined in Article 1.2 of the Sabre (Delaware) Unit Agreement, dated August 1, 1985, effective August 1, 1985, and recorded in Volume 469, Page 27 of the Deed Records of Reeves County, Texas, to the base of the Delaware group. The base of the Delaware group is defined as that point logged at a subsurface depth of 4,300 feet in the ARCO Oil & Gas Company's Agnes Beckham "26" No. 2, as shown on the Schlumberger Borehole Compensated sonic log of said well dated December 15, 1977, which well is located 1,320 feet from the North and West lines of Secton 26, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas:	1. Unit Operating Agreement dated September 12, 1986, for the Lower Delaware, by and between Atlantic Richfield Company, as operator, and Texaco, Inc., et al, as non-operators. (AR-85029) 2. Oil Well Gas Contract dated August 7, 1959, by and between Sinclair Oil & Gas Company (Now Atlantic Richfield Company) as seller, and Continental Oil Company (Now Conoco, Inc.), as buyer. (AR-39854)
	42-389-000020-001	Guy Caldwell, et ux, Jeanette Caldwell, et al, Individually and as Agent for the State of Texas	L. C. Wahlenmaier	2/3/50	128	604	Section 26, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas	
	42-389-005308-000	A. T. Randolph, et al Individually and as Agent for the State of Texas	Joseph P. Ruppe	8/9/57	177	407	N/2 Section 34, Block 57, T-2, T & P Ry. Co. Survey, Reeves County, Texas	

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

FILED FOR RECORD ON THE 9th DAY OF August A.D. 1991 AT 2:18 P M.

DULY RECORDED ON THE 9th DAY OF August A.D. 1991 AT 4:45 P M.

BY Lisa Reynolds DEPUTY

CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

REEVES COUNTY *STATE OF TEXAS*

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

(57)

File No. MF035430
Assignment #9115, Atlantic Richfield to Walsh & Watts
Date Filed: 8-8-14
Jerry E. Patterson, Commissioner
By aa

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 511, PAGE 195 THRU 202.

I hereby certified on 29th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY: Elizabeth Ruiz DEPUTY

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 22, 2014

Natalie Holeman
Exploration Land Services, LL :
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 9115

Dear Ms. Holeman,

The General Land Office rec eived the following instrument(s) and has filed them in the appropriate files.

> Assignment and Bill of Sale is effective November 1, 1992 from Atlantic Richfield Co., as assig ıor, to Walsh and Watts, Inc., as assignee. As filed for record in Reeves Cour ty, in volume 522, page 25.

Please see attached "Exhib t A" for reference. Filing fees of $50.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
9116	*Reeves*	MF035430

FILE NO. 2520 ATLANTIC RICHFIELD COMPANY TO WALSH AND WATTS, INC

BECKHAM, AGNES -26-

ASSIGNMENT AND BILL OF SALE

STATE OF TEXAS §
COUNTY OF REEVES §

For sufficient consideration, receipt of which is hereby acknowledged, ATLANTIC RICHFIELD COMPANY, a Delaware corporation, whose mailing address is P. O. Box 1610, Midland, Texas 79702, hereinafter called "Assignor", does hereby sell, transfer and assign to Walsh and Watts, Inc., a Texas Corporation, whose mailing address is 1111 7th Street, Wichita Falls, Texas 76301-2392, hereinafter called "Assignee", all of Assignor's right, title and interest in and to the oil and gas lease(s) described on Exhibit "A", attached hereto and made a part hereof. The lease(s) described on the attached Exhibit "A" and assigned hereby are hereinafter referred to as the "Assigned Premises".

For the same consideration recited above, Assignor does hereby grant, bargain, sell and convey unto Assignee all wells, including the wellbores, the casing and tubing therein, all downhole and wellhead equipment, and all leasehold equipment, structures and other personal property situated on the Assigned Premises described on Exhibit "A", but INSOFAR AND ONLY INSOFAR as same is(are) used solely and directly in connection with the Assigned Premises. Assignor expressly reserves to itself and its successors and assigns any and all such wells and other personal property which is(are) not situated on and used solely and directly in connection with the Assigned Premises.

Additionally, for the same consideration recited above, Assignor does hereby sell, transfer and assign to Assignee, all of Assignor's rights and obligations under any Operating and Unit Agreement(s) to which the Assigned Premises are subject, and in and to the operating rights and participating interests created and existing under and by virtue of said Operating and Unit Agreement(s), to the extent derived from or pertaining to the Assigned Premises.

Furthermore, Assignor does hereby transfer and assign all rights and obligations of Assignor under all other agreements referenced on Exhibit "B" attached hereto and made a part hereof, if there be such an Exhibit attached hereto, insofar as such agreements pertain to the Assigned Premises.

153 / LOT NO. 75

A-10-Call

P.O. Box 22177
Oklahoma City, OK 73123

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

TO HAVE AND TO HOLD unto Assignee, the heirs, successors and assigns of Assignee, forever. This Assignment and Bill of Sale is made without warranty of title, either express or implied.

THE WELLS, EQUIPMENT AND OTHER PERSONAL PROPERTY COVERED HEREBY ARE USED AND ARE SOLD ON AN "AS IS, WHERE IS" BASIS WITH ALL FAULTS, IF ANY. ASSIGNOR SHALL HAVE NO LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY, BY SAID WELLS, EQUIPMENT OR PERSONAL PROPERTY, BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS ASSIGNMENT AND BILL OF SALE. ASSIGNOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO SAID WELLS, EQUIPMENT AND PERSONAL PROPERTY AND EXPRESSLY DISCLAIMS ANY WARRANTIES WITH RESPECT THERETO.

Assignee agrees to properly plug and abandon the wells assigned herein whenever such wells shall have served their intended purpose, all in accordance with the valid rules and regulations of the appropriate state or federal regulatory agency or agencies having jurisdiction, and Assignee agrees to indemnify and hold Assignor harmless from and against all losses, costs, claims and expenses arising out of or in any way connected with Assignee's failure to so perform. Further, Assignee agrees to indemnify and hold Assignor harmless from any and all surface or subsurface restoration, well abandonment or other similar obligations pertinent to the wells assigned herein which may arise out of any oil and gas lease, contract, permit or other agreement or laws or regulation affecting the lands upon which said wells are located.

Within 180 days after the Execution Date, Assignor shall forward a post-closing statement, or statements, to Assignee to account for any production proceeds, less all royalty, overriding royalty, production payments, taxes, including production, severance and ad valorem taxes, operating and other costs and expenses incurred in connection with the Assigned Premises from the Effective Date of the sale to and including the Execution Date. Any sums which may be due either party shall be paid one party to the other as may be appropriate, promptly after receipt of the post-closing statement .

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Oil remaining in the tanks above the pipeline connection on the Effective Date hereof shall be the property of Assignor. All gas produced and saved up to such Effective Date shall belong to Assignor. All gas produced and saved after such Effective Date shall belong to Assignee.

All ad valorem taxes, real property taxes, personal property taxes, and similar obligations ("property taxes") with respect to the tax period in which the Effective Date occurs shall be apportioned as of the Effective Date between Assignor and Assignee. With respect to properties which immediately prior to the Effective Date are not operated by Assignor, Assignor and Assignee shall agree on the manner in which property taxes will be remitted to the operator of the properties. If Assignor remits the property taxes to the operator, Assignee shall reimburse Assignor for its apportioned share of such property taxes as determined under this paragraph within thirty (30) days of receipt of Assignor's invoice therefor. If Assignee remits the property taxes to the operator, Assignor shall reimburse Assignee for its apportioned share of such property taxes as determined under this paragraph within thirty (30) days of receipt of Assignee's invoice therefor. With respect to properties which immediately prior to the Effective Date are operated by Assignor, the payment of each party's proportionate share of such property taxes shall be paid or reimbursed in accordance with the post-closing statement.

All taxes (other than income taxes) which are imposed on or with respect to the production of oil, natural gas or other hydrocarbons or minerals or the receipt of proceeds therefrom (including but not limited to severance, production, excise and windfall profit tax) shall be apportioned between the parties based upon the respective shares of production taken by the parties. All such taxes which accrued prior to the Effective Date have been or will be properly paid or withheld by Assignor and all statements, returns, and documents pertinent thereto have been or will be properly filed on behalf of Assignor. Payment or withholding of all such taxes which accrue after the Effective Date and the filing of all statements, returns, and documents incident thereto shall be the responsibility of Assignee. Nothing in the post-closing statement shall operate to alter the ultimate responsibility for the bearing or paying of taxes as set forth in this grammatical paragraph.

Assignee agrees that the purchase price provided for hereunder excludes any sales taxes or other taxes, if any, required to be paid in connection with the sale of property pursuant to this agreement. Assignee shall be liable for and bear all sales and use taxes, conveyance, transfer and

STATE OF TEXAS REEVES COUNTY
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recording fees and real estate transfer stamps or taxes, if any, imposed on any transfer of property pursuant to this agreement.

In the case of properties operated by the Assignor, Assignee shall remove Assignor's name from the property within ten (10) working days after the Execution Date hereof. In the event Assignee fails to do so, Assignor's representatives shall have full access to the property for such purpose.

Each party to this Assignment and Bill of Sale shall provide the other party with access to all relevant documents, data and other information which may be required by the other party for the purpose of preparing tax returns and responding to any audit by any governmental agency. Each party to this agreement shall cooperate with all reasonable requests of the other party made in connection with contesting the imposition of taxes. Notwithstanding anything to the contrary in this agreement, neither party to this agreement shall be required at any time to disclose tax returns or other confidential tax information.

Subject to the provisions of the following paragraph, Assignee agrees that all books and records delivered to Assignee by Assignor pursuant to the provisions of this agreement shall be open for inspection by representatives of Assignor at reasonable times and upon reasonable notice during regular business hours for a period of ten (10) years following the Effective Date (or for such longer period as may be required by law or governmental regulation), and that Assignor may during such period at its expense make such copies thereof as it may reasonably request.

Without limiting the generality of the foregoing, for a period of ten (10) years after the Execution Date (or for such longer period as may be required by law or governmental regulation), Assignee shall not destroy or give up possession of any original or final copy of any of the books and records delivered to Assignee by Assignor hereunder without first offering Assignor the opportunity, at Assignor's expense (without any payment to Assignee), to obtain such original or final copy or a copy thereof. After the conclusion of such period, Assignee shall offer to deliver to Assignor, at Assignor's expense (without any payment to Assignee), all such books and records prior to destroying the same.

Assignee agrees to obtain any and all necessary permits, bonds, leases, rights of way, or other authorities, which may be necessary in order to operate the wells assigned herein, and agrees to indemnify and hold Assignor harmless from and against any and all losses, claims,

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damages or liability which may result directly or indirectly from Assignee's possession, ownership or operation of the said wells and related equipment assigned herein on and from the Effective Date hereof.

Assignee hereby assumes and agrees to comply with all obligations and covenants, express or implied, imposed upon the lessee in the oil and gas lease(s) assigned hereby or contained in any intermediate assignments thereof insofar as concerns the Assigned Premises (including, but not limited to, the proper payment of all royalties, overriding royalties or other burdens on production from the Assigned Premises), and agrees to indemnify and save harmless Assignor from any risk, liability or expenses of whatsoever kind arising from Assignee's operations on the Assigned Premises or operations of said wells after the Effective Date hereof.

This assignment is made subject to the agreements referenced on the attached Exhibit "A" as well as any and all other agreements to which the Assigned Premises are subject.

Any assignment of this agreement will be subject to any gas purchase contract now in existence which affects the Assigned Premises.

Assignee agrees that any gas purchased from the Assigned Premises will be subject to nomination by any Purchaser ("Purchaser") under the good faith negotiation procedure of Order Nos. 451, et al, of the Federal Energy Regulatory Commission if Assignor initiates such procedure with the Purchaser respecting any of Assignor's remaining gas sales agreements. Furthermore, Assignee shall not initiate any good faith negotiation procedure as to gas produced under the assigned gas sales agreements, either prior to or subsequent to execution of the assignment by Assignor without the prior written consent of Assignor. Such consent shall not be unreasonably withheld.

Assignor shall be notified immediately in writing when any gas produced from the Leasehold Interests becomes available for sale, purchase or processing. Assignor shall have the continuing right and option but not the obligation to purchase on a competitive basis all of the gas which may be produced from the Leasehold Interests by Assignee. If Assignor exercises its right and option to purchase the gas stream, it shall do so upon the same terms and conditions as those being considered by Assignee for and contract of sale, purchase or processing of gas produced from the Leasehold Interests, prior to any sale, purchase or processing of such gas. Assignee shall submit a copy of the proposed agreement or memorandum thereof for the sale, purchase or

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processing of gas, and notice of its intention to enter into such agreement. Notice shall be transmitted by mail or telecopier to:

Atlantic Richfield Company
Manager of Natural Gas Acquisitions
P. O. Box 2819
Dallas, Texas 75221
Telecopier: 214-880-6715

Assignor shall notify Assignee whether Assignor will or will not exercise its rights to purchase gas on such contract terms as follows:

(1) Contracts which are for a term of less than six (6) months Assignor will provide a response within ten (10) days of receipt of Assignee's contract proposal,

(2) Contracts which are for a term of six (6) months or greater Assignor will provide a response within sixty (60) days of receipt of Assignee's contract proposal.

Assignee shall advise Assignor of any production capacity in excess of that which Assignor has the contractual right and option to purchase and Assignor shall have the option to purchase all or any portion of this excess capacity on a competitive basis.

If Assignor elects not to exercise its option by complying with the terms of a contract submitted to it by Assignee, Assignor's right to an option on any future gas production of Assignee shall be suspended for the primary term of the gas contract.

Assignee shall make all of its gas sales, purchase and processing contracts specifically subject and subordinate to Assignor's aforesaid rights.

The terms and conditions of any contracts between Assignee-Assignor-third parties shall remain confidential and neither party shall disclose such terms and conditions to any other party except where necessary to comply with regulatory reporting requirements.

By executing this Assignment and Bill of Sale, Assignee acknowledges that Assignee is able to bear the economic risk of any oil and gas investment Assignee is obligated to or might choose to make in the Assigned Premises and that Assignee is capable of evaluating the merits and risks of investments in the Assigned Premises. Assignee also represents that Assignee is making the investment in the Assigned Premises for Assignee's own account and not with a view

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STATE OF TEXAS REEVES COUNTY

to the distribution or sale thereof, and that Assignee is acting solely for Assignee's own account in evaluating the Assigned Premises.

This Assignment and Bill of Sale shall bind and inure to the benefit of the heirs, successors and assigns of the parties hereto.

This instrument is executed on the respective dates indicated in the acknowledgements of the signatory parties hereto (the last of such dates being herein referred to as the "Execution Date"), but effective for all purposes as of November 1, 1992, at 7:00 a.m. in the time zone in which the Assigned Premises are located (herein referred to as the "Effective Date").

ATLANTIC RICHFIELD COMPANY

By: _____
Douglas L. Logan
Attorney-in-Fact

"ASSIGNOR"

Walsh and Watts, Inc.

By: _____

[print name] Alfred B. Guinn

Title: Vice-President

"ASSIGNEE"

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STATE OF TEXAS ★ REEVES COUNTY ★

STATE OF TEXAS §
§
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 6th day of November, 1992, by Douglas L. Logan as Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, a Delaware corporation, on behalf of said corporation.

SUE B. BLAIR
COMMISSION EXPIRES
DECEMBER 12, 1992

Sue B. Blair
[Print name] SUE B. BLAIR
Notary Public in and for the State of Texas
Commission Expires: 12-12-92

STATE OF Texas §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on this 13 day of November, 1992, by Alfred B Guinn as Vice-President of Walsh and Watts, Inc, a Texas corporation, on behalf of said corporation.

JANE E. HILL
Notary Public, State of Texas
My Comm. Expires 5/28/94

Jane E. Hill
[Print name]
Notary Public in and for the State of
Commission Expires:

STATE OF _____ §
§ Individual
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 1992, by _____.

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

[Print name]
Notary Public in and for the
County of
State of
Commission Expires:

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

EXHIBIT "A"
Lease Description

Attached To and Made a Part of that certain Assignment and Bill of Sale by and between Atlantic Richfield Company, as Assignor, and Welsh and Walsh, Inc, as Assignee, dated effective November 1, 1992.

PROPERTY NAME:	Beckham, Agnes 26
DIVISION ORDER NO:	42389019918000
ARCO LEASE NO(S):	42-389-000020-001
STATE LEASE NO:	MC M-35430
LESSOR:	Guy Caldwell, et ux, et al, Individually and as agent for the State of Texas
LESSEE:	L. C. Wahlenmaier
DATE OF LEASE:	February 3, 1950
RECORDING DATA:	Volume 128 Page 604
DESCRIPTION:	Section 26, Block 57, T-2, T&P RR Co. Survey Reeves County, Texas INSOFAR AND ONLY INSOFAR as said lease covers all depths LESS AND EXCEPT the Delaware formation being the stratigraphic interval encountered between the top of the Lamar limestone and a depth 225 feet below the top of the Lamar limestone as defined in the Sabre (Delaware) Unit Agreement dated August 1, 1985, effective August 1, 1986, and recorded in Volume 468, Page 52 of the Deed Records of Reeves County, Texas AND LESS AND EXCEPT the Lower Delaware Formation defined as that subsurface Interval from directly below the base of the Unitized Formation of the Sabre (Delaware) Unit as defined in Article 1.2 of the Sabre (Delaware) Unit Agreement, dated August 1, 1985, effective August 1, 1986, and recorded in Volume 469, Page 27 of the Deed Records of Reeves County, Texas, to the base of the Delaware group. The base of the Delaware group is defined as that point logged at a subsurface depth of 4,300 feet in the ARCO Oil and Gas Company's Agnes Beckham "26" No. 2 as shown on the Schlumberger Borehole Compensated sonic log of said well dated December 15, 1977, which well is located 1,320 feet from the North and West lines of Section 26, Block 57, T-2, T&P Ry. Co. Survey, Reeves County, Texas.

SUBJECT TO:

1. Salt Water Injection Agreement dated October 1, 1990 between Atlantic Richfield Company, as Operator of the Sabre (Delaware) Unit and Water Injection System, and Atlantic Richfield Company, as Owner of produced water covering water from the Agnes Beckham #26. (AR-98756)

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

FILED FOR RECORD ON THE 30th DAY OF November A.D. 1992 AT 9:11A M.

DULY RECORDED ON THE 1st DAY OF December A.D. 1992 AT *2:00P M.

BY Virginia Alonzo DEPUTY

CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

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

(68)

File No. MF035430
Assignment #9116, Atlantic Richfield to Walsh & Watts
Date Filed: 8-8-14
Jerry E. Patterson, Commissioner
By ocr

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 520, PAGE 25, THRU 33.

I hereby certified on 29th July 2014

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY: Elizabeth Reyes DEPUTY

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 22, 2014

Natalie Holeman
Exploration Land Services, LLC
P.O. Box 52105
Lafayette, Louisiana 70505

RE: GLO Assignment ID # 9118

Dear Ms. Holeman,

The General Land Office received the following instrument(s) and has filed them in the appropriate files.

> Partial Assignment of Oil, Gas and Mineral Leases is effective December 9, 2013 from BHP Billiton Petroleum Properties, (N.A.), LP, as assignor, to Sovereign Resources, LLC, as assignee. As filed for record in Reeves County, in volume 1052, page 521.

Please see attached "Exhibit A" for reference. Filing fees of $1,150.00 were received in connection with the above assignment. Please feel free to contact me if you have any questions.

Best Regards,

Alberto Amesquita
Mineral Leasing
Energy Resources

Exhibit "A"

GLO ID	*County*	*Lease*
9118	*Reeves*	MF035430
9118	*Reeves*	MF092207
9118	*Reeves*	MF112764M
9118	*Reeves*	MF112764N
9118	*Reeves*	MF112764O
9118	*Reeves*	MF112764P
9118	*Reeves*	MF112764Q
9118	*Reeves*	MF112764R
9118	*Reeves*	MF112764S
9118	*Reeves*	MF115433A
9118	*Reeves*	MF115433B
9118	*Reeves*	MF115433C
9118	*Reeves*	MF115505
9118	*Reeves*	MF115506
9118	*Reeves*	MF115507
9118	*Reeves*	MF115508
9118	*Reeves*	MF115509
9118	*Reeves*	MF115510
9118	*Reeves*	MF115511
9118	*Reeves*	MF115512
9118	*Reeves*	MF115513
9118	*Reeves*	MF115514
9118	*Reeves*	MF115515
9118	*Reeves*	MF115516
9118	*Reeves*	MF115517
9118	*Reeves*	MF115519
9118	*Reeves*	MF115520
9118	*Reeves*	MF115521
9118	*Reeves*	MF115522
9118	*Reeves*	MF115523
9118	*Reeves*	MF115524
9118	*Reeves*	MF115525
9118	*Reeves*	MF115526
9118	*Reeves*	MF115527

Exhibit "A"

GLO ID	*County*	*Lease*
9118	*Reeves*	MF115528
9118	*Reeves*	MF115529
9118	*Reeves*	MF115530
9118	*Reeves*	MF115531
9118	*Reeves*	MF115532
9118	*Reeves*	MF115533
9118	*Reeves*	MF115686
9118	*Reeves*	MF115894
9118	*Reeves*	MF115895
9118	*Reeves*	MF115896
9118	*Reeves*	MF115983E
9118	*Reeves*	MF115983F
9118	*Reeves*	MF115983G
9118	*Reeves*	MF115983H
9118	*Reeves*	MF115983I
9118	*Reeves*	MF115983J
9118	*Reeves*	MF116079A
9118	*Reeves*	MF116079B
9118	*Reeves*	MF116079C
9118	*Reeves*	MF116079D
9118	*Reeves*	MF116079E
9118	*Reeves*	MF116081
9118	*Reeves*	MF116084A
9118	*Reeves*	MF116084B
9118	*Reeves*	MF116084C
9118	*Reeves*	MF116085A
9118	*Reeves*	MF116085B
9118	*Reeves*	MF116324C
9118	*Reeves*	MF116324D
9118	*Reeves*	MF116324E
9118	*Reeves*	MF116324F
9118	*Reeves*	MF116324G
9118	*Reeves*	MF116324H
9118	*Reeves*	MF116324I

Exhibit "A"

GLO ID	*County*	*Lease*
9118	*Reeves*	MF116324J
9118	*Reeves*	MF116324K
9118	*Reeves*	MF116324L
9118	*Reeves*	MF116531B
9118	*Reeves*	MF116532
9118	*Reeves*	MF116533A
9118	*Reeves*	MF116533B
9118	*Reeves*	MF116533C
9118	*Reeves*	MF116533D
9118	*Reeves*	MF116533E
9118	*Reeves*	MF116533F
9118	*Reeves*	MF116534A
9118	*Reeves*	MF116534B
9118	*Reeves*	MF116534C
9118	*Reeves*	MF116534D
9118	*Reeves*	MF116534E

EXPLORATION LAND SERVICES, LLC

P O Box 52105 • Lafayette, Louisiana 70505-2105 • Phone: 337.234.3500 • Fax: 337.234.3525 • Email: contact@explorationland.com

August 7, 2014

Via FedEx

Mr. Mark Adams
Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building
Austin, Texas 78701

Re: Assignments of Oil, Gas and Mineral Leases
Reeves County, Texas

Dear Mark:

As per your email dated July 28, 2014 to Mr. Adam St. Romain with our office, regarding MF#035430 Section 26, Blk 57 T2, enclosed herewith, please find certified copies of four (4) Assignments of Oil, Gas and Mineral Leases. Also find one (1) copy of a Partial Assignment (for reference) previously submitted on February 11, 2014, listed as follows:

Bk/Page -File No.	Date	Assignor	Assignee
129/126 2598	03/16/1950	L. C. Wahlenmaier	Sinclair Oil & Gas Co. (MF035430)
511/195 1492	06/01/1991	Atlantic Richfield Co.	Walsh and Watts, Inc. (MF035430)
522/25 2520	11/01/1992	Atlantic Richfield Co.	Walsh and Watts, Inc. (MF035430)
1058/101 14-01691	01/01/2014	Sovereign ResourcesLLC	Permian Sovereign LP (see attachment)
1052/521 14-00954	12/19/2013	BHP Billiton Petroleum	Sovereign Resources (HK-0110 - copy only)

Also enclosed, please find two checks listed as follows:

- Check No. 5983, dated 08/07/2014 in the amount of $625.00
- Check No. 5984, dated 08/07/2014 in the amount of $1,150.00

Check number 5984 in the amount of $1,150.00 covers the filing fees for the 46 mineral file numbers associated with the assignment filed in Book 1058, Page 101, File Number 14-01691. I have a spreadsheet enclosed with a breakdown of the assigned leases with their corresponding mineral file numbers. This spreadsheet also applies to assignment HK-0110 (Book 1052, Page 521, File Number 14-00954), as both assignments contain the same leases. Please note that on February 11, 2014, by check number 5521 in the amount of $675.00, we submitted assignment HK-0110. We inadvertanlty only paid for 27 mineral file numbers, when in fact there are 46 mineral file numbers associated with said assignment. Check number 5983 in the amount of $625.00 covers the filing fees for the remaining 19 mineral file numbers @ $25/Mineral File Number as well as the filing fees for the first three assignments listed above, concerning MF# 035430, @ $50/assignment as stated in your email. This should cover all required fees associated with the above listed assignments.

Please sign and return the copies of the checks to me in the enclosed prepaid envelope. I trust that you will not hesitate to call me with any questions that you may have concerning this matter.

Sincerely yours,

Natalie Holeman
encl.

EXPLORATION LAND SERVICES, LLC 5984

Texas General Land Office 8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	1,150.00	1,150.00		1,150.00
					Check Amount	1,150.00

14716819

129

Iberia Bank Sovereign Assignment Filing Fees X 1,150.00

EXPLORATION LAND SERVICES, LLC

5983

Texas General Land Office

8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	625.00	625.00		625.00
					Check Amount	625.00

14716820

129

Iberia Bank

Filing & Processing Fees

X 625.00

5983

EXPLORATION LAND SERVICES, LLC
P.O. BOX 52105
LAFAYETTE, LA 70505-2105

IBERIABANK
84-7041-2652

8/7/2014

PAY TO THE ORDER OF Texas General Land Office $ **625.00

Six Hundred Twenty-Five and 00/100********** DOLLARS

Security features. Details on back.

Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building RM847
Austin, TX 78701

AUTHORIZED SIGNATURE

MEMO Filing & Processing Fees

⑈005983⑈ [redacted]

EXPLORATION LAND SERVICES, LLC

5983

Texas General Land Office

8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	625.00	625.00		625.00
					Check Amount	625.00

Iberia Bank Filing & Processing Fees 625.00

EXPLORATION LAND SERVICES, LLC

5983

Texas General Land Office

8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	625.00	625.00		625.00
					Check Amount	625.00

Please sign and date the copy of the check and return it in the enclosed envelope. Thanks!

COPY

RECEIVED
AUG - 8 2014
TEXAS GENERAL LAND OFFICE
ENERGY RESOURCES

Received By: Mark Adam

Delaware Basin leasing

Iberia Bank Filing & Processing Fees 625.00

PRODUCT DLT103 USE WITH 91663 ENVELOPE

5984

EXPLORATION LAND SERVICES, LLC
P.O. BOX 52105
LAFAYETTE, LA 70505-2105

IBERIABANK
84-7041-2652

8/7/2014

PAY TO THE ORDER OF Texas General Land Office $ **1,150.00

One Thousand One Hundred Fifty and 00/100********** DOLLARS

Security features. Details on back.

Texas General Land Office
1700 Congress Avenue
Stephen F. Austin Building RM847
Austin, TX 78701

AUTHORIZED SIGNATURE

MEMO Sovereign Assignment Filing Fees

⑈005984⑈ [redacted]

EXPLORATION LAND SERVICES, LLC

5984

Texas General Land Office

8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	1,150.00	1,150.00		1,150.00
					Check Amount	1,150.00

Iberia Bank Sovereign Assignment Filing Fees 1,150.00

EXPLORATION LAND SERVICES, LLC

5984

Texas General Land Office

8/7/2014

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/7/2014	Bill	Filing&ProcessingFee	1,150.00	1,150.00		1,150.00
					Check Amount	1,150.00

Please sign and date the copy of the check and return it in the enclosed envelope. Thanks!

COPY
RECEIVED
AUG - 8 2014
TEXAS GENERAL LAND OFFICE
ENERGY RESOURCES
Received By: Mark Adam

Delaware Basin Leasing

Iberia Bank Sovereign Assignment Filing Fees 1,150.00

PRODUCT DLT103 USE WITH 91663 ENVELOPE

COPY

14-00954
FILED FOR RECORD
REEVES COUNTY, TEXAS
Feb 05, 2014 at 02:33:00 PM

VOL 1052 PG 0521

HK 0110

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.

PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

THE STATE OF TEXAS

COUNTY OF REEVES

This Partial Assignment of Oil, Gas and/or Mineral Leases (this ***"Assignment"***) is made and entered into this 9th day of December 2013, but effective as the effective dates of the Transferred Leases hereinbelow (the ***"Effective Dates"***) by and between BHP Billiton Petroleum Properties, (N.A.), LP, formerly known as Petrohawk Properties, LP, a Texas limited partnership (***"Assignor"***), with an address of Post Office Box 22719, Houston, Texas 77027-9998 and Sovereign Resources, LLC (**"Assignee"**), with an address of 5949 Sherry Lane, Suite 1610, Dallas, Texas 75225.

NOW, THEREFORE, in consideration of the sum of One Hundred and No/100 ($100.00) Dollars, cash in hand paid, and of other good and valuable considerations, the receipt, adequacy and sufficiency of which are hereby acknowledged, Assignor does hereby convey, assign, transfer, sell, set-over and deliver to Assignee, an undivided five percent (5%) of Assignor's right, title and interest in and to the oil, gas and/or mineral leases described on ***Exhibit "A"*** (the ***"Transferred Leases"***), insofar and only insofar as the leases cover the lands within the Area of Mutual of Interest as set forth in the Joint Development Agreement referenced hereinbelow. The Transferred Leases are being assigned on a seventy-five percent (75%) net revenue interest basis.

TO HAVE AND TO HOLD the Transferred Leases, with all rights thereunder and incident thereto, unto Assignee, its successors and assigns, forever.

This Assignment is made and accepted with warranty of title by, through and under Assignor but not otherwise. Provided, further, that Assignee shall have full rights of substitution of the rights of Assignor and its predecessors-in-title, in and to all warranties and covenants heretofore given by others in respect to the Transferred Leases. The provisions of this Assignment shall be binding upon, and shall inure to the benefit of the heirs, successors and assigns of Assignor and Assignee.

The Transferred Leases are subject to the terms, provisions and conditions expressed in that certain Joint Development Agreement between Assignor and Assignee dated December 20th, 2010.

Assignee accepts Assignee's undivided interest in the Transferred Leases herein assigned and conveyed by Assignor expressly subject to the terms, conditions and provisions of the Transferred Leases and Assignee hereby agrees to bear Assignee's proportionate share of all duties, liabilities and obligations under each of the respective Transferred Leases.

This instrument may be executed in counterpart form and all parties executing the same authorize Assignee to combine all signature and acknowledgment pages into a single instrument for purposes of recordation.

(Signature page follows.)

ASSIGNOR:

BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP

By: BHP Billiton Petroleum Properties (GP), LLC, its general partner

By: _____ CFA.
John W. Walsh
Attorney-in-Fact

ASSIGNEE:

SOVEREIGN RESOURCES, LLC

By: _____
Frederic D. Sewell
President and CEO

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on January 23, 2014, ~~2013~~, by John W. Walsh, Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties (N.A.), LP, a Texas limited partnership.

LYNN LATIOLAIS
Notary Public, State of Texas
My Commission Expires
October 10, 2017

_____
Notary Public in and for the State of Texas
My Commission Expires 10/10/2017

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on January 21, 2014, ~~2013~~, by Frederic D. Sewell, President and CEO of Sovereign Resources, LLC.

_____
Notary Public in and for the State of Texas
My Commission Expires 01-29-2016

JANE S. GAINES
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
01-29-2016

VOL 1052 PG 0522

EXHIBIT "A"

Attached to and made a part of that certain Partial Assignment of Oil, Gas and Mineral Leases by and between BHP Billiton Petroleum Properties (N.A.), LP, Assignor and Sovereign Resources, LLC, Assignee dated December 9, 2013.

Lessee	Lessor	County	Block(s)	Section(s)	BHP Contract #	AMI GA	AMI NMA	Effective Date	Recordation		
									Book	Page	File Number
Petrohawk Properties, LP	Walter W. Mathews as agent for the State of Texas	Reeves	57 T2	20	ELS-0074A	5.00000	1.66667	5/20/2013	1007	706	13-04422
Petrohawk Properties, LP	Clifford W. Mathews as agent for the State of Texas	Reeves	57 T2	20	ELS-0074B	5.00000	1.66667	5/20/2013	1007	713	13-04423
Petrohawk Properties, LP	Donn M. Mahin as agent for the State of Texas	Reeves	57 T2	20	ELS-0074C	5.00000	1.66667	5/20/2013	1007	720	13-04424
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0086	5.00000	5.00000	7/16/2013	1022	150	13-06413
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0090	5.00000	5.00000	7/16/2013	1022	156	13-06414
BHP Billiton Petroleum Properties (N.A.), LP	Westway Ranches, LLC as agent for the State of Texas	Reeves	57 T2	36	ELS-0095I	640.00000	80.00000	9/9/2013	1026	301	13-06997
BHP Billiton Petroleum Properties (N.A.), LP	Nancy Smith Chandler as agent for the State of Texas	Reeves	57 T2	36	ELS-0095J	640.00000	13.33333	10/1/2013	1035	430	13-08266
BHP Billiton Petroleum Properties (N.A.), LP	EPB O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095K	640.00000	6.66667	11/1/2013	1047	418	14-00179
BHP Billiton Petroleum Properties (N.A.), LP	Sid W. Richardson Foundation as agent for the State of Texas	Reeves	57 T2	36	ELS-0095L	640.00000	26.66667	11/1/2013	1047	425	14-00180
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (LMB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095M	640.00000	6.66667	11/1/2013	1047	432	14-00181
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (RMB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095N	640.00000	6.66667	11/1/2013	1047	439	14-00182
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (SRB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095O	640.00000	6.66667	11/1/2013	1047	446	14-00183
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0097	10.00000	10.00000	7/16/2013	1022	162	13-06415
Petrohawk Properties, LP	Carol Engstrom Collins as agent for the State of Texas	Reeves	57 T2	20	ELS-0117C	5.00000	0.62500	4/24/2013	1007	748	13-04428
Petrohawk Properties, LP	Nancy Rodgers Pharris as agent for the State of Texas	Reeves	57 T2	20	ELS-0117D	5.00000	0.62500	4/15/2013	1007	755	13-04429
Petrohawk Properties, LP	Karin Victoria Robertson Lekas as agent for the State of Texas	Reeves	57 T2	20	ELS-0117E	5.00000	0.31250	4/24/2013	1005	306	13-03995
Petrohawk Properties, LP	John Erik Robertson as agent for the State of Texas	Reeves	57 T2	20	ELS-0117F	5.00000	0.31250	4/24/2013	1007	762	13-04430
BHP Billiton Petroleum Properties (N.A.), LP	Dennis M. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117G	5.00000	0.25000	9/9/2013	1026	601	13-07051
BHP Billiton Petroleum Properties (N.A.), LP	Paul R. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117H	5.00000	0.25000	9/9/2013	1026	609	13-07052
BHP Billiton Petroleum Properties (N.A.), LP	Marcus C. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117I	5.00000	0.25000	9/9/2013	1029	489	13-07473
BHP Billiton Petroleum Properties (N.A.), LP	Michael Wade Davis, et al as agents for the State of Texas	Reeves	57 T2	20	ELS-0117J	5.00000	0.62500	11/1/2013	1050	74	14-00612
BHP Billiton Petroleum Properties (N.A.), LP	John P. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117K	5.00000	0.25000	9/9/2013	1047	453	14-00184
BHP Billiton Petroleum Properties (N.A.), LP	Kathleen L. Engstrom Gottlieb as agent for the State of Texas	Reeves	57 T2	20	ELS-0117L	5.00000	0.25000	9/9/2013	1047	460	14-00185
Petrohawk Properties, LP	Shauna Seltzer Redwine Trust as agent for the State of Texas	Reeves	57 T2	20	ELS-0120A	30.00000	8.43750	5/15/2013	1005	313	13-03996
Petrohawk Properties, LP	Russell B. "Jerry" McGowen, III, et ux as agents for the State of Texas	Reeves	57 T2	20	ELS-0126A	180.00000	21.25000	6/13/2013	1014	552	13-05326
Petrohawk Properties, LP	Jack Louis McGowen, et ux as agents for the State of Texas	Reeves	57 T2	20	ELS-0126B	180.00000	21.25000	6/13/2013	1014	560	13-05327
BHP Billiton Petroleum Properties (N.A.), LP	Charlotte Anne Slack Faulkner Mackey as agent for the State of Texas	Reeves	57 T2	20	ELS-0126C	180.00000	14.16667	8/7/2013	1025	336	13-06845
BHP Billiton Petroleum Properties (N.A.), LP	Richard Clay Slack, II as agent for the State of Texas	Reeves	57 T2	20	ELS-0126D	180.00000	14.16667	8/7/2013	1022	168	13-06416
BHP Billiton Petroleum Properties (N.A.), LP	Cynthia Elliott Slack Shaw as agent for the State of Texas	Reeves	57 T2	20	ELS-0126E	180.00000	14.16667	8/7/2013	1022	176	13-06417
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0128	5.00000	5.00000	7/16/2013	1022	184	13-06418

Lessee	Lessor	County	Block(s)	Section(s)	BHP Contract #	AMI GA	AMI NMA	Effective Date	Recordation		
									Book	Page	File Number
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0129	20.00000	20.00000	7/16/2013	1022	190	13-06419
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0130	5.00000	1.25000	7/16/2013	1022	196	13-06420
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0131	5.00000	5.00000	7/16/2013	1022	202	13-06421
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0132	5.00000	5.00000	7/16/2013	1022	208	13-06422
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0133	5.00000	5.00000	7/16/2013	1022	214	13-06423
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0134	5.00000	5.00000	7/16/2013	1022	220	13-06424
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0135	10.00000	10.00000	7/16/2013	1022	226	13-06425
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0136	25.00000	25.00000	7/16/2013	1022	232	13-06426
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0137	10.00000	2.50000	7/16/2013	1022	238	13-06427
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0138	10.00000	10.00000	7/16/2013	1022	244	13-06428
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0139	10.00000	10.00000	7/16/2013	1022	250	13-06429
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0140	10.00000	10.00000	7/16/2013	1022	256	13-06430
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0141	10.00000	10.00000	7/16/2013	1022	262	13-06431
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0142	15.00000	15.00000	7/16/2013	1022	268	13-06432
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0143	5.00000	5.00000	7/16/2013	1022	274	13-06433
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0144	5.00000	5.00000	7/16/2013	1022	280	13-06434
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0145	5.00000	5.00000	7/16/2013	1022	286	13-06435
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0146	20.00000	20.00000	7/16/2013	1022	292	13-06436
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0147	5.00000	5.00000	7/16/2013	1022	298	13-06437
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0148	5.00000	5.00000	7/16/2013	1022	304	13-06438
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0149	10.00000	10.00000	7/16/2013	1022	310	13-06439
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0150	10.00000	10.00000	7/16/2013	1022	316	13-06440
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0151	10.00000	10.00000	7/16/2013	1022	322	13-06441
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0152	2.50000	2.50000	7/16/2013	1022	328	13-06442
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0153	5.00000	5.00000	7/16/2013	1022	334	13-06443
BHP Billiton Petroleum Properties (N.A.), LP	Slash Corporation as agent for the State of Texas	Reeves	C19	16	ELS-0155	30.00000	30.00000	7/3/2013	1031	179	13-07726
BHP Billiton Petroleum Properties (N.A.), LP	Muckleroy Energy Company as agent for the State of Texas	Reeves	57 T2	20	ELS-0157	140.00000	45.00000	8/7/2013	1022	361	13-06447
BHP Billiton Petroleum Properties (N.A.), LP	Joseph Wendel Turnipseed as agent for the State of Texas	Reeves	57 T2	20	ELS-0158A	10.00000	3.33333	8/1/2013	1025	393	13-06853
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0158B	10.00000	3.33333	10/1/2013	1037	701	13-08609
BHP Billiton Petroleum Properties (N.A.), LP	Harry M. Breuer, III as agent for the State of Texas	Reeves	57 T2	20	ELS-0158C	10.00000	0.83333	9/18/2013	1027	785	13-07249
BHP Billiton Petroleum Properties (N.A.), LP	Henry C. Breuer as agent for the State of Texas	Reeves	57 T2	20	ELS-0158D	10.00000	0.83333	9/18/2013	1027	792	13-07250
BHP Billiton Petroleum Properties (N.A.), LP	Cynthia L. Weissmann as agent for the State of Texas	Reeves	57 T2	20	ELS-0158E	10.00000	0.83333	9/18/2013	1028	1	13-07251
BHP Billiton Petroleum Properties (N.A.), LP	James J. Breuer as agent for the State of Texas	Reeves	57 T2	20	ELS-0158F	10.00000	0.83333	9/18/2013	1028	8	13-07252
BHP Billiton Petroleum Properties (N.A.), LP	Philip S. Kendrick, Jr. as agent for the State of Texas	Reeves	57 T2	28	ELS-0161A	320.00000	160.00000	9/15/2013	1028	15	13-07253

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BHP Billiton Petroleum Properties (N.A.), LP	Linda Lucas Gregory as agent for the State of Texas	Reeves	57 T2	28	ELS-0161B	320.00000	80.00000	9/15/2013	1028	22	13-07254
BHP Billiton Petroleum Properties (N.A.), LP	Larry Kendrick Lucas as agent for the State of Texas	Reeves	57 T2	28	ELS-0161C	320.00000	80.00000	9/15/2013	1029	231	13-07441
BHP Billiton Petroleum Properties (N.A.), LP	Anna Inez Hall Knapp, et al as agents for the State of Texas	Reeves	57 T2	28	ELS-0162B	160.00000	26.66667	9/15/2013	1042	70	13-09098
BHP Billiton Petroleum Properties (N.A.), LP	Gordon & Gordon Partnership as agent for the State of Texas	Reeves	57 T2	28	ELS-0162C	160.00000	53.33333	9/18/2013	1032	206	13-07869
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0163	20.00000	9.00000	10/1/2013	1037	707	13-08610
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0164	5.00000	2.25000	10/1/2013	1037	713	13-08611
BHP Billiton Petroleum Properties (N.A.), LP	ABH Baxter, LP as agent for the State of Texas	Reeves	57 T2	20	ELS-0168	5.00000	5.00000	9/18/2013	1028	29	13-07255
BHP Billiton Petroleum Properties (N.A.), LP	Ambler Family Trust as agent for the State of Texas	Reeves	57 T2	48	ELS-0169A	640.00000	40.00000	9/28/2013	1029	238	13-07442
BHP Billiton Petroleum Properties (N.A.), LP	Julian Marcel Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169B	640.00000	10.00000	9/28/2013	1029	245	13-07443
BHP Billiton Petroleum Properties (N.A.), LP	Adrian Michael Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169C	640.00000	10.00000	9/28/2013	1029	252	13-07444
BHP Billiton Petroleum Properties (N.A.), LP	Gabriel Joseph Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169D	640.00000	10.00000	9/28/2013	1029	259	13-07445
BHP Billiton Petroleum Properties (N.A.), LP	Sebastian Ambrose Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169E	640.00000	10.00000	9/28/2013	1029	266	13-07446
BHP Billiton Petroleum Properties (N.A.), LP	Grace Marilyn Kuehn as agent for the State of Texas	Reeves	57 T2	48	ELS-0169F	640.00000	40.00000	9/28/2013	1029	273	13-07447
BHP Billiton Petroleum Properties (N.A.), LP	Richard E. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171A	25.00000	0.31250	10/28/2013	1039	508	13-08849
BHP Billiton Petroleum Properties (N.A.), LP	Harry O. Davidson, Jr. as agent for the State of Texas	Reeves	57 T2	20	ELS-0171B	25.00000	0.31250	10/28/2013	1039	515	13-08850
BHP Billiton Petroleum Properties (N.A.), LP	Annette L. Myers as agent for the State of Texas	Reeves	57 T2	20	ELS-0171C	25.00000	0.31250	10/28/2013	1039	522	13-08851
BHP Billiton Petroleum Properties (N.A.), LP	Dennis K. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171D	25.00000	0.31250	10/28/2013	1039	529	13-08852
BHP Billiton Petroleum Properties (N.A.), LP	Harriette L. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171E	25.00000	0.31250	10/28/2013	1039	536	13-08853
BHP Billiton Petroleum Properties (N.A.), LP	Thomas A. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171F	25.00000	0.31250	10/28/2013	1040	1	13-08906
L. C. Wahlenmaier*	Guy Caldwell, et al as agents for the State of Texas	Reeves	57 T2	26	L.C. WAHLENMAIER-0001	640.00000	640.00000	2/3/1950	128	604	2152
Richard C. Slack **	Agnes C. Beckham, et al as agents for the State of Texas	Reeves	57 T2	24	RICHARD C. SLACK-003	40.00000	40.00000	5/25/1987	477	496	1621

*Limited to the rights between 6,590 feet to 11,238 feet subsurface as indicated in the electric log on the Atlantic Richfield Co. - Agnes Beckham #26-1 Well (API No. 42-389-30422), Reeves County, Texas.

**Insofar and only insofar as said oil and gas lease pertains to that certain tract surrounding the Guy Caldwell #3 Well, situated in the S/2 of Section 24, Block 57, Township 2, A-2058, T & P RR Co. Survey, Reeves County, Texas, containing 40 acres, more or less, and only insofar as to the depths below 4,545 feet below the surface of the earth.

Inst No. 14-00954
DIANNE O. FLOREZ
COUNTY CLERK
2014 Feb 05 at 12:33 PM
REEVES COUNTY, TEXAS
DEPUTY

EXHIBIT "A"

Attached to and made a part of that certain Partial Assignment of Oil, Gas and Mineral Leases by and between BHP Billiton Petroleum Properties (N.A.), LP, Assignor and Sovereign Resources, LLC, Assignee dated December 9, 2013.

Lessee	Lessor	County	Block(s)	Section(s)	BHP Contract #	AMI GA	AMI NMA	Effective Date	Recordation			MINERAL FILE NUMBER
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Petrohawk Properties, LP	Walter W. Mathews as agent for the State of Texas	Reeves	57 T2	20	ELS-0074A	5.00000	1.66667	5/20/2013	1007	706	13-04422	115433A
Petrohawk Properties, LP	Clifford W. Mathews as agent for the State of Texas	Reeves	57 T2	20	ELS-0074B	5.00000	1.66667	5/20/2013	1007	713	13-04423	115433B
Petrohawk Properties, LP	Donn M. Mahin as agent for the State of Texas	Reeves	57 T2	20	ELS-0074C	5.00000	1.66667	5/20/2013	1007	720	13-04424	115433C
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0086	5.00000	5.00000	7/16/2013	1022	150	13-06413	115514
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0090	5.00000	5.00000	7/16/2013	1022	156	13-06414	115513
BHP Billiton Petroleum Properties (N.A.), LP	Westway Ranches, LLC as agent for the State of Texas	Reeves	57 T2	36	ELS-0095I	640.00000	80.00000	9/9/2013	1026	301	13-06997	112764M
BHP Billiton Petroleum Properties (N.A.), LP	Nancy Smith Chandler as agent for the State of Texas	Reeves	57 T2	36	ELS-0095J	640.00000	13.33333	10/1/2013	1035	430	13-08266	112764
BHP Billiton Petroleum Properties (N.A.), LP	EPB O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095K	640.00000	6.66667	11/1/2013	1047	418	14-00179	112764
BHP Billiton Petroleum Properties (N.A.), LP	Sid W. Richardson Foundation as agent for the State of Texas	Reeves	57 T2	36	ELS-0095L	640.00000	26.66667	11/1/2013	1047	425	14-00180	112764
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (LMB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095M	640.00000	6.66667	11/1/2013	1047	432	14-00181	112764
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (RMB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095N	640.00000	6.66667	11/1/2013	1047	439	14-00182	112764
BHP Billiton Petroleum Properties (N.A.), LP	ARBGT (SRB) O&G TX LP as agent for the State of Texas	Reeves	57 T2	36	ELS-0095O	640.00000	6.66667	11/1/2013	1047	446	14-00183	112764
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0097	10.00000	10.00000	7/16/2013	1022	162	13-06415	115532
Petrohawk Properties, LP	Carol Engstrom Collins as agent for the State of Texas	Reeves	57 T2	20	ELS-0117C	5.00000	0.62500	4/24/2013	1007	748	13-04428	116324D
Petrohawk Properties, LP	Nancy Rodgers Pharris as agent for the State of Texas	Reeves	57 T2	20	ELS-0117D	5.00000	0.62500	4/15/2013	1007	755	13-04429	116324C
Petrohawk Properties, LP	Karin Victoria Robertson Lekas as agent for the State of Texas	Reeves	57 T2	20	ELS-0117E	5.00000	0.31250	4/24/2013	1005	306	13-03995	116324G
Petrohawk Properties, LP	John Erik Robertson as agent for the State of Texas	Reeves	57 T2	20	ELS-0117F	5.00000	0.31250	4/24/2013	1007	762	13-04430	116324F
BHP Billiton Petroleum Properties (N.A.), LP	Dennis M. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117G	5.00000	0.25000	9/9/2013	1026	601	13-07051	116324J
BHP Billiton Petroleum Properties (N.A.), LP	Paul R. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117H	5.00000	0.25000	9/9/2013	1026	609	13-07052	116324K
BHP Billiton Petroleum Properties (N.A.), LP	Marcus C. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117I	5.00000	0.25000	9/9/2013	1029	489	13-07473	116324L
BHP Billiton Petroleum Properties (N.A.), LP	Michael Wade Davis, et al as agents for the State of Texas	Reeves	57 T2	20	ELS-0117J	5.00000	0.62500	11/1/2013	1050	74	14-00612	116324E
BHP Billiton Petroleum Properties (N.A.), LP	John P. Engstrom as agent for the State of Texas	Reeves	57 T2	20	ELS-0117K	5.00000	0.25000	9/9/2013	1047	453	14-00184	116324H
BHP Billiton Petroleum Properties (N.A.), LP	Kathleen L. Engstrom Gottlieb as agent for the State of Texas	Reeves	57 T2	20	ELS-0117L	5.00000	0.25000	9/9/2013	1047	460	14-00185	116324I
Petrohawk Properties, LP	Shauna Seltzer Redwine Trust as agent for the State of Texas	Reeves	57 T2	20	ELS-0120A	30.00000	8.43750	5/15/2013	1005	313	13-03996	116531B
Petrohawk Properties, LP	Russell B. "Jerry" McGowen, III, et ux as agents for the State of Texas	Reeves	57 T2	20	ELS-0126A	180.00000	21.25000	6/13/2013	1014	552	13-05326	116534D
Petrohawk Properties, LP	Jack Louis McGowen, et ux as agents for the State of Texas	Reeves	57 T2	20	ELS-0126B	180.00000	21.25000	6/13/2013	1014	560	13-05327	116534E
BHP Billiton Petroleum Properties (N.A.), LP	Charlotte Anne Slack Faulkner Mackey as agent for the State of Texas	Reeves	57 T2	20	ELS-0126C	180.00000	14.16667	8/7/2013	1025	336	13-06845	116534A
BHP Billiton Petroleum Properties (N.A.), LP	Richard Clay Slack, II as agent for the State of Texas	Reeves	57 T2	20	ELS-0126D	180.00000	14.16667	8/7/2013	1022	168	13-06416	116534C
BHP Billiton Petroleum Properties (N.A.), LP	Cynthia Elliott Slack Shaw as agent for the State of Texas	Reeves	57 T2	20	ELS-0126E	180.00000	14.16667	8/7/2013	1022	176	13-06417	116534B
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0128	5.00000	5.00000	7/16/2013	1022	184	13-06418	115506
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0129	20.00000	20.00000	7/16/2013	1022	190	13-06419	115507
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0130	5.00000	1.25000	7/16/2013	1022	196	13-06420	115508

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BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0131	5.00000	5.00000	7/16/2013	1022	202	13-06421	115509
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0132	5.00000	5.00000	7/16/2013	1022	208	13-06422	115510
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0133	5.00000	5.00000	7/16/2013	1022	214	13-06423	115511
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0134	5.00000	5.00000	7/16/2013	1022	220	13-06424	115512
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0135	10.00000	10.00000	7/16/2013	1022	226	13-06425	115515
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0136	25.00000	25.00000	7/16/2013	1022	232	13-06426	115505
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0137	10.00000	2.50000	7/16/2013	1022	238	13-06427	115516
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0138	10.00000	10.00000	7/16/2013	1022	244	13-06428	115517
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0139	10.00000	10.00000	7/16/2013	1022	250	13-06429	115518
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0140	10.00000	10.00000	7/16/2013	1022	256	13-06430	115519
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0141	10.00000	10.00000	7/16/2013	1022	262	13-06431	115520
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0142	15.00000	15.00000	7/16/2013	1022	268	13-06432	115521
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0143	5.00000	5.00000	7/16/2013	1022	274	13-06433	115522
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0144	5.00000	5.00000	7/16/2013	1022	280	13-06434	115523
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0145	5.00000	5.00000	7/16/2013	1022	286	13-06435	115524
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0146	20.00000	20.00000	7/16/2013	1022	292	13-06436	115525
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0147	5.00000	5.00000	7/16/2013	1022	298	13-06437	115526
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0148	5.00000	5.00000	7/16/2013	1022	304	13-06438	115527
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0149	10.00000	10.00000	7/16/2013	1022	310	13-06439	115528
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0150	10.00000	10.00000	7/16/2013	1022	316	13-06440	115529
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0151	10.00000	10.00000	7/16/2013	1022	322	13-06441	115530
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0152	2.50000	2.50000	7/16/2013	1022	328	13-06442	115531
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0153	5.00000	5.00000	7/16/2013	1022	334	13-06443	115533
BHP Billiton Petroleum Properties (N.A.), LP	Slash Corporation as agent for the State of Texas	Reeves	C19	16	ELS-0155	30.00000	30.00000	7/3/2013	1031	179	13-07726	115686
BHP Billiton Petroleum Properties (N.A.), LP	Muckleroy Energy Company as agent for the State of Texas	Reeves	57 T2	20	ELS-0157	140.00000	45.00000	8/7/2013	1022	361	13-06447	116532
BHP Billiton Petroleum Properties (N.A.), LP	Joseph Wendel Turnipseed as agent for the State of Texas	Reeves	57 T2	20 ✓	ELS-0158A MF116079A	10.00000	3.33333	8/1/2013	1025	393	13-06853	~~115896~~
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20 ✓	ELS-0158B MF115896	10.00000	3.33333	10/1/2013	1037	701	13-08609	115896
BHP Billiton Petroleum Properties (N.A.), LP	Harry M. Breuer, III as agent for the State of Texas	Reeves	57 T2	20 ✓	ELS-0158C MF116079E	10.00000	0.83333	9/18/2013	1027	785	13-07249	~~115896~~
BHP Billiton Petroleum Properties (N.A.), LP	Henry C. Breuer as agent for the State of Texas	Reeves	57 T2	20 ✓	ELS-0158D " D	10.00000	0.83333	9/18/2013	1027	792	13-07250	~~115896~~
BHP Billiton Petroleum Properties (N.A.), LP	Cynthia L. Weissmann as agent for the State of Texas	Reeves	57 T2	20 ✓	ELS-0158E " C	10.00000	0.83333	9/18/2013	1028	1	13-07251	~~115896~~
BHP Billiton Petroleum Properties (N.A.), LP	James J. Breuer as agent for the State of Texas	Reeves	57 T2	20 ✓	ELS-0158F " B	10.00000	0.83333	9/18/2013	1028	8	13-07252	~~115896~~
BHP Billiton Petroleum Properties (N.A.), LP	Philip S. Kendrick, Jr. as agent for the State of Texas	Reeves	57 T2	28	ELS-0161A MF116084A	320.00000	160.00000	9/15/2013	1028	15	13-07253	
BHP Billiton Petroleum Properties (N.A.), LP	Linda Lucas Gregory as agent for the State of Texas	Reeves	57 T2	28	ELS-0161B " " B	320.00000	80.00000	9/15/2013	1028	22	13-07254	
BHP Billiton Petroleum Properties (N.A.), LP	Larry Kendrick Lucas as agent for the State of Texas	Reeves	57 T2	28	ELS-0161C " " C	320.00000	80.00000	9/15/2013	1029	231	13-07441	
BHP Billiton Petroleum Properties (N.A.), LP	Anna Inez Hall Knapp, et al as agents for the State of Texas	Reeves	57 T2	28	ELS-0162B	160.00000	26.66667	9/15/2013	1042	70	13-09098	116085B
BHP Billiton Petroleum Properties (N.A.), LP	Gordon & Gordon Partnership as agent for the State of Texas	Reeves	57 T2	28	ELS-0162C	160.00000	53.33333	9/18/2013	1032	206	13-07869	116085A

Lessee	Lessor	County	Block(s)	Section(s)	BHP Contract #	AMI GA	AMI NMA	Effective Date	Recordation			MINERAL FILE NUMBER
									Book	Page	File Number	
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0163	20.00000	9.00000	10/1/2013	1037	707	13-08610	115894
BHP Billiton Petroleum Properties (N.A.), LP	General Land Office of the State of Texas	Reeves	57 T2	20	ELS-0164	5.00000	2.25000	10/1/2013	1037	713	13-08611	115895
BHP Billiton Petroleum Properties (N.A.), LP	ABH Baxter, LP as agent for the State of Texas	Reeves	57 T2	20	ELS-0168 MF 116081	5.00000	5.00000	9/18/2013	1028	29	13-07255	
BHP Billiton Petroleum Properties (N.A.), LP	Ambler Family Trust as agent for the State of Texas	Reeves	57 T2	48	ELS-0169A	640.00000	40.00000	9/28/2013	1029	238	13-07442	115983F
BHP Billiton Petroleum Properties (N.A.), LP	Julian Marcel Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169B	640.00000	10.00000	9/28/2013	1029	245	13-07443	115983G
BHP Billiton Petroleum Properties (N.A.), LP	Adrian Michael Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169C	640.00000	10.00000	9/28/2013	1029	252	13-07444	115983H
BHP Billiton Petroleum Properties (N.A.), LP	Gabriel Joseph Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169D	640.00000	10.00000	9/28/2013	1029	259	13-07445	115983I
BHP Billiton Petroleum Properties (N.A.), LP	Sebastian Ambrose Sandersius as agent for the State of Texas	Reeves	57 T2	48	ELS-0169E	640.00000	10.00000	9/28/2013	1029	266	13-07446	115983J
BHP Billiton Petroleum Properties (N.A.), LP	Grace Marilyn Kuehn as agent for the State of Texas	Reeves	57 T2	48	ELS-0169F	640.00000	40.00000	9/28/2013	1029	273	13-07447	115983E
BHP Billiton Petroleum Properties (N.A.), LP	Richard E. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171A	25.00000	0.31250	10/28/2013	1039	508	13-08849	116533B
BHP Billiton Petroleum Properties (N.A.), LP	Harry O. Davidson, Jr. as agent for the State of Texas	Reeves	57 T2	20	ELS-0171B	25.00000	0.31250	10/28/2013	1039	515	13-08850	116533C
BHP Billiton Petroleum Properties (N.A.), LP	Annette L. Myers as agent for the State of Texas	Reeves	57 T2	20	ELS-0171C	25.00000	0.31250	10/28/2013	1039	522	13-08851	116533D
BHP Billiton Petroleum Properties (N.A.), LP	Dennis K. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171D	25.00000	0.31250	10/28/2013	1039	529	13-08852	116533E
BHP Billiton Petroleum Properties (N.A.), LP	Harriette L. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171E	25.00000	0.31250	10/28/2013	1039	536	13-08853	116533F
BHP Billiton Petroleum Properties (N.A.), LP	Thomas A. Davidson as agent for the State of Texas	Reeves	57 T2	20	ELS-0171F	25.00000	0.31250	10/28/2013	1040	1	13-08906	116533A
L. C. Wahlenmaier*	Guy Caldwell, et al as agents for the State of Texas	Reeves	57 T2	26	L.C. WAHLENMAIER-0001	640.00000	640.00000	2/3/1950	128	604	2152	35430
Richard C. Slack **	Agnes C. Beckham, et al as agents for the State of Texas	Reeves	57 T2	24	RICHARD C. SLACK-003	40.00000	40.00000	5/25/1987	477	496	1621	92207

*Limited to the rights between 6,590 feet to 11,238 feet subsurface as indicated in the electric log on the Atlantic Richfield Co. - Agnes Beckham #26-1 Well (API No. 42-389-30422), Reeves County, Texas.

**Insofar and only insofar as said oil and gas lease pertains to that certain tract surrounding the Guy Caldwell #3 Well, situated in the S/2 of Section 24, Block 57, Township 2, A-2058, T & P RR Co. Survey, Reeves County, Texas, containing 40 acres, more or less, and only insofar as to the depths below 4,545 feet below the surface of the earth.

Exploration Land Services, LLC
Post Office Box 52105 Lafayette, Louisiana 70505
2205 West Pinhook Road, Suite 200 Lafayette, Louisiana 70508
tel: (337) 234-3500 fax: (337) 234-3525
btz@explorationland.com

Missing Mineral File Numbers

LEASE NUMBER	COUNTY	STATE	BLK	TWN	SEC	LESSOR	GROSS ACRES	NET ACRES	LEASE TERM YRS	LEASE EXPIRATION DATE	INITIAL $ PER ACRE	BOOK-PAGE	REGISTRY	DATE SUBMITTED TO GLO	MF#
ELS-0158A	Reeves	Texas	57	2	20	Joseph Wendel Turnipseed	10.0000	3.33333333	5 Years (3 + 2)	8/1/2018	$1,500.00	1025-393	13-06853	9/26/2013	**MF116079A**
ELS-0158B	Reeves	Texas	57	2	20	General Land Office State of Texas	<10.000>	3.33333333	5 Years	10/1/2018	$3,000.00	1037-701	13-08609	11/26/2013	**MF115896**
ELS-0158C	Reeves	Texas	57	2	20	Harry M. Breuer, III	<10.000>	0.83333333	5 Years (3 + 2)	9/18/2018	$1,500.00	1027-785	13-07249	10/9/2013	**MF116079E**
ELS-0158D	Reeves	Texas	57	2	20	Henry C. Breuer	<10.000>	0.83333333	5 Years (3 + 2)	9/18/2018	$1,500.00	1027-792	13-07250	10/9/2013	**MF116079D**
ELS-0158E	Reeves	Texas	57	2	20	Cynthia L. Weissmann	<10.000>	0.83333333	5 Years (3 + 2)	9/18/2018	$1,500.00	1028-1	13-07251	10/9/2013	**MF116079C**
ELS-0158F	Reeves	Texas	57	2	20	James J. Breuer	<10.000>	0.83333333	5 Years (3 + 2)	9/18/2018	$1,500.00	1028-8	13-07252	10/9/2013	**MF116079B**
ELS-0161A	Reeves	Texas	57	2	28	Philip S. Kendrick, Jr.	320.0000	160.00000000	5 Years (3 + 2)	9/15/2018	$3,000.00	1028-15	13-07253	10/9/2013	**MF116084A**
ELS-0161B	Reeves	Texas	57	2	28	Linda Lucas Gregory	<320.000>	80.00000000	5 Years (3 + 2)	9/15/2018	$3,000.00	1028-22	13-07254	10/9/2013	**MF116084B**
ELS-0161C	Reeves	Texas	57	2	28	Larry Kendrick Lucas	<320.000>	80.00000000	5 Years (3 + 2)	9/15/2018	$3,000.00	1029-231	13-07441	10/14/2013	**MF116084C**
ELS-0168	Reeves	Texas	57	2	20	ABH Baxter, LP	5.0000	5.00000000	5 Years (3 + 2)	9/18/2018	$2,625.00	1028-29	13-07255	10/9/2013	**MF116081**
						Nancy Smith Chandler as agent for the State of Texas							13-08266		**MF112764N**
						EPB O&G TX LP as agent for the State of Texas							14-00179		**MF112764O**
						Sid W. Richardson Foundation as agent for the State of Texas							14-00180		**MF112764S**
						ARBGT (LMB) O&G as agent for the State of Texas							14-00181		**MF112764P**
						ARBGT (RMB) O&G as agent for the State of Texas							14-00182		**MF112764Q**
						ARBGT (SMB) O&G as agent for the State of Texas							14-00183		**MF112764R**

(59)

File No. MF035430
Assignment #9118, BHP Billiton to Sovereign Resources
Date Filed: 8.8.14
Jerry E. Patterson, Commissioner
By aa

bhpbilliton
resourcing the future

April 1, 2015

Via Federal Express
Trk # 7732 7221 4023

Ms. Joy McCauley
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701-1495

Dear Ms. McCauley:

Please find enclosed a Production Sharing Agreement, covering lands located in Section 26, Block 57, Township 2, Reeves County, Texas.

BHP would like to be on the April hearing docket scheduled for April 21, 2015, if possible.

Please feel free to contact Landman, Guy Aldrich by phone at 713-968-2741 or by email at Guy.Aldrich@bhpbilliton.com with any questions.

Thank you for your attention to this matter.

Sincerely,

BHP Billiton Petroleum

Guy F. Aldrich
Transaction Manager

Enclosures

1360 Post Oak Blvd · Houston, TX 77056 · Phone: 713-968-2741 ·
www.bhpbilliton.com

60

21.9.4

File No. M-35430

County

Ltr. From BHP

Date Filed: 4/6/15

George P. Bush, Commissioner

By

MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

DATE: May 5, 2015 **PSA# 0059**

TO: School Land Board

FROM: Pooling Committee

SUBJECT: **Request from BHP Billiton Petroleum Properties (N.A.), LP. to have the State enter into a Production Sharing Agreement for drilling one or more allocation wells.**

- **BHP Billiton Petroleum Properties (N.A.), LP.** plans to drill the STATE CALDWELL 57-T2-35x26 SA 1H which will be located partially on State Lease MF-035430, 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 horizontal wellbores that traverse lands within and outside the State Lease MF-035430.

- The State's participation in the sharing wells will be based on the productive length of lateral from FTP to LTP on State Lease MF-035430 divided by the total length of productive lateral.

POOLING COMMITTEE RECOMMENDATION:

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

Mary Smith by Priscilla M. Hubbard
Mary Smith – Office of the Attorney General — Date: 4/22/2015

RJ Hatter
Robert Hatter – General Land Office — Date: 4/22/15

Diane Morris
Diane Morris – Office of the Governor — Date: 4-22-2015

(61)

File No. M-35430

County

Memo to SLB,

Date Filed: 5/5/15

George P. Bush, Commissioner

By

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (May 12, 2015)

DATE: **May 5, 2015**

TO: **Commissioner Bush**

FROM: **J. Daryl Morgan**

SUBJECT: **Production Sharing Agreements for signature**

.....

SUMMARY: Attached for your approval and signature are originals of two Production Sharing Agreements that were approved by the School Land Board on May 5, 2015.

DETAILS: The Production Sharing Agreements will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. These agreements have been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	**Recipient**
Production Sharing Agreements State Protection 55-T2-2 Unit Loving County, Texas State Caldwell 57-T2-35X26 SA 1H Well Reeves County, Texas	BHP Billiton Petroleum Properties, LP

Recommendation: Please sign and return to J. Daryl Morgan in Energy Resources (5-9106).

Attachment: Two Production Sharing Agreements

Thru: Marylee McKnight

(67)

File No. M-35430

County

Memo to Commissioner

Date Filed: 5/5/15

George P. Bush, Commissioner

By

PRODUCTION SHARING AGREEMENT

STATE CALDWELL 57-T2-35x26 SA 1H

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

The undersigned party ("**Interest Owner**") and BHP Billiton Petroleum Properties (N.A.), LP ("**BHP**") enter into this Production Sharing Agreement ("**Agreement**") on the terms set forth herein.

WHEREAS, BHP owns an interest in the lease, minerals, royalties and/or executive rights in and under an Oil and Gas Lease dated February 3, 1950, between Guy Caldwell, et al, Lessors, and L. C. Wahlenmaier, as Lessee, recorded in Volume 128, Page 604 of the Deed Records of Reeves County, Texas, covering 640 acres, more or less, being all of Section 26, 57-T2 and limited to depths between 6,590 feet and 11,238 feet as shown on the Electric Log of the Atlantic Richfield Co.- Agnes Beckham #26-1 Well (API No. 42-389-30422), hereinafter referred to as the "Lease"; and,

WHEREAS, to date, BHP has drilled the State Caldwell 57-T2-2H, 3H, 4H and 5H Wells on the Lease within the past 12 months; and,

WHEREAS, the Interest Owner and BHP wish to encourage further development of the Lease via the drilling of horizontal wells, and in order to:

a) prevent physical and economic waste and the drilling of unnecessary wells, and to increase the ultimate recovery of oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) from the Lease; and
b) protect the correlative rights of all Interest Owners so that each may receive a fair share of the oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) production in and under the Lease;

WHEREAS, it is advantageous to position some of the future horizontal wells (any well having a lateral length of greater than 100') such that said horizontal wells may traverse lands both within and outside the boundaries of the Lease (singularly a "**Sharing Well**" or collectively the "**Sharing Wells**"), and the Interest Owner and BHP desire to establish a basis for sharing in the oil, gas and liquid hydrocarbons (including condensate, distillate, and other liquids) production proceeds from each such Sharing Well;

NOW THEREFORE, the undersigned, for Ten Dollars ($10.00), and the recitals, promises, performances, payments, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

1) The Interest Owner shall share in each Sharing Well on the basis of such Interest Owner's ownership in the Lease multiplied by an Allocation Factor; such **"Allocation Factor"** being defined as a fraction, the numerator of which is equal to the length of that portion of the Lateral Line Equivalent that lies within the Lease under which the Interest

Owner owns, and the denominator being the total length of the Lateral Line Equivalent. **"Lateral Line Equivalent"** is defined as a line drawn, using map view perspective that begins at the actual first take point of a well and run laterally towards the last Take Point of the well along the actual surveyed well path to the last take point of such well based on the as-drilled surveyor plat. A **"Take Point"** in a horizontal drain hole well is defined as any point along a horizontal drain hole where oil and/or gas and liquid hydrocarbons (including condensate, distillate, and other liquids) can be produced into the wellbore from the reservoir or field interval. The first Take Point may be at a different location than the penetration point and the last Take Point may be a location different than the Terminus point. The **"Terminus point"** is defined as the farthest point in the wellbore from the actual surface location.

2) Operations on or production from each Sharing Well shall be treated as if they were actual operations on or production from the Lease and the proceeds from production from such Sharing Well shall be paid in accordance with the Allocation Factor set out hereinabove.

3) Production from any and all Sharing Wells drilled hereunder 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. The undersigned further agrees that this Agreement affects only production from each Sharing Well drilled hereunder and in no way affects ownership or allocation of production attributable to an interest in and under any other wells drilled or to be drilled which lie solely within the Lease.

4) An operator of a Sharing Well drilled hereunder, and its successors and assigns, shall have the right to make reasonable use of the surface and subsurface of the Lease where any Sharing Wells are located on or under for the purpose of exploring, drilling, completing, producing, transporting and marketing hydrocarbons and their constituent elements or byproducts from any Sharing Wells.

5) The provisions of the Lease, agreements, division orders, transfer orders, and pooling agreements covering or affecting the lands and leases governed by this Production Sharing Agreement are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise.

6) It is the intention of the parties hereto that this Agreement is limited to and covers the producing interval in the horizontal section of the wellbore. Any completion above the horizontal interval and resulting production from the vertical section of the wellbore of any well drilled on the Lease shall not be subject to this Agreement, nor be considered a Sharing Well, but rather shall be treated as a Lease well, drilled on the premises of the Lease, or a lease well located on the drill site lease or leases. Also, in the event any Sharing Well shall be plugged back or recompleted in such manner that the well no longer falls within the above definition of a Sharing Well or of a horizontal well, then such well shall no longer be considered a Sharing Well for purposes of this Agreement but rather shall be treated as a Lease well, drilled on the premises of the Lease, or a lease

well located on the drill site lease or leases.

7) This Agreement shall become effective if and when BHP files same of record in Reeves County, Texas and shall remain in effect for so long as there is production in paying quantities from or operations on any Lease well drilled on the premises of the Lease, regardless if it be a Sharing Well or not.

8) This Agreement shall not create or cause a cross-conveyance of real property interests.

9) This Agreement reflects the final agreement of the parties and supersedes any prior discussions, memoranda or other agreements (whether oral, written or other) concerning the subject hereof. No modifications or amendments of this Agreement will be binding or enforceable unless made in writing and signed by all of the parties.

10) Each of the undersigned expressly warrants and represents, and does hereby affirm and stipulate, that (i) no representation, promise or agreement, or statement of a past or existing fact, not expressed in this written Agreement, was made to induce the execution of same, and (ii) they have not relied upon any representation, promise or agreement, or statement of a past or existing fact, which is not expressed in this Agreement. Furthermore, each of the undersigned is relying upon his, her or its own judgment, has had a full, fair and adequate opportunity to read and understand this Agreement, and recognizes 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.

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 party hereto to execute a counterpart shall not render this instrument ineffective as to any other party hereto who does execute a counterpart thereof, but shall be binding upon each executing party 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.

*****REMAINDER OF PAGE LEFT INTENTIONALLY BLANK*****

EXECUTED on this the ____ day of _____ 2015, but effective as provided for in item 7 herein above.

BHP Billiton Petroleum Properties, (N.A.), LP

By: BHP Billiton Petroleum Properties (GP), LLC, its general partner

By: _____

Stephen L. Mahanay
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the _____ day of _____, 2015, by Stephen L. Mahanay, as Attorney-in-Fact of BHP Billiton Petroleum Properties (GP), LLC, general partner of BHP Billiton Petroleum Properties, (N.A.), LP, a Texas limited partnership, on behalf of said limited partnership.

_____

Notary Public, State of Texas

*****REMAINDER OF PAGE LEFT INTENTIONALLY BLANK*****

DATE EXECUTED 5/7/15

STATE OF TEXAS

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

Approved
Legal _____
Contents _____
Min. Leasing _____
Executive _____

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of May, 2015, 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 6th day of May, 2015.

_____
Secretary of School Land Board

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(63)

File No. M-35430

County

Production Sharing Agmt.

Date Filed: 5/8/15

George P. Bush, Commissioner

By

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

May 8, 2015

Mr. Guy F. Aldrich
BHP Billiton Petroleum
1360 Post Oak Blvd.
Houston, Texas 77056-3303

Re: Production Sharing Agreement
State Caldwell 57-T2-35X26 SA 1H
State Lease M-35430
Reeves County, Texas

Dear Mr. Aldrich:

On May 5, 2015, the School Land Board of the State of Texas approved your application to have the State enter into a Production Sharing Agreement ("PSA") for the referenced State Lease. Enclosed is the original of the PSA that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained a copy of the PSA for our files.

Please provide our office with a recorded copy of the PSA or a fully executed copy if it is not going to be recorded as soon as it is available. Additionally after a well is drilled that is subject to the PSA, please provide our office with the "Allocation Factor" information and let us know what our participation in the well is going to be so we can get our lease 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 call.

Sincerely,

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

Enclosure

(64)

File No. M-35430

County

Ltr. to B/T

Date Filed: 5/8/15

George P. Bush, Commissioner

By

Mineral File 35430 Well Record

COUNTY: Reeves
TRACT :
PART : Sec 26 Blk 57 Tsp 2 T & P
ACRES : 640

LESSEE : ~~L. C. Wahlenmaier~~ ARCO
DATE :
TERM :
BONUS :
RENTAL:
FILE :

TGLO VAULT

PRODUCING

WELL RECORD

RELINQUISHMENT ACT LEASE

35430

File

REEVES County

MINERAL LAND

L.C. WAHLENMAIER

640 Acres

Section 26

Block 57

T & P Tsp. 2

File 91638 Cert.

Lease dated 2-3-50 10 Yrs
Name of Claim

VOL. P.

FORM 2503B-549-1M

File 35430

CONTENTS

1 APPLICATION TO DRILL WELL # 1 JUN 12 1958 P&S
2 WELL RECORD WELL # 1 JUL 5 1958 "
3 APPLICATION TO DRILL WELL # 2 PLAT and OCT 14 1958 "
4 WELL RECORD WELL # 2 NOV 17 1958 "
5 APPLICATION TO DRILL WELL # 3 PLAT and NOV 24 1958 "
6 APPLICATION TO DRILL WELL # 4 PLAT and DEC 11 1958 "
7 WELL RECORD WELL # 3 DEC 15 1958 "
8 WELL RECORD WELL # 4 JAN 7 1959 "
9 APPLICATION TO DRILL WELL # 5 PLAT and JAN 30 1959 "
10 APPLICATION TO DRILL WELL # 6 PLAT and FEB 25 1959 "
11 WELL RECORD WELL # 5 FEB 26 1959 "
12 WELL RECORD WELL # 6 MAR 21 1959 "
13 WELL RECORD WELL # 7 PLAT and MAR 20 1959 "
14 APPLICATION TO DRILL WELL # 8 APR 10 1959 "
15 WELL RECORD WELL # 7 APR 10 1959 "
16 APPLICATION TO DRILL WELL # 9 PLAT and APR 28 1959 "
17 WELL RECORD WELL # 8 MAY 2 1959 "
18 WELL RECORD WELL # 9 MAY 25 1959 "
19 APPLICATION TO DRILL WELL # 10 PLAT and MAY 28 1959 "
20 Appl. To Plug Well # 10 JUN 15 1959 "
21 Plugging Record Well # 10 JUN 15 1959 "

LAST SUPPLEMENT NO. 1

H58-57

CONTENTS OF FILE NO. 35430 Well Record

1. App to Drill #1 1-12-1958
2. Well Rec #1 7-5-1958
3. App To Drill & Plat #2 10-14-1958
4. Well Rec #2 11-17-1958
5. App to Drill & Plat #3 11-24-1958
6. " " " " " #4 12-11-1958
7. Well Rec #3 12-15-1958
8. " " #4 1-7-1959
9. App to Drill & Plat #5 1-30-1959
10. " " " " " #6 2-28-1959
11. Well Rec #5 2-26-1959
12. " " #6 3-21-1959
13. Well Rec & Plat #7 3-20-1959
14. App to Drill #8 4-10-1959
15. Well Rec #7 3-10-1959
16. App to Drill & Plat #9 4-28-1959
17. Well Rec #8 5-2-1959
18. App to Drill & Plat #10 5-28-1959
19. App to Plug #10 6-15-1959
20. Plugging Rec #10 6-15-1959
21. APPLICATION TO DRILL WELL #: 1-26 7-1-77 MHJ
22. APPLICATION TO DRILL WELL #: 1 (Dupe-ni) 7-11-77
23. APPLICATION TO DRILL WELL #: 2 3/21/78
24. APPLICATION TO DRILL WELL #: 14 AUG 16 1983 R. V. PHIPPS
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Please refer to File No.....

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

M-35430

Form 1

RECEIVED
JUN 12 1958
GENERAL LAND OFFICE

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK....DRILL.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

15

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....330.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....--.....feet.

Date.....June 11,....., 1958.....

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address..P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease..Agnes Beckham (No Number).....

Number of Acres....640.....Well No....1.....

Number of wells on lease..Initial Well.....

Survey..T&P RR. Co.....

Elevation..Approx. 2965.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.57, T-2....

Located in.....Un-Named.....Field

(If Wildcat state above)

Reeves.....County

Approx. 2.....Miles..SW.....direction from

Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling..when Form-1 approved

Depth to which you propose to drill...3100...feet. (Delaware Sand)

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (No Lse. Number), Well No. 1

330' from the South and West lines of Section 26, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas.

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Orig. & cc: RRC - Midland
cc: General Land Office - Austin

Scale of Plat **1" equals 1000'**

I, **R. L. Brown**, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name **R. L. Brown** Title **Division Clerk Production Dept.**

Subscribed and sworn to before me this **11th** day of **June**, 19**58**

(Roy D. Satterwhite)

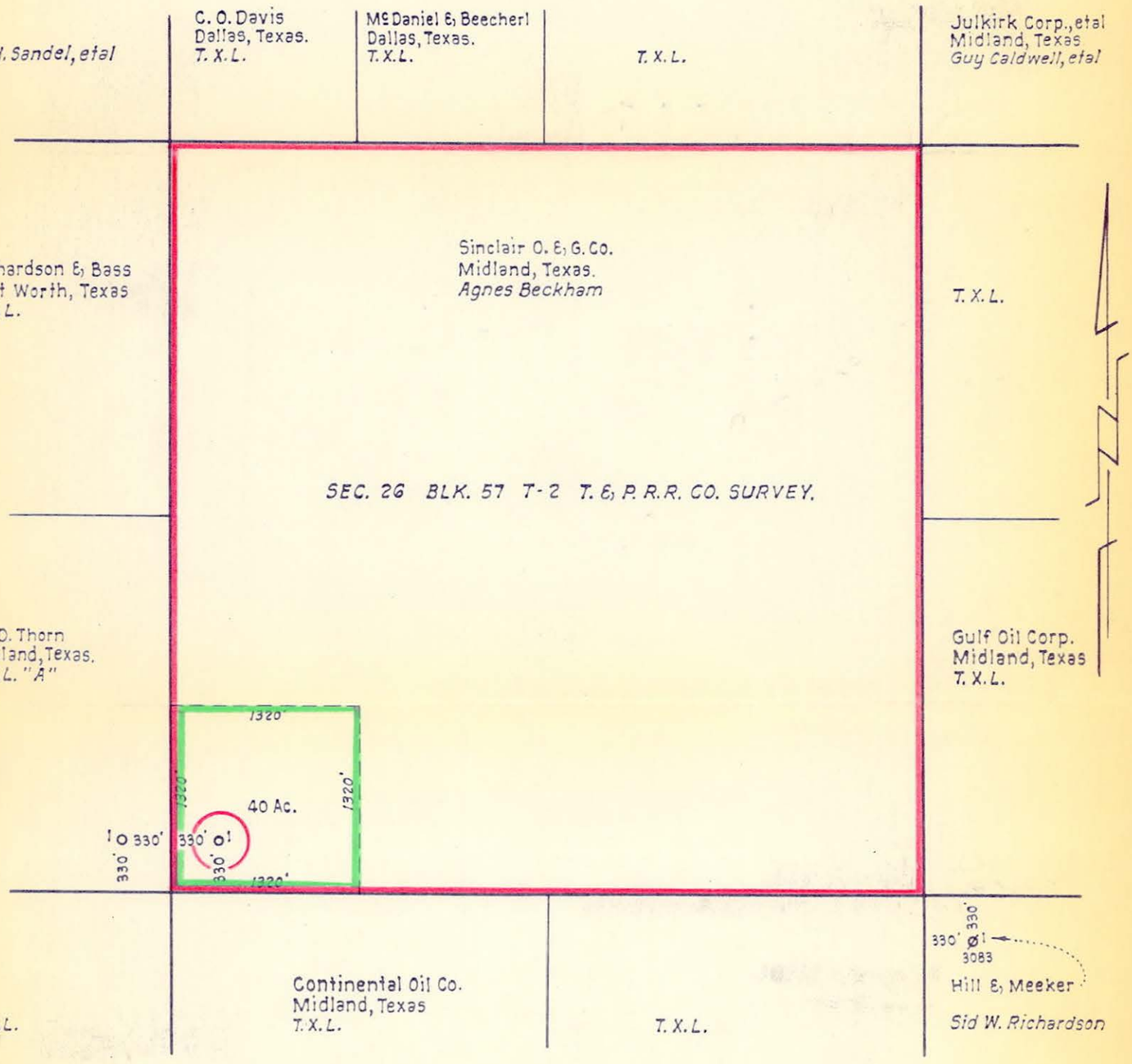
Notary Public **in and for Midland** County, Texas.

Correspondence regarding this well should be addressed to:

Name **H. F. Defenbaugh** Address **P. O. Box 1470, Midland, Texas**

SINCLAIR OIL & GAS CO.
AGNES BECKHAM
UN-NAMED FIELD - REEVES CO.,
TEXAS
SCALE: 1" = 1000'
TOTAL 640 AC.

35430



STATE OF TEXAS }
COUNTY OF MIDLAND } S.S.

I, R. L. Brown of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. L. Brown

Subscribed and sworn to before me this 11th day June 1958

NOTARY PUBLIC in and for Midland Co., Texas Roy D. Satterwhite

Roy D. Satterwhite

RECEIVED
JUN 12 1958
GENERAL LAND OFFICE

FE
1

M. P. 35430

APPLICATION TO DRILL & Plat

WELL # 1

FILED JUN 12 1958 19

BILL ALLCORN

COMMISSIONER

TS

CLERK

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

File No. 15 Form 2 Well Record M-35430

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T&P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (None) Well No. 1 Elevation 2956 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Drilling Commenced June 19th, 1958 Drilling Completed June 26th, 1958

Is this a NEW WELL? Yes : DEEPENING? No or a WORK-OVER? No

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 - Odessa, Texas

Has an allowable been assigned to this well? No - New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8-5/8" OD	402		0		402		Cemented w/225 sax
5-1/2" OD	3020		0		3020		Cemented w/125 sax
2-3/8" OD	2900		0		2900		Tubing - Set Packer @ 2900'

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels. 12 Hr. RRC Potential Test: Flowed 113.78 Bbls 30.2 Corr Gvty Oil, 2 Bbls Formation Water, 18/64" Choke, CP-0-Packer, TP 460#, GOR 615:1
24 Hr. Calculated Potential @ 227.56 Bbls. Oil

Initial Production of Distillate: Barrels.

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Beckham Well No. 1 located 330' from the South & West lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

WEST

EAST

Orig. & cc: RRC-Midland
cc: Gen. Land Off - Austin
cc: FHR, HFD, File

GENERAL REMARKS

Well drilled 3022' total depth. Set 5½" OD casing @ 3020', cemented w/125 sax. Plug back depth 3018'. Perforated Delaware Sand Section 2944-54' w/40 holes. Mud Acid washed perforations w/500 gals & sand-oil fraced w/1500 gals oil & 1500# sand. Well completed as producer in Delaware Sand Section thru perforations 2944-54'.

RECEIVED
JUL -5 1958
GENERAL LAND OFFICE

SOUTH

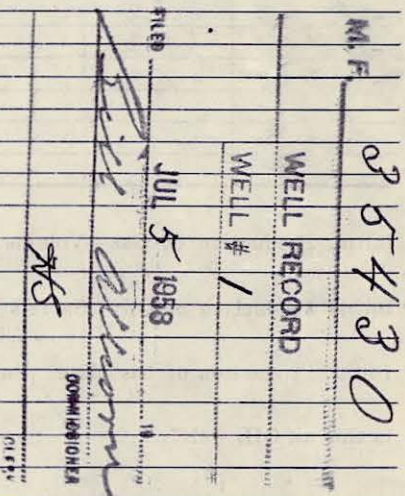
FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	1168	Core #1: 2920-2971
Red Bed & Sand	1168	1441	Core #2: 2971-3022
Shale, Anhydrite & Gyp	1441	1649	
Lime & Sand	1649	2030	
Lime & Shale	2030	2427	
Salt & Anhydrite	2427	2875	
Lime & Shale	2875	2920	
Sand	2920	3022	TD 3018 PBTD

2



Method of shutting off water Casing Cemented Is water completely shut off? Yes

Amount of water with oil 2 Bbls. per cent 2%

I, Fred Burns

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Fred Burns

Representative of Company.

Subscribed and sworn to before me this 1st day of July, 19 58

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R. E. Cross Jr.

Notary Public

Ector County, Texas.

Please refer to File No..... **RAILROAD COMMISSION OF TEXAS** **Form 1**

OIL AND GAS DIVISION

M-35430

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK...DRILL.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED 15

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....330.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....2956.75.....feet.

Date.....October 10,....., 1953.....

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease..Agnes Peckham (12665).....

Number of Acres.....640.....Well No..2.....

Number of wells on lease.....1.....

Survey.....T&P RR. Co.....

Elevation.....Approx. 2965.....Feet
(ABOVE SEA LEVEL)

Section No.....25.....Block No..57, T-2....

Located in..Sabre (Delaware).....Field

(If Wildcat state above)

Reeves.....County

Approx. 2.....Miles...SW.....direction from

Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form-1 approved.....

Depth to which you propose to drill.....3100.....feet.
(Delaware Sand)

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
OCT 14 1953

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (1266) Well No. 2

1650' from the South and West lines of Section 26, Block 57, T-2, TNP RR Co. Survey, Reeves County, Texas.

WEST

EAST

SOUTH

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Orig. & cc: RRC - Midland
cc: General Land Office - Austin

Scale of Plat 1" equals 1000'

I, R. F. Higginbotham, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name Original Copy Signed R. F. HIGGINBOTHAM, Title Asst. Division Prod. Supt.

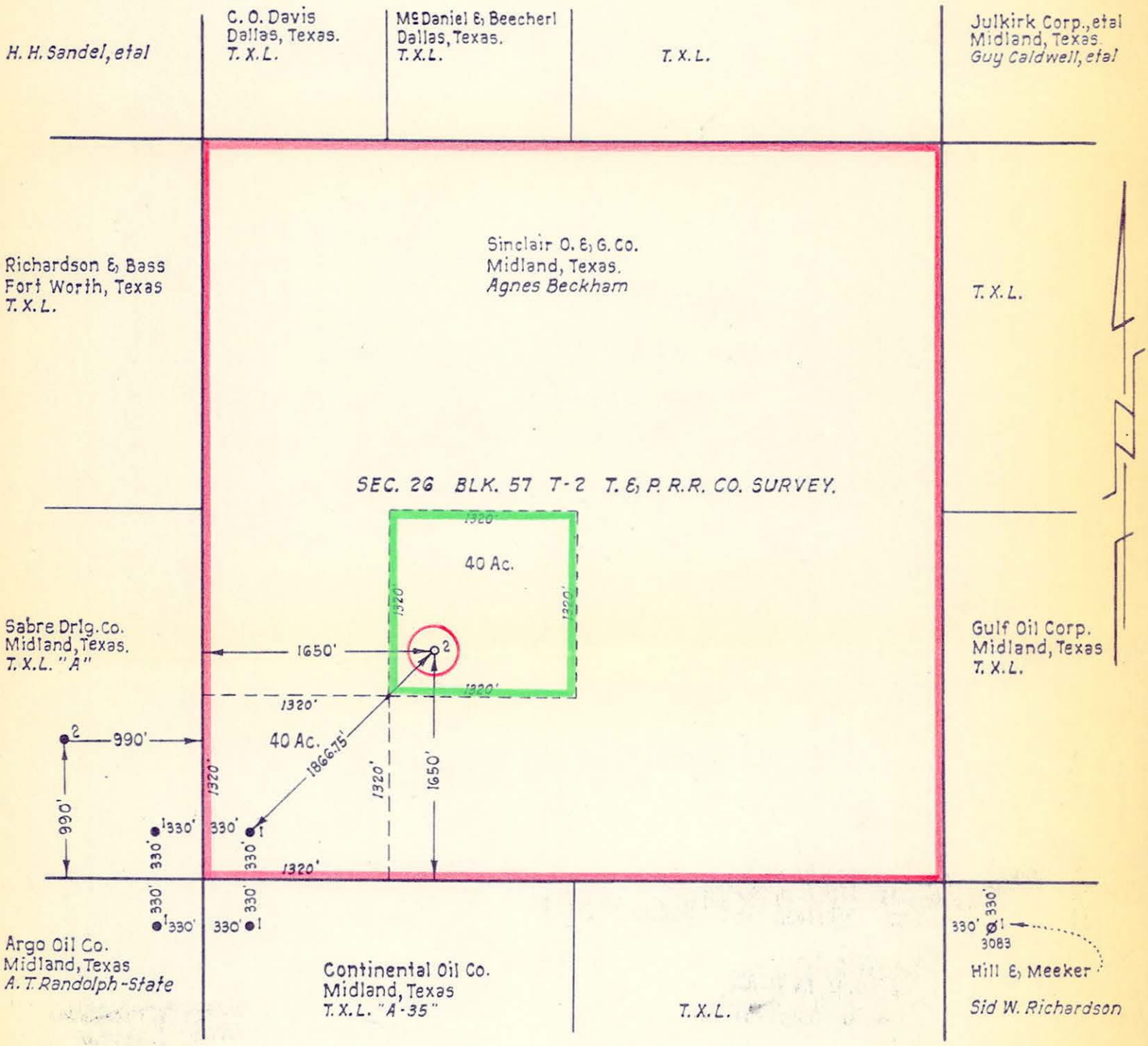
Subscribed and sworn to before me this 10th day of October, 19 56

Correspondence regarding this well should be addressed to: COPY Original Signed ROY D. SATTERWHITE (Roy D. Satterwhite

Notary Public in and for Midland County, Texas.

Name R. F. Defenbaugh Address P. O. Box 1470, Midland, Texas

SINCLAIR OIL & GAS CO.
AGNES BECKHAM -12665
SABRE (DELAWARE) FIELD - REEVES CO., TEXAS
SCALE: 1" = 1000'
TOTAL 640 AC.



STATE OF TEXAS }
COUNTY OF MIDLAND } S.S.

I, R. F. Higginbotham of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

Original Copy Signed
R. F. HIGGINBOTHAM

Subscribed and sworn to before me this 10th day October 1958

COPY Original Signed ROY D. SATTERWHITE

NOTARY PUBLIC in and for Midland Co., Texas

Roy D. Satterwhite

RECEIVED
OCT 1 - 1958
GENERAL LAND OFFICE

3

M. F. 35430

APPLICATION TO DRILL

WELL # 2

FILED OCT 14 1958 19

BILL ALLCORN

COMMISSIONER

CLERK

RECEIVED
NOV 17 1958
GENERAL LAND OFFICE

15 M-35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.

Operator Sinclair Oil & Gas Company ✓ Address Box 1470, Midland, Texas ✓

County Reeves Survey T&P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 2 Elevation 2936 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

(~~Work-Over~~) (Drilling) Commenced October 23rd, 19 58 (~~Work-Over~~) (Drilling) Completed November 3rd, 19 58

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 Odessa, Texas

Has an allowable been assigned to this well? No - New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8-5/8"OD	385		0		385		Cemented w/200 sax
5"OD	3059		0		3059		Cemented w/150 sax
2-3/8"OD	2905		0		2905		Tubing

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels 12 Hr RRC Potential Test: Flowed 168.09 Bbls 30.2 Corr Gvty Oil & 17 Bbls Formation Water, 16/64" Choke, CP 350#, TP 400#, GOR 450:1 - 24 Hr Calculated Potential 336.18 Bbls Oil

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

WEST

Agnes Beckham Well No. 2 located 1650' from the South & West lines of Section 26, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas

Orig & cc: RRC Midland
cc: Gen Land Off - Austin ✓
FHR, HFD, File

EAST

GENERAL REMARKS

Well drilled to 3059' total depth. Set 5"OD casing @ 3059', cemented w/150 sax. Plug Back depth 3032'. Perforated Delaware Sand Section 2946-58' w/48 holes. Mud acid washed perforations w/500 gals & sand-oil fraced w/1500 gals oil & 1500# sand. Re-mud acid washed w/250 gals & sand-oil fraced w/3000 gals oil & 3000# sand. Well completed as produced in Delaware Sand Section thru perforations 2946-58'.

SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	460	Core #1: 2922-2974
Sand & Anhydrite	460	981	Core #2: 2974-3008
Sand & Lime	981	1190	Core #3: 3008-3059
Lime	1190	1250	
Sandy Lime	1250	1723	
Lime, Shale & Dolomite	1723	1846	
Lime & Shale	1846	2471	
Lime & Salt	2471	2826	
Lime & Dolomite	2826	2905	
Lime	2905	2922	
Sandy Lime	2922	3059	TD 3032 PBTD

4

M. F. 35430

WELL RECORD

WELL # 2

FILED NOV 17 1958

COMMISSIONER

Method of shutting off water Casing Cemented Is water completely shut off? Yes

Amount of water with oil 17 Bbls per cent 9%

I, C. C. Confer

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C R Confer

Representative of Company.

Subscribed and sworn to before me this 13th day of November, 19 58

R E Cross Jr.

R. E. CROSS, JR.
Notary Public, Ector County, Texas

Ector Notary Public County, Texas.

Please refer to File No.....

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 1

M-35430

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK...DRILL.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

15

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line....330.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1320.....feet.

Date.....November 21,.....19 58.....

Name of company or operator

Name....Sinclair Oil & Gas Company.....

Address....P. O. Box 1470.....

City....Midland, Texas.....

Description of farm or lease:

Name of Lease..Agnes Bocldrun (12665).....

Number of Acres.....640.....Well No...3.....

Number of wells on lease.....2.....

Survey..T&P RR Co.....

Elevation...Approx 2965.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.57,T-2.....

Located in.....Sabre (Delaware).....Field

(If Wildcat state above)

Reeves.....County

Approx. 2.....Miles...NW.....direction from

Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form-1 approved.....

Depth to which you propose to drill...3100.....feet.
(Delaware Sand)

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
NOV 24 1958
GENERAL LAND OFFICE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (12665) Well No. 3,

1650' from the South line and 330' from the West line of Section 26, Block 57, T-2, T&P RR. Co. Svy, Reeves County, Texas.

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" equals 1000'

I, R. L. Brown, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name R. L. Brown, Title Division Clerk Production Dept.

Subscribed and sworn to before me this 21st day of November, 1950

Correspondence regarding this well should be addressed to: Roy D. Satterwhite (Roy D. Satterwhite)

Notary Public in and for Midland County, Texas.

Name R. F. Defenbaugh Address P. O. Box 1470, Midland, Texas

NM-35430

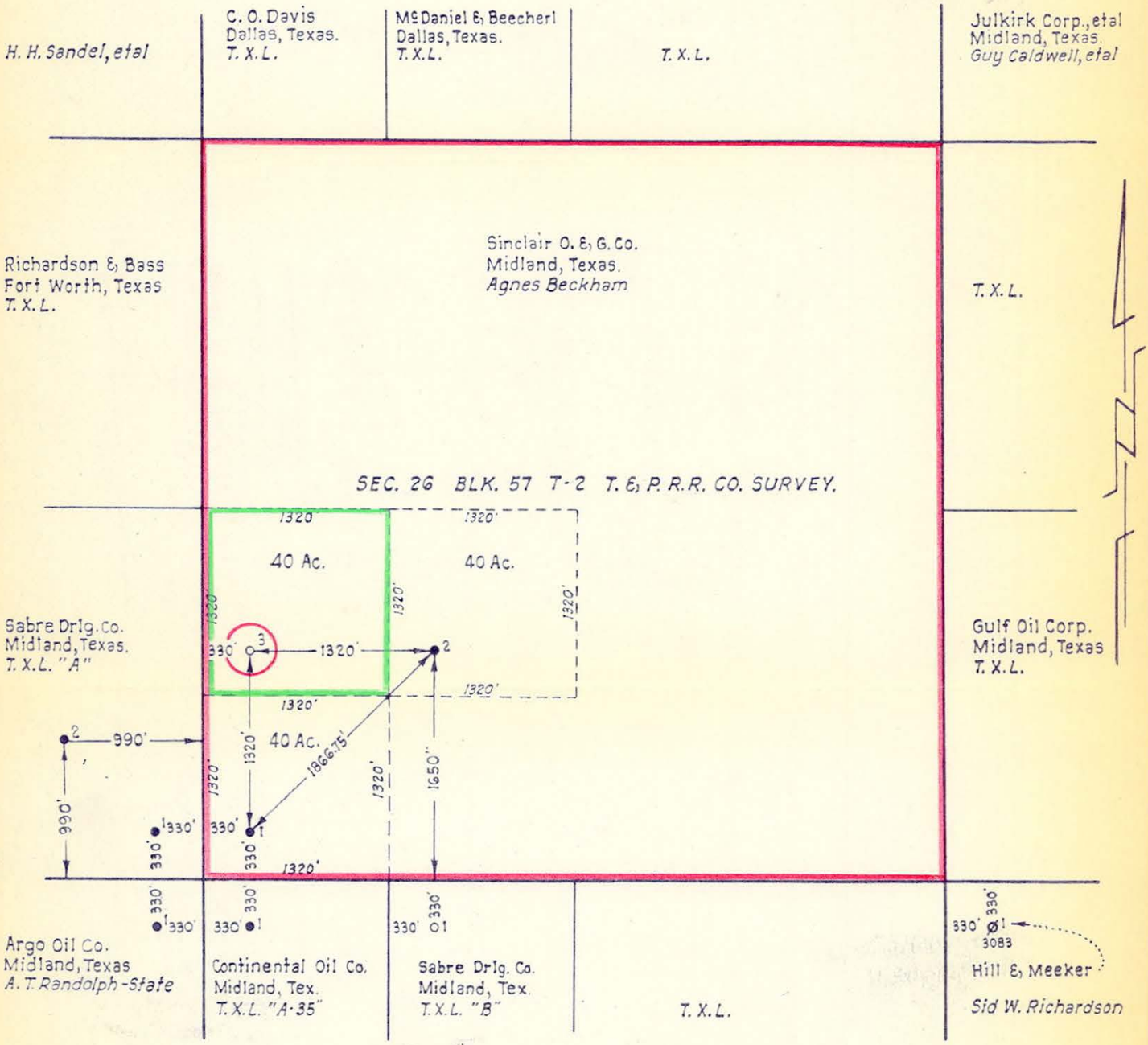
SINCLAIR OIL & GAS CO.

AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1" = 1000'

TOTAL 640 AC.



STATE OF TEXAS }
COUNTY OF MIDLAND } S S.

I, R. L. Brown of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. L. Brown

Subscribed and sworn to before me this 21st day November 1958

NOTARY PUBLIC in and for Midland Co., Texas Roy D. Satterwhite

Roy D. Satterwhite

RECEIVED
NOV 24 1958
GENERAL LAND OFFICE

5

M. F. 35430

Plat & APPLICATION TO DRILL

WELL # 3

FILED NOV 24 1958 19

BILL ALLCORN

COMMISSIONER

CLERK

Please refer to File No..... **RAILROAD COMMISSION OF TEXAS** **Form 1**

OIL AND GAS DIVISION

M35430

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK.....DRILL.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

15

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....330.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1320.....feet.

Date December 10, 1958

Name of company or operator

Name Sinclair Oil & Gas Company

Address P. O. Box 1470

City Midland, Texas

Description of farm or lease:

Name of Lease Agnes Beckham (12665)

Number of Acres 640 Well No. 4

Number of wells on lease 3

Survey T&P RR Co.

Elevation Approx 2965 Feet
(ABOVE SEA LEVEL)

Section No. 26 Block No. 57 T-2

Located in Sabre (Delaware) Field

(If Wildcat state above)

Reeves County

Approx. 2 Miles SW direction from

Orla, Texas nearest postoffice or town.

Rotary or Cable Tools Rotary

Date work will start drilling when Form-1 approved

Depth to which you propose to drill 3100 feet. (Delaware Sand)

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
SEP 11 1958
GENERAL LAND OFFICE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

LOCATION OF SINCLAIR OIL & GAS COMPANY'S AGNES BECKHAM (12665), WELL NO. 4

330' from the South line and 1650' from the West line of Section 26, Block 57, T-2, T&P RR Co. Survey, Reeves County, Texas.

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" equals 1000'

I, R. L. Brown, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name R. L. Brown, Title Division Clerk Production Department

Subscribed and sworn to before me this 10th day of December, 19 58.

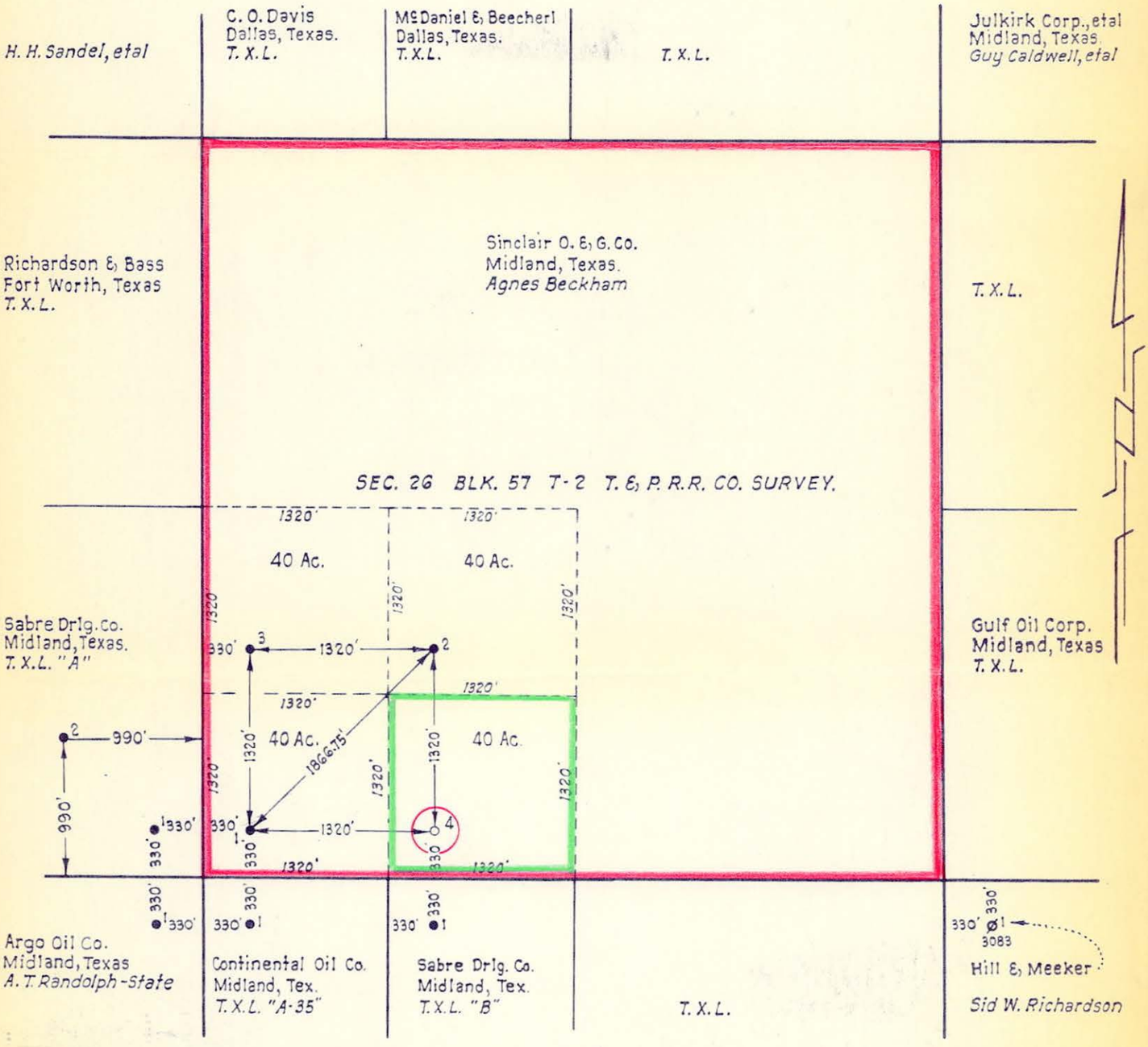
Correspondence regarding this well should be addressed to: Roy D. Satterwhite (Roy D. Satterwhite)

Notary Public in and for Midland County, Texas.

Name H. F. Defenbaugh Address Box 1470, Midland, Texas

SINCLAIR OIL & GAS CO.
AGNES BECKHAM -12665
SABRE (DELAWARE) FIELD - REEVES CO., TEXAS
SCALE: 1" = 1000'
TOTAL 640 AC.

M35430



RECEIVED
DEC 11 1958
REGIONAL LAND OFFICE

STATE OF TEXAS }
COUNTY OF MIDLAND } S.S.

I, R. L. Brown of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. L. Brown

Subscribed and sworn to before me this 10th day December 1958

NOTARY PUBLIC in and for Midland Co., Texas Roy D. Satterwhite

Roy D. Satterwhite

6

M. F. 35430

APPLICATION TO DRILL & Plat

WELL # 4

FILED DEC 11 1958 19

BILL ALLCORN

COMMISSIONER

CLERK

15 M35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

File No.....

Form 2
Well Record

Operator SINCLAIR OIL & GAS COMPANY Address BOX 1470 - MIDLAND, TEXAS

County Reeves Survey T&P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 3 Elevation 2957'
(Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes, DEEPENING? No, or a WORK-OVER? No,

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~Work-Over~~ (Drilling) Commenced November 25th, 19 58 ~~Work-Over~~ (Drilling) Completed December 5th, 19 58

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386
Odessa, Texas

Has an allowable been assigned to this well? No - New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8-5/8" OD	376		0		376		Cemented w/200 sax
5-1/2" OD	3015		0		3015		Cemented w/200 sax
2-3/8" OD	2933		0		2933		Tubing-Packer Set @ 2900

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels On 10 Hr. RRC Potential Test: Flowed 114.09 Bbls. 34.0 Corr Gvty Oil, No Water, 14/64" Choke, TP 540#, CP -0-Packer, GOR 512:1 - 24 Hr. Calculated Potential @ 273.82 Bbls. Oil.

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No,

RECEIVED
DEC 15 1958
GENERAL LAND OFFICE

DESCRIPTION OF PROPERTY

NORTH

WEST

Agnes Beckham Well No. 3 located 1650' from the South Line & 330' from the West Line of Section 26, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas

EAST

GENERAL REMARKS

Well drilled to total depth 3015'. Set 5-1/2" OD Casing @ 3015', cemented w/200 sax & 45 gals. latex plug back depth 2996'. Perforated Delaware Sand Section 2948-60' w/48 holes. Mud-acid washed perforations w/500 gals & sand-oil fraced w/1500 gals. oil & 1500# sand. Well completed as producer in Delaware Sand Section thru perforations 2948-60'.

Orig. & cc: RRC - Midland
cc: Gen. Land Off.-Austin
cc: FHR, HFD, File.

SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	1050	Core #1: 2915-2965
Sand & Anhydrite	1050	1501	Core #2: 2965-3015
Anhydrite & Lime	1501	2510	
Salt	2510	2750	
Lime & Anhydrite	2750	2915	
Sand	2915	3015	TD 2996 PBTD

M.F. 35430

WELL RECORD

WELL # 3

FILED DEC 15 1958

Method of shutting off water Casing Cemented Is water completely shut off? Yes

Amount of water with oil None per cent None

I, C. G. CONFER

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C R Cooper

Representative of Company.

Subscribed and sworn to before me this 10th day of December, 19 58

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R E Cross Jr.

Notary Public

Ector County, Texas.

RECEIVED
JAN - 7 1959
GEN. L LAND OFFICE

M-35430

15

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.

Operator SINCLAIR OIL & GAS COMPANY Address BOX 1470, MIDLAND, TEXAS

County REEVES Survey T&P RR CO. Block No. 57 Sec. No. 26 TWP. 2

Lease Name AGNES BECKHAM (12665) Well No. 4 Elevation 2948'
(Above Sea Level)

Name of Field in which well is located SAWRE (DELAWARE)

Form 1 (Notice of Intention to Drill) Was Filed in Name of SINCLAIR OIL & GAS COMPANY

Is this a NEW WELL? YES, DEEPENING? NO, or a WORK-OVER? NO,

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

(Work-Over) (Drilling) Commenced DECEMBER 15TH, 19 58 (Work-Over) (Drilling) Completed DECEMBER 23RD, 19 58

Correspondence regarding this well should be sent to: Name MR. FRED BURNS Address BOX 3386 ODESSA, TEXAS

Has an allowable been assigned to this well? NO - NEW WELL

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8-5/8" OD	385		0		385		CEMENTED W/200 SAX
5" OD	3023		0		3023		CEMENTED W/150 SAX
2-3/8" OD	2940		0		2940		TUBING-PACKER SET @ 2909

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels 16 HR. RRC POTENTIAL TEST: FLOWED 103.86 BBLS. 34.0 CORR GVTY OIL, NO WATER, 16/64" CHOKE, TP 260#, CP-0-PACKER, GOR 226:1 24 HR. CALCULATED POTENTIAL 156 BBLS. OIL

Initial Production of Distillate: Barrels

Is this an OIL well? YES, a GAS well? NO, or a Dry HOLE? NO,

DESCRIPTION OF PROPERTY

NORTH

WEST

AGNES BECKHAM WELL NO. 4 LOCATED 330' FROM THE SOUTH LINE & 1650' FROM THE WEST LINE OF SECTION 26, BLOCK 57, TWP. 2, T&P RR COMPANY, SURVEY, REEVES COUNTY, TEXAS.

Orig. & cc: RRC - Midland,
cc: Gen Land Of-Austin,
cc: FHR, HFD, File.

EAST

GENERAL REMARKS

WELL DRILLED TO 3023' TOTAL DEPTH. SET 5" OD CASING @ 3023', CEMENTED W/150 SAX. PLUG BACK DEPTH 2989'. PERFORATED DELAVARE SAND SECTION 2945-59' W/56 HOLES. MUD ACID WASHED PERFS W/ 250 GALS & SAND-OIL FRACED W/1500 GALS OIL & 1500# SAND. WELL COMPLETED AS PRODUCER IN DELAVARE SAND SECTION THRU PERFORATIONS 2945-59'.

SOUTH

M 35-430

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
RED BED	0	850	
LIME, SHALE & DOLOMITE	850	1056	
SANDY LIME	1056	1495	
LIME & SHALE	1495	1650	
ANHYDRITE & LIME	1650	2125	
LIME	2125	2550	
SALT	2550	2893	
ANHYDRITE & DOLOMITE	2893	2923	
SAND	2923	3023	TD 2989 PBTD

W. F. 23430
WELL RECORD
WELL # 4
FILED JAN 7 1959
COMMISSIONER

8

Method of shutting off water CASING CEMENTED Is water completely shut off? YES,
Amount of water with oil NONE per cent NONE

I, FRED BURNS
being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Fred Burns
Representative of Company.

Subscribed and sworn to before me this 5TH day of JANUARY, 19 59.

R. E. Cross, Jr.
Notary Public

R. E. CROSS, JR.
Notary Public, Ector County, Texas

ECTOR County, Texas.

Please refer to File No..... **RAILROAD COMMISSION OF TEXAS** 35'430 **Form 1**

OIL AND GAS DIVISION

84

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK.....DRILL.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....1980.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1682.7.....feet.

Date.....January 28,.....19..59....

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease.....Agnes Beckham (12665).....

Number of Acres.....640.....Well No.....5.....

Number of wells on lease.....4.....

Survey.....T&P RR Co.....

Elevation.....Approx. 2935.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.....57, T-2.....

Located in.....Sabre (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx. 2.....Miles.....SW.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....When Form 1 approved.

Depth to which you propose to drill.....3100.....feet.
(Delaware)

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: **Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.**

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
JAN 30 1959
GENERAL LAND OFFICE

on map 1-30-59 cl

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

LOCATION OF SINCLAIR OIL & GAS COMPANY'S AGNES BECKHAM (12665), WELL NO. 5

Well is located 1980' from the North and West lines of Section 26, Block 57, T-2, T&P RR Co. Survey, Reeves County, Texas.

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" equals 1000'

I, R. L. Brown, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name R. L. Brown, Title Division Clerk Production Dept.

Subscribed and sworn to before me this 28th day of January, 1959

Correspondence regarding this well should be addressed to: Roy D. Satterwhite

Notary Public In and for Midland County, Texas.

Name H. F. Defenbaugh Address Box 1470, Midland, Texas

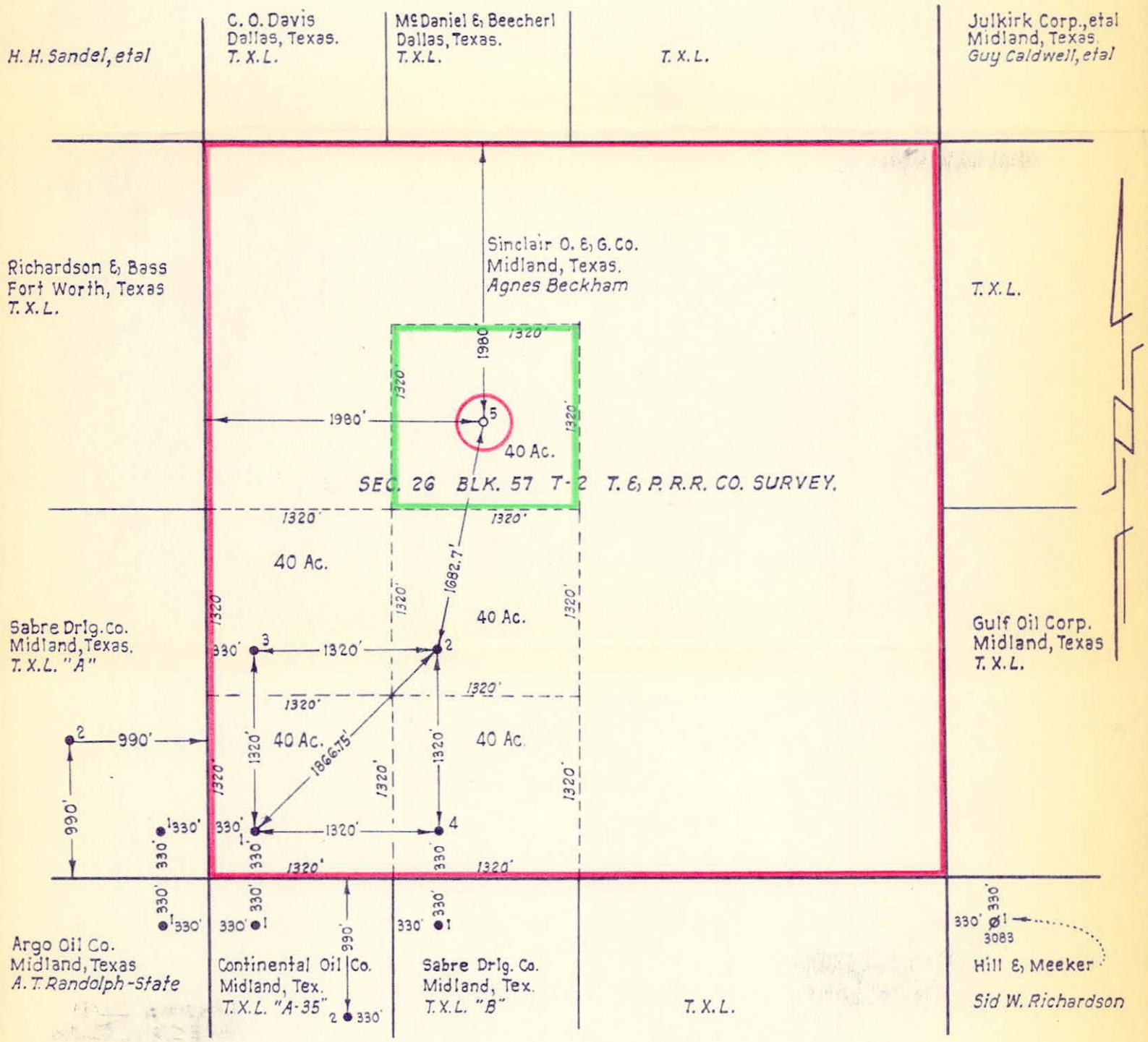
SINCLAIR OIL & GAS CO.

AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1" = 1000'

TOTAL 640 AC.



STATE OF TEXAS
COUNTY OF MIDLAND } S S.

I, R. L. Brown of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. L. Brown

Subscribed and sworn to before me this 28th day January 1959

NOTARY PUBLIC in and for Midland Co., Texas Roy D. Satterwhite

Roy D. Satterwhite

RECEIVED
JAN 30 1959
GENERAL LAND OFFICE

9

M. F. 35430

APPLICATION To DRILL & Plat

WELL # 5

FILED JAN 30 1959 19

BILL ALEXANDER

COMMISSIONER

#5

CLERK

Please refer to File No.....

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 1

M-35 A30

24

RECEIVED
FEB 28 1959
General Land Office

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK....Drill.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....660.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1681.7.....feet.

Date.....February 26,.....19.59...

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease.....Agnes Beckham (12665).....

Number of Acres.....640.....Well No.....6.....

Number of wells on lease.....5 Oil.....

Survey.....T&P RR Co.....

Elevation.....Approx 2950.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.....57.....T-2

Located in.....Sabre (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx 2.....Miles.....SW.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....When Form 1 approved.....

Depth to which you propose to drill.....3150.....feet.

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (12665) Well No. 6

660' from the South line and 1980' from the East line of Section 26, Block 57, T-2, T&P RR Co. Survey, Reeves County, Texas

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" equals 1000'

I, R. D. Satterwhite, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name R. D. Satterwhite, Title Chief Clerk Production Dept.

Subscribed and sworn to before me this 26th day of February 19 59

Correspondence regarding this well should be addressed to: H. F. Defenbaugh

Address P. O. Box 1470, Midland, Texas

Betty J. Rigney (Betty J. Rigney)
Notary Public In and For Midland County, Texas.

SINCLAIR OIL & GAS CO.

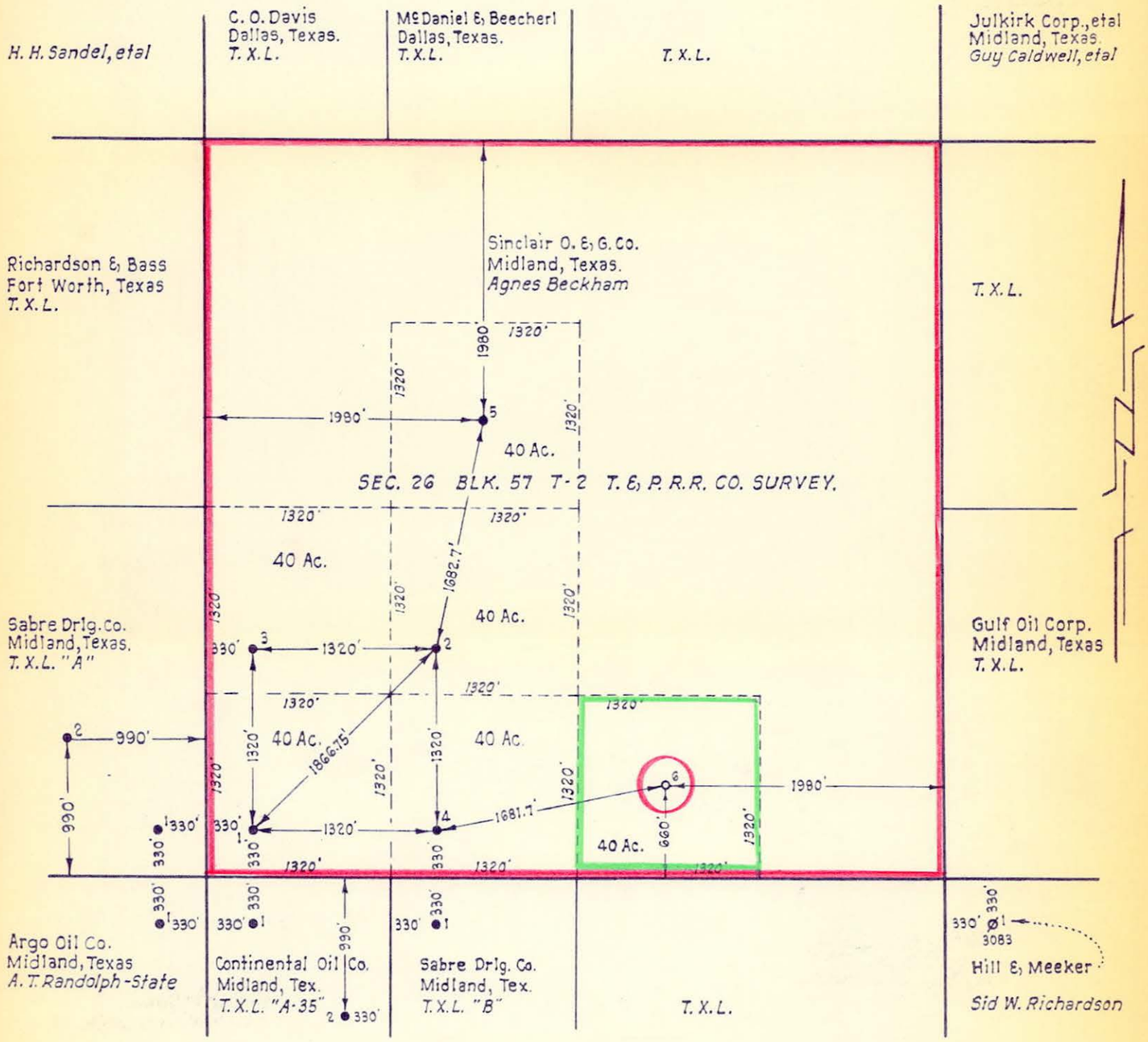
AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1"=1000'

TOTAL 640 AC.

RECEIVED
FEB 28 1959
General Land Office



STATE OF TEXAS }
COUNTY OF MIDLAND } S.S.

I, R. D. Satterwhite of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. D. Satterwhite

Subscribed and sworn to before me this 26th day February 1959

NOTARY PUBLIC in and for Midland Co., Texas Betty J. Rigney

Betty J. Rigney

10

N. M. 35430

APPLICATION TO DRILL + Plat

WELL # 1

FILED FEB 28 1958 19

BILL ALLCOCK

COMMISSIONER

CLERK

RECEIVED

FEB 26 1959

General Land Office

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2

Well Record

File No.....

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 5 Elevation 2925 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~(Work-Over)~~ (Drilling) Commenced February 5th, 19 59 (~~Work-Over~~) (Drilling) Completed February 11th, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 Odessa, Texas

Has an allowable been assigned to this well? No - New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8" OD	400		0		400		Cemented w/250 Sax
5 " OD	3017		0		3017		Cemented w/175 Sax
2 3/8" OD	2907		0		2907		Tubing

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels 24 Hr RRC Potential test: Flowed 172.72 bbls 30.2 Deg Grvty Oil, no water, 14/64" choke, CP 1100#, TP 500#, GOR 378:1

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

WEST

Agnes Beckham Well No. 5 located 1980' from the North & West lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

EAST

GENERAL REMARKS

Well drilled to 3017' total depth. Set 5"OD casing @ 3017', cemented w/175 sax & 45 gals. latex. Plug back depth 2994'. Perforated Delaware Sand Section 2942-55' w/52 Holes. Mud acid washed perforations w/500 gals & sand oil fraced w/500 gals oil and 1500# sand. Well completed as producer in Delaware sand Section thru perforations 2942-55'.

Orig & cc: RRC - Midland
cc: General Lands Office-Austin
FHR, HWD, File

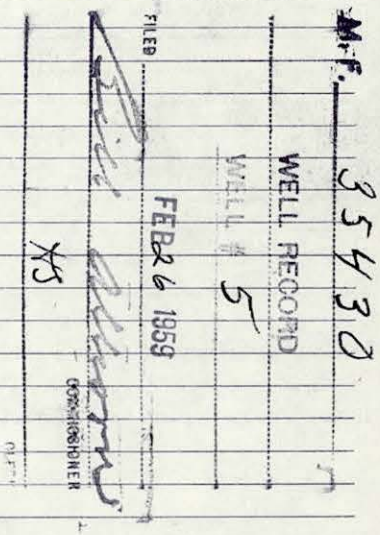
SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	400	Core # 1: 2917-2967
Anhydrite	400	1469	Core # 2: 2967-3017
Anhydrite & Lime	1469	2400	
Lime & Shale	2400	2497	
Salt, Lime & Shale	2497	2849	
Shale	2849	2900	
Lime	2900	2917	
Shaly Sand	2917	3017	TD 2994 PBTD



Method of shutting off water Casing cemented Is water completely shut off? Yes

Amount of water with oil None per cent None

I, Fred Burns, being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Fred Burns
Representative of Company.

Subscribed and sworn to before me this 18th day of February, 19 59

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R E Cross Jr
Notary Public

Ector County, Texas.

RECEIVED
MAR 21 1959
General Land Office

m-35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.

Operator SINCLAIR OIL & GAS COMPANY Address BOX 1470 - MIDLAND, TEXAS

County REEVES Survey T&P RR CO. Block No. 57 Sec. No. 26, Twp. 2

Lease Name AGNES BECKHAM (12655) Well No. 6 Elevation 2925' (Above Sea Level)

Name of Field in which well is located SABRE (DELAWARE)

Form 1 (Notice of Intention to Drill) Was Filed in Name of SINCLAIR OIL & GAS COMPANY

Is this a NEW WELL? YES, DEEPENING? NO, or a WORK-OVER? NO,

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

XXXXXX (Work-Over) (Drilling) Commenced MARCH 3rd, 19 59 XXXXXX (Work-Over) (Drilling) Completed MARCH 10th, 19 59

Correspondence regarding this well should be sent to: Name MR. FRED BURNS Address BOX 3386 ODESSA, TEXAS

Has an allowable been assigned to this well? NO - NEW WELL

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8-5/8" OD	350		0		350		CEMENTED W/225 SAX
5" OD	3013		0		3013		CEMENTED W/175 SAX
2-3/8" OD	2936		0		2936		TUBING

Initial Production of Gas—Volume 23 MCF 24 hrs. Pressure FLOWED 141.01 BBLS 31.0 CGRR GVTY OIL & NO WATER, 14/64" CHOKE, CP 425#, TP 425#, GOR 250:1, 24 HR lbs. per square inch

Initial Production of Oil: Barrels CALCULATED POTENTIAL 147.14 BBLS OIL

Initial Production of Distillate: Barrels

Is this an OIL well? YES, a GAS well? NO, or a Dry HOLE? NO,

DESCRIPTION OF PROPERTY

NORTH

WEST

AGNES BECKHAM WELL NO. 6 LOCATED 1980' FROM THE EAST LINE & 660' FROM THE SOUTH LINE OF SECTION 26, BLOCK 57, TWP. 2, T&P RR COMPANY SURVEY, REEVES COUNTY, TEXAS.

EAST

GENERAL REMARKS

WELL DRILLED TO 3013' TOTAL DEPTH. SET 5" OD CASING @ 3013', CEMENTED W/175 SAX & 45 GALS LATEX. PLUG BACK DEPTH 3011'. PERFORATED DELAWARE SAND SECTION 2946-56' W/40 HOLES. MUD-ACID WASHED PERFORATIONS W/250 GALS & SAND-OIL FRACED W/1500 GALS OIL & 1500# SAND. WELL COMPLETED AS FLOWING PRODUCER.

Orig. & cc: NRC - Midland
cc: Gen.Land Off.-Austin,
cc: FHR, HFD, File.

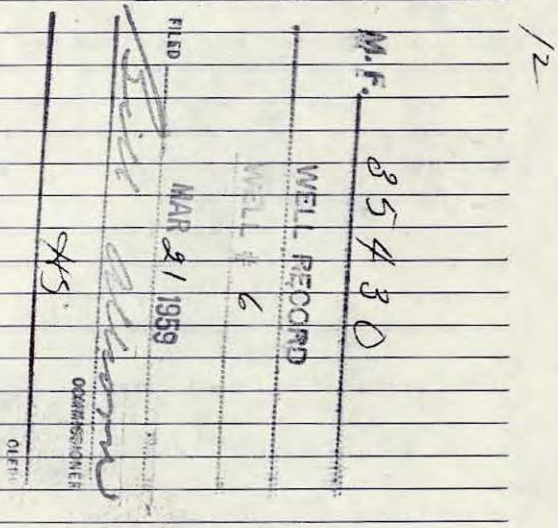
SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
RED BED	0	385	CORE #1: 2913-2963'
ANHYDRITE	385	2913	CORE #2: 2963-3013'
SAND	2913	3013	TD 3011 PBTD



12

Method of shutting off water CASING CEMENTED Is water completely shut off? YES,

Amount of water with oil NONE per cent

I, C. G. CONFER

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C R Cooper

Representative of Company.

Subscribed and sworn to before me this 17th day of MARCH, 59

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R E Cross Jr.

ECTOR Notary Public

County, Texas.

Please refer to File No..... **RAILROAD COMMISSION OF TEXAS** Form 1

OIL AND GAS DIVISION

35-430

24

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK.....Drill.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....1980.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1320.....feet.

Date.....March 16,....., 19..59...

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease.....Agnes Peckham (12665).....

Number of Acres.....640.....Well No.....7.....

Number of wells on lease.....6 oil.....

Survey.....T&P RR Co.....

Elevation.....Approx. 2950.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.....57.....T-2

Located in.....Zebra (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx. 2.....Miles.....SW.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form 1 approved.....

Depth to which you propose to drill.....3350.....feet.

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

RECEIVED
MAR 20 1959
General Land Office

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (12665) Well No. 2

1980' from the South and East lines of Section 26, Block 57, T-2, T&P RR Company Survey, Reeves County, Texas

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" = 1000'

I, R. F. Satterwhite being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Name R. F. Satterwhite, Title Chief Clerk Production Dept.

Subscribed and sworn to before me this 18th day of March, 19 59.

Correspondence regarding this well should be addressed to: Virgil H. Piccolo (Virgil H. Piccolo)

Notary Public in and for Midland County, Texas.

Name H. F. Defenbaugh Address P. O. Box 1470, Midland, Texas

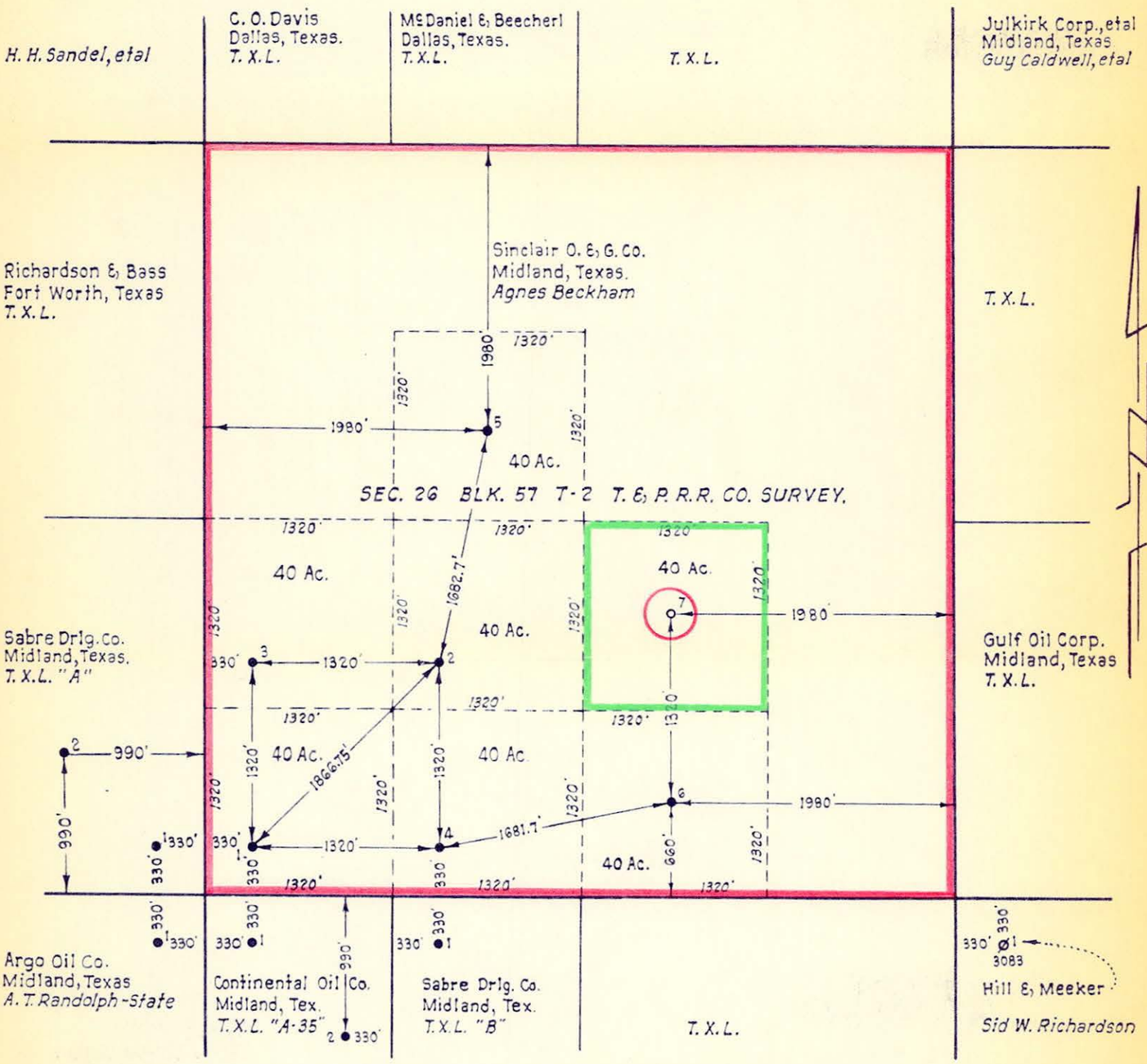
SINCLAIR OIL & GAS CO.

AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1"= 1000'

TOTAL 640 AC.



RECEIVED

MAR 20 1959

General Land Office

3-5430

STATE OF TEXAS }
COUNTY OF MIDLAND } S S

I, R. D. Satterwhite of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

R. D. Satterwhite

Subscribed and sworn to before me this 18th day March 1959

NOTARY PUBLIC in and for Midland Co., Texas Virgil H. Piccolo

Virgil H. Piccolo

13

M. F. 35430

WELL RECORD + Plat

WELL # 7

FILED MAR 20 1959

Bill Allcorn

COMMISSIONER

DS

CLERK

Please refer to File No..... m-35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 1

34

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK....Drill.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line....1980....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1320.....feet.

Date.....April 9,....., 19..52..

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease...Agnes Beckham (12665).....

Number of Acres.....640.....Well No...6.....

Number of wells on lease.....7 oil.....

Survey.....T&P RR Co.....

Elevation.....Approx. 2950.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No..57 T-2.....

Located in.....Sebre (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx. 2.....Miles.....SW.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form 1 approved.....

Depth to which you propose to drill.....3200.....feet.

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Amos Beckham (12665) Well No. 8

1980' from the North and East lines of Section 26, Block 57, T-2, T&P RR Company Survey, Reeves County, Texas

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat....1" = 1000'

I, ...R. D. Satterwhite...., being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Original Copy Signed
R. D. SATTERWHITE

Name....., Title....Chief Clerk Production Dept.

Subscribed and sworn to before me this....9th....day of....April....., 19..59.....

Original Copy Signed
VIRGIL H. PICCOLO

(Virgil H. Piccolo)

Correspondence regarding this well should be addressed to: .....

Notary Public....In and for Midland.....County, Texas.

Name....E. F. Defenbaugh..... Address....P. O. Box 1470, Midland, Texas.....

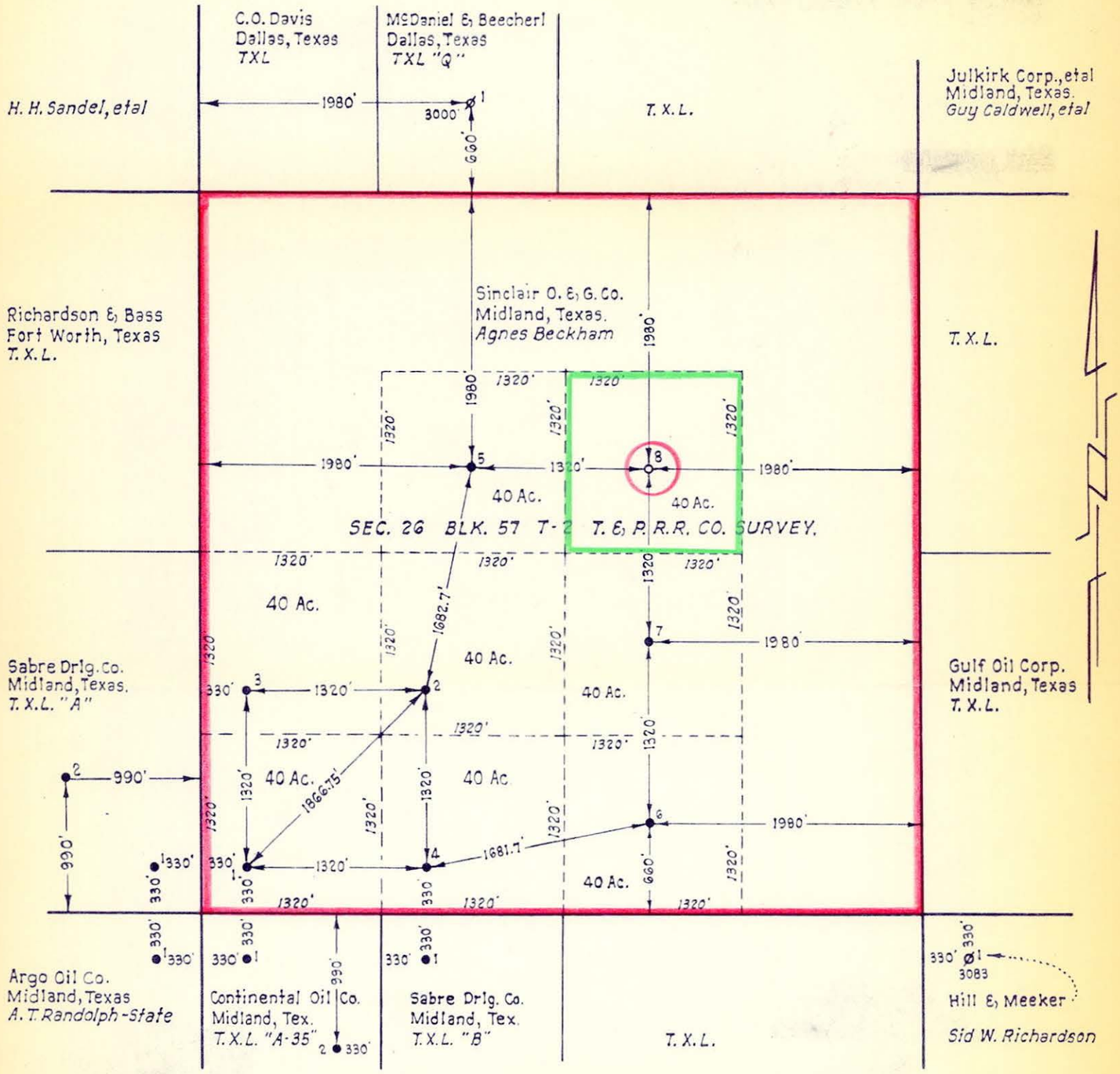
SINCLAIR OIL & GAS CO.

AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1" = 1000'

TOTAL 640 AC.



STATE OF TEXAS }
COUNTY OF MIDLAND } S S

I, R. D. Satterwhite of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

Original Copy Signed
R. D. SATTERWHITE

Subscribed and sworn to before me this 9th day April 1959

Original Copy Signed
VIRGIL H. PICCOLO

NOTARY PUBLIC in and for Midland Co., Texas

Virgil H. Piccolo

14

M. F. 35430

APPLICATION TO DRILL + Plat

WELL # 8

FILED APR 10 1958

BILL ALEXANDER

COMMISSIONER

CLERK

RECEIVED
APR 10 1959
General Land Office

File No. 35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 7 Elevation 2918 (Above Sea Level)

Name of Field in which well is located Sabre(Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~(Work-Over)~~ (Drilling) Commenced March 23rd, 19 59 ~~(Work-Over)~~ (Drilling) Completed March 29th, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3186 Odessa, Texas

Has an allowable been assigned to this well? No- New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8"OD	390		0		390		Cemented w/225 sax
5"OD	3012		0		3012		Cemented w/175 sax
2 3/8"OD	2929		0		2929		Tubing

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels On 24 hr RRC Potential flowed 201.09 bbls 30.3 Corr Gvty Oil and 3 bbls acid water, 15/64"choke, CP 450#, TP 380# GOR 475:1

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

WEST

Agnes Beckham Well No. 7 located 1980' from the south and east lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

EAST

GENERAL REMARKS

Well drilled to 3012' total depth Set 5"OD Casing @ 3012' cemented w/175 sax. Plug back depth 2972'. Perforated Delaware Sand Section 2937-49' w/48 hole Mud acid wash perforations w/250 gals & sand oil fraced w/1500 gals oil & 1500# sand. Well completed as producer in Delaware Sand Section thru perforations 2937-49'.

Orig & cc: RRC - Midland
cc: Gen Land Office, Austin
cc: PHR, HFD, File

SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	390	Core # 1: 2913-2962
Anhydrite	390	2380	Core # 2: 2962-3012
Anhydrite & Salt	2380	2895	
Anhydrite & Lime	2895	2913	
Sand & Shale	2913	3012	TD 2972 PBTD

M.F. BS 430

WELL RECORD

WELL # 7

APR 10 1959

FILED

Method of shutting off water Casing cemented Is water completely shut off? Yes

Amount of water with oil 3 bbls acid water per cent 1%

I, C.R. Confer

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C R Confer

Representative of Company.

Subscribed and sworn to before me this 6th day of April, 19 59

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R E Cross Jr.

Notary Public

Ector County, Texas.

Please refer to File No.....

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 1

35430

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK.....Drill.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

24

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance 660 from proposed location to property or lease line.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease..1320.feet.

Date.....April 27,....., 19..59...

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease.....Agnes Beckham (12665).....

Number of Acres.....640.....Well No.....9.....

Number of wells on lease.....8 oil.....

Survey.....TAP RR Co.....

Elevation.....Approx. 2950.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.....57 T-2.....

Located in.....Sabre (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx. 2 SW.....Miles.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form 1 approved.....

Depth to which you propose to drill.....3200.....feet.

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
APR 28 1959
General Land Office

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (12665) Well No. 9

660' from the East line and 1980' from the North line of Section 26, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" = 1000'

I, R. D. Satterwhite, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Original Copy Signed
R. D. SATTERWHITE

Name R. D. Satterwhite, Title Chief Clerk Production Dept.

Subscribed and sworn to before me this 27th day of April, 19 59

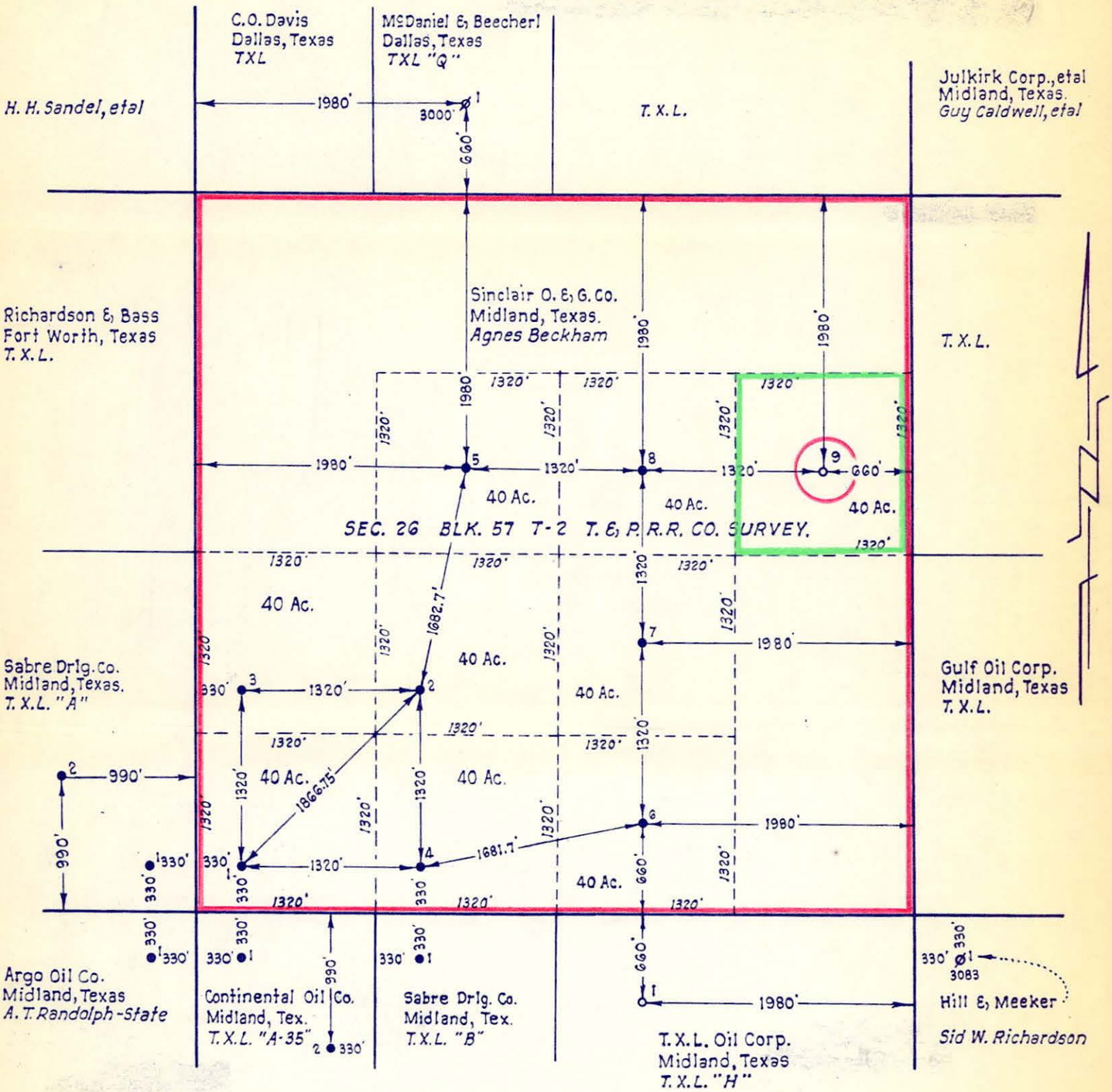
Original Copy Signed
VIRGIL H. PICCOLO
Notary Public in and for Midland County, Texas.

Correspondence regarding this well should be addressed to: (Virgil H. Piccolo)

Name H. F. Defenbaugh Address P. O. Box 1470, Midland, Texas

35430

SINCLAIR OIL & GAS CO.
AGNES BECKHAM -12665
SABRE (DELAWARE) FIELD - REEVES CO., TEXAS
SCALE: 1" = 1000'
TOTAL 640 AC.



RECEIVED
APR 28 1959
General Land Office

STATE OF TEXAS }
COUNTY OF MIDLAND } S.S.

I, R. D. Satterwhite of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

Original Copy Signed
R. D. SATTERWHITE

Subscribed and sworn to before me this 27th day April 1959

Original Copy Signed
VIRGIL H. PICCOLO

NOTARY PUBLIC in and for Midland Co., Texas

Virgil H. Piccolo

16

M. F. 35430

APPLICATION TO DRILL WELL # 9

and Plat

APR 28 1959

FILED

CLERK

RECEIVED
MAY -2 1959

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

24

Form 2
Well Record

File No. ..... General Land Office

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 8 Elevation 2912 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~(Work-Over)~~ (Drilling) Commenced April 16th, 19 59 ~~(Work-Over)~~ (Drilling) Completed April 22nd, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 - Odessa, Texas

Has an allowable been assigned to this well? No.- new Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8"OD	350		0		350		Cemented w/250 sax
4 1/2"OD	3011		0		3011		Cemented w/175 sax
1 1/4"OD	2917		0		2917		Tubing

Initial Production of Gas—Volume ..... MCF 24 hrs. Pressure ..... lbs. per square inch

Initial Production of Oil: Barrels On 22 hr RRC Potential test flowed 249.3 bbls 31.0 Corr Gvty Oil & 8 bbls Formation water, 16/64" choke, CP 590#, TP 250#, GOR 390:1 24 hour calculated Potential 271.89 bbls oil

Initial Production of Distillate: Barrels .....

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Beckham Well No. 8 located 1980' from the north & east lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

WEST

EAST

Orig & cc: RRC - Midland
cc: Gen. Lands Office - Austin ✓
cc: FHR, HVD, File

SOUTH

GENERAL REMARKS

Well drilled to 3011' total depth. Set 4 1/2" casing @ 3011', cemented w/175 sax & 45 gals latex. Plugback depth 2968'. Perforate Delaware sand section 2934-44' w/40 holes. MAW w/250 gals & SOF w/1500 gals oil & 1500# sand. Well completed as producer in Delaware Sand Section thru perfs 2934-44'.

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	350	
Anhydrite	350	2868	
Anhydrite & Lime	2868	2918	
Sand	2918	3011	

M.F. 25430

WELL RECORD

WELL # 8

FILED MAY 2 1959

Method of shutting off water Casing cemented Is water completely shut off? Yes

Amount of water with oil 8 bbls per cent 3%

I, C. R. Confer

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C R Confer

Representative of Company.

Subscribed and sworn to before me this 28th day of April, 19 59

R E Cross Jr

Notary Public

Ector County, Texas.

R. E. CROSS, JR.
Notary Public, Ector County, Texas

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

M-35430

File No.....

Operator Sinclair Oil & Gas Company Address Box 1470, Midland, Texas

County Reeves Survey T&P RR Co. Block No. 57 Sec. No. 26 TWP 2

Lease Name Agnes Beckham (12665) Well No. 9 Elevation 2903 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~(Work-Over)~~ (Drilling) Commenced May 7th, 19 59 ~~(Work-Over)~~ (Drilling) Completed May 15th, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 Odessa, Texas

Has an allowable been assigned to this well? No-New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8"OD	350		0		350		Cemented w/250 sax
4 1/2"OD	2980		0		2980		Cemented w/175 sax
1 1/4"OD	2907		0		2907		Tubing

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels 23 Hr RRC Potential Test: Flowed 168.06 Bbls 30.2 Corr Gvty Oil, No Water, 14/64" choke, CP 550#, TP 490#, GOR 425:1 24 Hr Calculated Potential 175.37 Bbls Oil

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Beckham Well No. 9, located 660' from the East line and 1980' from the North line of Section 26, Block 57, TWP 2, T & P RR Co Survey, Reeves County, Texas

WEST

EAST

SOUTH

Orig & cc: RRC-Midland
cc: Gen Land Office-Austin ✓
cc: FWR, HFD, File

GENERAL REMARKS

Well drilled to 2980' total depth. Set 4½" OD casing @ 2980', cemented w/175 sax. Plug back depth 2973'. Perforated Delaware sand section 2947-62' w/60 holes. Mud acid washed perforations w/250 gals and sand-oil fraced w/1500 gals oil and 1500# sand. Well completed as producer.

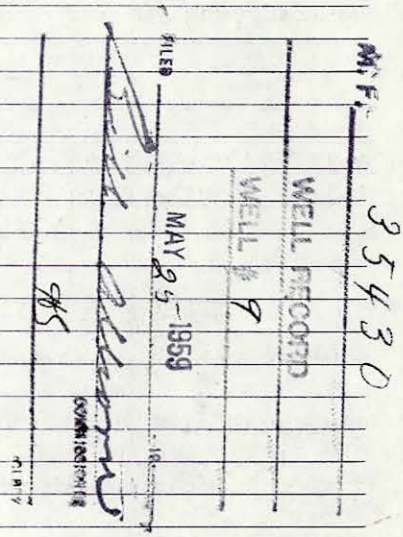
RECEIVED
MAY 25 1959
General Land Office

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	385	
Anhydrite	385	1875	
Anhydrite & Lime	1875	2225	
Lime & Anhydrite	2225	2531	
Salt	2531	2695	
Lime & Sand	2695	2928	
Sandy Shale	2928	2980	TD 2973 PBTD



Method of shutting off water Casing Cemented Is water completely shut off? Yes

Amount of water with oil None per cent None

I, C. R. Cooper, being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

C. R. Cooper
Representative of Company

Subscribed and sworn to before me this 21st day of May, 1959.

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R. E. Cross, Jr.
Notary Public
Ector County, Texas.

Please refer to File No.....

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 1

14

35430

APPLICATION TO DRILL, DEEPEN OR PLUG BACK

IS THIS AN APPLICATION TO DRILL, DEEPEN OR PLUG BACK.....Drill.....?

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

READ CAREFULLY AND COMPLY FULLY

In order that it may be ascertained whether or not the proposed location covered by this notice conforms to the applicable spacing regulations set down by the Railroad Commission, there are two important footages that must be shown; that is, THE NEAREST DISTANCE OF PROPOSED LOCATION FROM LEASE OR PROPERTY LINE AND DISTANCE OF PROPOSED LOCATION FROM THE NEAREST WELL ON THE SAME LEASE. Do not begin drilling operations on any location prior to filing Form 1 and until permit granted by the Commission has been received and waiting clause period has terminated.

For the purpose of this determination draw on the back side hereof a neat, accurate sketch, made to scale, of this lease, block, or lot locating thereon the proposed site for this location with reference to the two nearest lease lines.. Also show the nearest wells on all sides of of this location and the distance from the proposed location to those wells. In addition to the foregoing, unit boundary designations must be shown for each producing well on the lease and shall include proposed unit boundaries for the location herein applied for showing the acreage to be assigned this well. Give names and addresses of adjoining lease or property owners, and designate all property by lease and company name. You may attach a blue print showing this information if you so desire.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR BLUE PRINT SHOWS ONLY A SECTION, BLOCK, OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

Where the size of the tract will permit, use scale of one inch equaling 1000 feet; if less than 2 acres use scale of one inch equaling 100 feet. DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

FILL IN BELOW IN THE SPACES RESERVED FOR THIS PURPOSE THE FOOTAGES ASKED FOR:

Nearest distance from proposed location to property or lease line.....660.....feet.

Distance from proposed location to nearest drilling, completed, or applied for well on same lease.....1320.....feet.

Date.....May 27,.....19.59...

Name of company or operator

Name.....Sinclair Oil & Gas Company.....

Address.....P. O. Box 1470.....

City.....Midland, Texas.....

Description of farm or lease:

Name of Lease.....Agnes Beckham (12665).....

Number of Acres.....640.....Well No.....10.....

Number of wells on lease.....9 oil.....

Survey.....T&P RR Co.....

Elevation.....Approx. 2950.....Feet
(ABOVE SEA LEVEL)

Section No.....26.....Block No.....57 T-2.....

Located in.....Sabre (Delaware).....Field

(If Wildcat state above)

.....Reeves.....County

.....Approx. 2.....Miles.....SW.....direction from

.....Orla, Texas.....nearest postoffice or town.

Rotary or Cable Tools.....Rotary.....

Date work will start drilling.....when Form 1 approved.....

Depth to which you propose to drill.....3200.....feet.

Date work will start deepening.....

IF LEASE PRUCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name.....

Address.....

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

DRAW SKETCH AND MAKE AFFIDAVIT ON REVERSE SIDE

RECEIVED
MAY 28 1959
General Land Office

8

FILE No.....

DRAW SKETCH IN SPACE BELOW OR FILE CERTIFIED LEASE PLAT
(Be sure that all required locations, footages, distances, and scales are given.)

NORTH

Location of Sinclair Oil & Gas Company's Agnes Beckham (12665) Well No. 10

660' from the North and East lines of Section 26, Block 57, Twp. 2, T&P RR Co. Survey, Reeves County, Texas

PLAT ATTACHED

WEST

EAST

SOUTH

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Board of Water Engineers, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

Scale of Plat 1" = 1000'.

I, R. D. Satterwhite, being first duly sworn on oath, state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Original Copy Signed
R. D. SATTERWHITE

Name....., Title Chief Clerk Production Dept.

Subscribed and sworn to before me this 27th day of May, 1959.

Original Copy Signed
VIRGIL H. PICCOLO

Correspondence regarding this well should be addressed to: (Virgil H. Piccolo)

Notary Public in and for Midland County, Texas.

Name H. F. Defenbaugh Address P. O. Box 1470, Midland, Texas

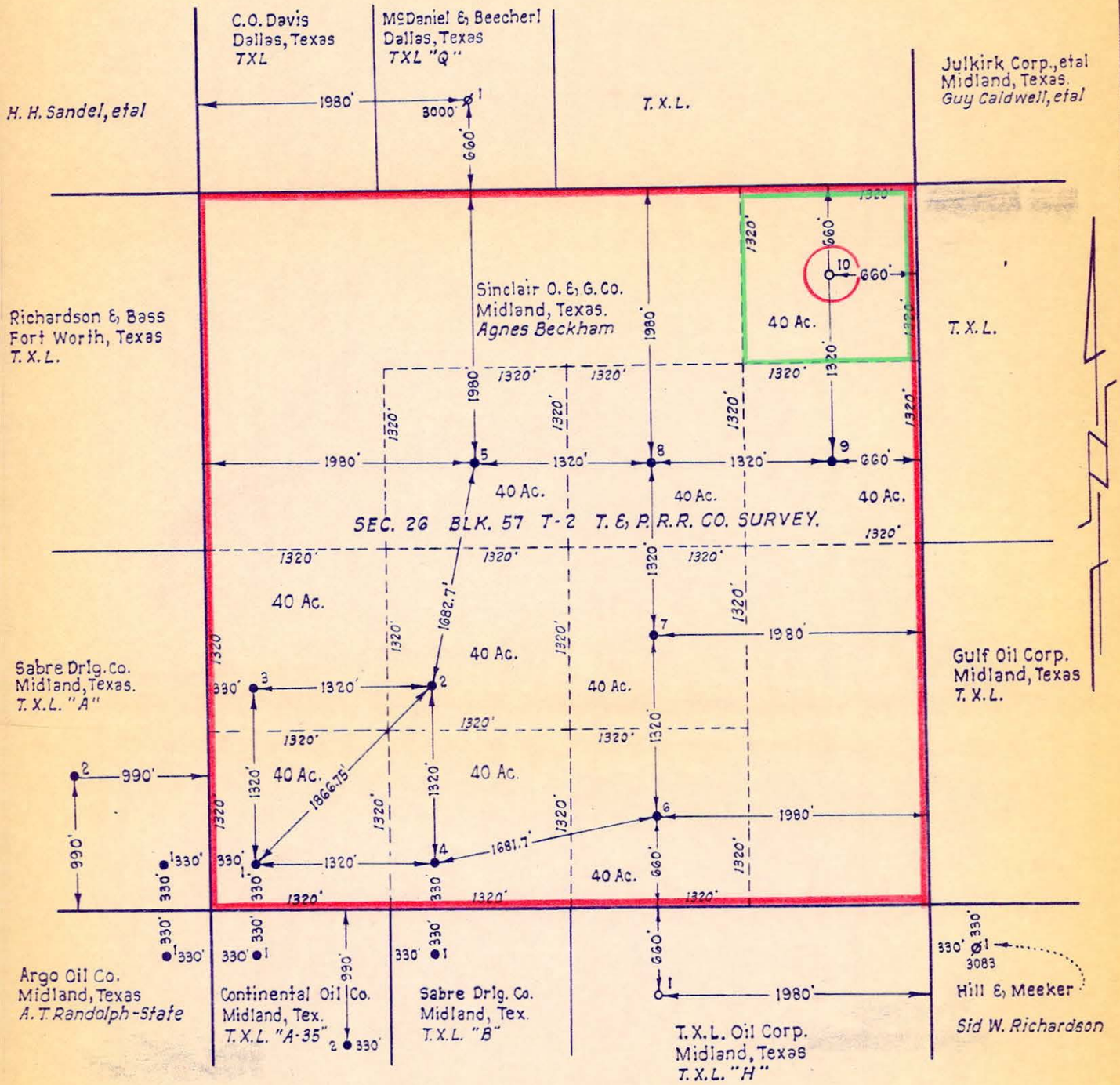
SINCLAIR OIL & GAS CO.

AGNES BECKHAM -12665

SABRE (DELAWARE) FIELD - REEVES CO., TEXAS

SCALE: 1" = 1000'

TOTAL 640 AC.



RECEIVED

MAY 28 1959

General Land Office

STATE OF TEXAS
COUNTY OF MIDLAND } S.S.

I, R. D. Satterwhite of SINCLAIR OIL & GAS CO., being first duly sworn on oath, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

Original Copy Signed
R. D. SATTERWHITE

Subscribed and sworn to before me this 27th day May 1959

Original Copy Signed
VIRGIL H. PICCOLO

NOTARY PUBLIC in and for Midland Co., Texas

Virgil H. Piccolo

19

M. P. 35430

APPLICATION TO DRILL & Plat

WELL # 10

FILED MAY 28 1959

FILED DRILLING ALLOCATION

COMMISSIONER

CLERK

M-35430

Please Refer to File No._____

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2A
Application To Plug and Well Record

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED FIVE FULL DAYS PRIOR TO PLUGGING

Company SINCLAIR OIL & GAS COMPANY Address Box 1470, Midland, Texas

Sec. No. 26 Block No. 57 TWP 2 Survey T&P RR Co. County Reeves

Well No. 10 Name of Lease Agnes Beckham (12665) No. of Acres 640 Elev. 2900

Name of Field in which well is located Sabre(Delaware)

Located 2 Miles SW Direction from Orla, Texas (Nearest P. O. or Town)

Form 1, "Notice of Intention to Drill," was filed in name of SINCLAIR OIL & GAS COMPANY

Drilling Commenced May 30th, 19 59, Drilling Completed June 7th, 19 59

Has this well ever produced Oil? No or Gas? No

Character of Well (Oil, Gas or Dry) Dry Hole Total Depth 3067

Date you wish to Plug June 7th, 19 59.

Name of Party Plugging Well Sabre Drilling Co. Address Midland, Texas

Correspondence regarding this well should be sent to: Name Mr. Fred Burns

Address Box 3386, Odessa, Texas

Initial Production of Gas: Volume (MCF) _____ 24 hrs. Pressure _____ lbs. per square inch

Initial Production of Oil: Barrels Dry Hole

Give notice before Plugging to all available Lease Owners, as required by Rule (10).

When Plugging completed, file final Plugging Report, duly signed and sworn to. All necessary forms will be furnished by the Deputy Supervisor of district in which well is located.

NOTE: If no log available, so state and give all information that can be obtained to as total depth, whether or not cemented, producing formation, water sands, and as near as possible date well was drilled.

General Remarks: Well drilled to 3067' total depth. No commercial oil or gas production.

Well to be plugged and abandon.

Orig & cc: RRC-Midland **FILL OUT FORMATION AND AFFIDAVIT ON REVERSE SIDE**
cc: Gen. Land Office-Austin
cc: FHR, HFD, ERK, File

RECEIVED
JUN 15 1959
General Land Office

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	359	
Anhydrite	359	1502	
Anhydrite & Lime	1502	2913	
Sand	2913	3067	TD

M. F. 35430
Appl. To Plug Well #
FILED JUN 15 1959 19
COMMISSION
CLERK

Method of shutting off water Casing Cemented Is water completely shut off? Yes

Amount of water with oil Dry Hole per cent

I, Fred Burns

being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Fred Burns
Representative of Company.

Subscribed and sworn to before me this 8th day of June, 19 59

R. E. CROSS, JR.
Notary Public, Ector County, Texas

R E Cross Jr.
Notary Public
Ector County, Texas.

Please Refer to
File No. _____

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

24 M-35430

Form 4
Plugging Record

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

Company SINCLAIR OIL & GAS COMPANY ✓ Address Box 1470, Midland, Texas ✓

Sec. No. 26 Block No. 57 TWP 2 Survey T&P RR Co. County Reeves

Well No. 10 Name of Lease Agnes Beckham (12665) No. of Acres 640

Name of Field in which well is located Sabre (Delaware) Date well was plugged June 7, 1959

Form 1 (*Notice of Intention to Drill*) Was Filed in Name of SINCLAIR OIL & GAS COMPANY

Character of Well at the time of completion: Oil 0 (Initial Production) bbls; Gas 0 (Initial Production) Cu. Ft.; Dry Yes

Amount well producing when plugged: Oil 0 bbls; Gas 0 Cu. Ft.; Water 0 bbls.

Has this well ever produced **oil** or **gas**? No

Total Depth 3067 feet. Top of each producing sand None feet.

Was the well filled with mud-laden fluid, according to regulations of the Railroad Commission? Yes

How was mud applied? Thru drill pipe.

Were plugs used? _____ If so, show all shoulders left for casing, depth of each, and size of casing, size and kind of plugs used, and depth placed. Also amount of cement and rock. Was well shot? Spotted 30 sax cement plug 2850-2950, spotted 35 sax cement plug 300-400', 8 sax cement in top of surface.

SIZE PIPE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8" OD	359		0		359		Cemented w/250 sax

Show depth found and thickness of all water, oil and gas formations None

RECEIVED
JUN 15 1959
General Land Office

Have all abandoned wells on this lease been plugged according to Commissions rules? Yes

Manner of confining all oil, gas or water to strata: Cement plugs and mud.

The names of adjacent lease, royalty and landowners with their addresses in each instance as follows: TXL Oil Corp., 305 N. Marienfield, Midland; Sabre Drlg Co., Box 13, Midland; Continental Oil Co., Box 431, Midland; Argo Oil Corp., Box 432, Midland; Richardson & Bass, Box 1178, Monahans; Hill & Meeker, 140 Central Bldg., Midland; Gulf Oil Corp., Box 1150, Midland; Julkirk Corp., Box 16, Midland; McDaniel & Boecherl, Dallas; C. C. Davis, Dallas; H. H. Sandel, Address Unknown.

Was notice given before plugging to all available adjacent lease owners as required by **Rule** 10? Yes

I, Fred Burns, being first duly sworn on oath, state that I have knowledge of the facts and the matter herein set forth and that the same are true and correct.

Name Fred Burns, Title Dist. Supt.

Subscribed and sworn to before me this 12th day of June, 1959

R. E. CROSS, JR.
Notary Public, Ector County, Texas

Notary Public Ector County, Texas

Orig & cc: RRC-Midland
cc: Gen Land Office-Austin ✓
cc: FHR, HFD, JKL, ERK, File

Correspondence regarding this well should be addressed to:

Name Mr. Fred Burns Address Box 3386, Odessa, Texas

21

M. F. 35430

Plugging Record Well # 10

FILED JUN 15 1959 19

Bill Allcorn

COMMISSIONER

MS

CLERK

AMENDED

API Well No. 42 -389-30422
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

77176

M-35430

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

JAN 14 1977

7. RRC District: 8
8. County: Reeves
9. Well Number: 1
10. Number of Acres in Lease: 640
11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 660
12. Total Depth: 17,000

1. Operator: Atlantic Richfield Company
2. Address (Including City and Zip Code): P. O. Box 1610, Midland, Texas 79701
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)
4. Lease Name: Beckham, Agnes "26"
5. Location (Sec., Blk., Survey): Sec 26, Blk 57, T-2, T&P RR Co. Survey
6. This well is to be located 2 miles SW Direction from Orla, Texas Nearest Post Office or Town.

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern, If no Rules, State 467-1200, (ft.)	17. Applicable Field Rules Density Pattern, If no Rules, State 40, (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Chapman, Deep (Atoka)	13820	None	467/1200	40	40	No	0	Regular 1 [XX] Rule 37 2 [ ]	Gas	0	0
								Regular 1 [ ] Rule 37 2 [ ]			
Chapman, Deep (Fusselman)	17000	None	1320/3735	640	640	No	0	Regular 1 [ ] Rule 37 2 [XX]	Gas	0	0
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED R.R.C. OF TEXAS NOV 18 1976 O.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD: Same lease

660 FWL & 1320 FSL, Sec 26, Blk 57, T-2, T&P RR Co. Survey. No wells on this lease in this field.

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Form W-1 Amended due to application for permit to test (Fusselman) zone, Rule 37 requested due to lease line spacing.

Dean B. Fowell
Signature
Tech. Sr. Engineer
Title
11-10-76
Date
Telephone: Area Code 915 682-8631

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

COMP: 5/23/77 (P-1)
PFS: 15,644 - 703 (FSLMN)
FARO: 6900 MCFPD, 10/64" CK.
TD: 15,705
MAY COMP. AS DUAL FROM ATOKA

I certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.
JULY 1, 1976
Registered Public Surveyor
Licensed State Land Surveyor

RECEIVED R.R.C. OF TEXAS NOV 18 1976 O.G. MIDLAND, TEXAS

COOL & ASSOCS.

LOCATION PLAT
ATLANTIC RICHFIELD CO.
AGNES BECKHAM "26" LSE.
SEC. 26 BLK. 57 T-2 T&P RR CO.
REEVES CO., TEX.
SCALE 1" = 1000'

Chapman, Deep (Fusselman) Field

T & P RR CO.
BLK. 57 T-2
Texaco Inc.
Box 3109
Midland, Tex. 79701

ATLANTIC RICHFIELD CO. "26"
AGNES BECKHAM

660'
1320'

BTA Oil Producers, 109 S. Pecos, Midland, Tex. 79701
Texaco Inc., Box 3109, Midland, Tex. 79701
Atlantic Richfield Co., Box 1610, Midland, Tex. 79701
Continental Oil, H.F. Pierce, Address NA, Box 1959, Midland, Tex. 79701
Texaco Inc., Box 3109, Midland, Tex. 79701
Atlantic Richfield Co., Box 1610, Midland, Tex. 79701
U.V. Industries, Box 7724, Midland, Tex. 79701
Texaco Inc., Box 3109, Midland, Tex. 79701
Gulf, Box 1150, Midland, Tex. 79701
Texaco

SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

STRAKER PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

1-6-77

N.R.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

M-35430

API No. 42 389 30422 — REEVES — DIST. 8

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL [ ] DEEPEN (Below Casing) [ ] DEEPEN (Within Casing) [ ] PLUG BACK [ ] OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

JUL 16 1976

1. Operator: Atlantic Richfield Company
2. Address (Including City and Zip Code): Box 1610, Midland, Texas 79701
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO [ ] (Instruction (2) on back side.)
4. Lease Name: Beckham, Agnes "26"
5. Location (Sec., Blk., Survey): Sec. 26, Blk 57, T-2, T & P R R Co. Survey
6. This well is to be located 2 miles SW Direction from Orla, Texas. Nearest Post Office or Town.
7. RRC District: 8
8. County: Reeves
9. Well Number: 1
10. Number of Acres in Lease: 640
11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 660
12. Total Depth: 17000

7/12/76

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this well/lease, If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40 Acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Chapman, Deep (Atoka)	17000	None	467/1200	40	40	No	0	Regular 1 [X] Rule 37 2 [ ]	Gas	0	0
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			
								Regular 1 [ ] Rule 37 2 [ ]			

RECEIVED
JUL 2 1976
R.R.C. OF TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD. On same lease

660' FWL & 1320' FSL, Sec. 26, Blk 57, T-2, T&P RR Co. Survey. 0 wells on this lease in this field

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS:

CERTIFICATE
I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.

Dean B. Tuell
Signature
Tech. Sr. Engineer
Title
July 2, 1976
Date
Telephone: Area Code 915 682-8631

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Surveyors PLAT SERVICE P. O. DRAWER 1687, AUSTIN, TEXAS 78767

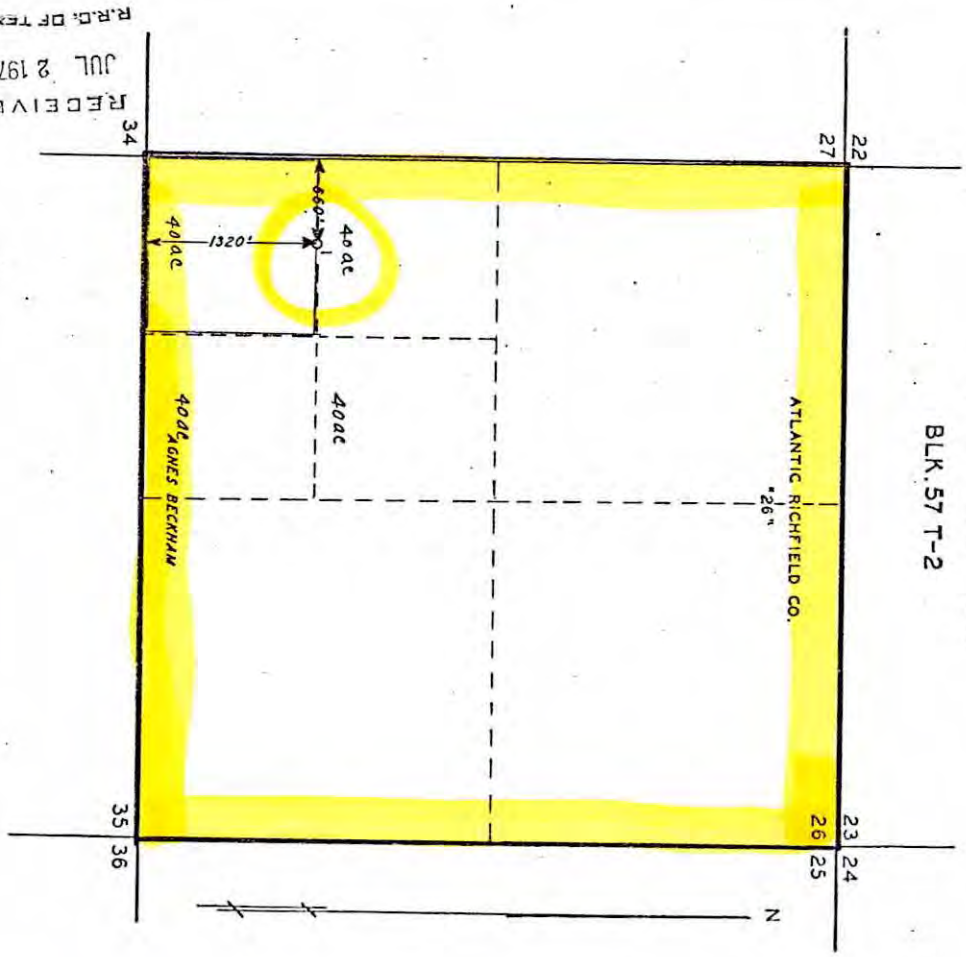
7-6-76

I certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.
JULY 1, 1976
Registered Public Surveyor
License of Texas Land Surveyor

CLIFFORD C. COOL 2 REGISTERED PUBLIC SURVEYOR STATE OF TEXAS

COOL & ASSOCS.

RECEIVED
JUL 2 1976
R.R.C. OF TEXAS



SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

LOCATION PLAT
ATLANTIC RICHFIELD CO.
AGNES BECKHAM "26" LSE.
SEC. 26 BLK. 57 T-2 T&P RR CO.
REEVES CO., TEX.
SCALE 1" = 1000'

N.R.

OPERATOR Atlantic Richfield Co.

WELL STATUS REPORT

STATE LEASE NO. M-35430 FEE ____ R.A.L. ____ FREE ROYALTY ____

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE Beckham, Agnes '26' WELL NO. 1

FIELD NAME Chapman Deep Atoka WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 7-20-76 DRILLING DEPTH 1110 feet

COMPLETION DATE _____ TOTAL DEPTH _____

PERFS _____ 1ST COMPLETION, YES ____ NO ____

POTENTIAL/TEST OIL _____ GAS _____ D&A ____

REMARKS: _____

BA/jmh/gs

1-24-75

James Weatherly
INSPECTOR

DATE July 27, 1976

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Beckham, Agnes '26' WELL NO. 1

FIELD NAME Chapman Deep Atoka WILDCAT ____ COUNTY Reeves

REPORT NO. 2nd SPUD DATE 7-20-76 DRILLING DEPTH 10,836 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: ____

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Sept 14, 1976

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Beckham Agnes '26' WELL NO. 1

FIELD NAME Chapman Deep Atoka WILDCAT ____ COUNTY Reeves

REPORT NO. 3rd SPUD DATE 7-20-76 DRILLING DEPTH 13,591 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: ____

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

DATE Oct 6,1976

AtlanticRichfieldCompany
North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79701
Telephone 915 682 8631

C. H. McClure
District Land Manager

161

November 1, 1976

Honorable Bob Armstrong, Commissioner
The General Land Office
The State of Texas
Stephen F. Austin Building
Austin, Texas 78701

Re: Atlantic Richfield - Beckham, Agnes "26"
Well No. 1
Chapman, Deep Field
Reeves County, Texas
Our Lease No. SOC-20
State Lease No. M-35430

Dear Sir:

Reference is made to our letter of July 29, 1976, concerning this company's plans for the drilling and testing of the Deep Silurian zone in the subject well which is located 660' FWL and 1320' FSL of Section 26, Block 57, T-2, T&P RR Co. Survey. This is to advise that we are presently at a total depth of 15,480' in Mississippi Sandstone. We have set 7 3/4" line at this point and are preparing to drill deeper to test the Silurian formation estimated at 15,650' ±. Based on information in hand, it is anticipated that we will encounter approximately 150' of Silurian column above the original gas/water contact.

We will continue to keep you advised as to success or failure in this venture.

Very truly yours,

Jack McMillan
Special Negotiator

JMcM:lj

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Beckham, Agnes '26' WELL NO. 1

FIELD NAME Chapman Deep Atoka WILDCAT ____ COUNTY Reeves

REPORT NO. 4th SPUD DATE 7-20-76 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 15,705 feet

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They are flowing or flaring gas to pits this date. They are going to DUAL-COMP this well also in Fusselman & Atoka Zones. You could not hear any on this location pad this date ?

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Dec 1,1976

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham '26' WELL NO. 1

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 5th SPUD DATE 7-20-76 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 15,705 feet

PERFS Unkown 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Pete: They have this well FINISHED and its a gas well but its all SHUTIN this date and no one can tell you any thing about it. I am sure they know what it will make but there was not any one in this area today that would say what kind of gas well it was or would make on open flow ?

BA/jmh/gs

2-25-75

James Watkins
INSPECTOR

DATE Jan 18,1977

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Peckham '26' WELL NO. 1

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 6th SPUD DATE 7-20-76 DRILLING DEPTH ____

COMPLETION DATE Unkown TOTAL DEPTH 15,705 feet

PERFS Unkown 1ST COMPLETION: YES ?? NO ??

POTENTIAL/TEST: OIL ____ GAS Unkown Amount D&A ____

REMARKS: Pete: They have made a gas well out of this location and its ready to go on the line but they will not say what it made on Potential Test or will flow per gas to gas plant ????

I am not going to make another Report on it until they file a POTENTIAL with Texas R.R.C. in Midland, Texas ?

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

Feb 9, 1977
DATE

(21)

M. F. 35430

APPLICATION TO DRILL

WELL #. 1-26

FILED 7-1 1977

BOB ARMSTRONG, COMMISSIONER

BY: MHJ

PRODUCING

LAST SUPPLEMENT NO. 1

WELL RECORD

RELINQUISHMENT ACT LEASE

File 35430

REEVES County

MINERAL LAND

L.C. WAHLENMAIER

640 Acres

Section 26

Block 57

T & P Tsp. 2

File 91638 Cert.

Name of Claim Lease dated 2-3-50 10 Yr

VOL. P.

FORM 2503B-549-1M

File 35430

CONTENTS

22 WELL RECORD WELL # 4 AUG 1959

23 WELL RECORD WELL # 5 AUG 1959

24 WELL RECORD WELL # 6 AUG 1959

25 WELL RECORD WELL # 7 AUG 1959

26 WELL RECORD WELL # 8 AUG 1959

27 WELL RECORD WELL # 9 AUG 1959

28. Elec. Log Well # 4 8-28-59 hs

29. Elec. Log Well # 5 " "

30. Elec. Log Well # 6 " "

31. Elec. Log Well # 7 " "

32. Elec. Log Well # 8 " "

33. Elec. Log Well # 9 " "

34. Elec. Log Well # 2 9-4-59 hs

35. Well #11 Amended Location 5-1-61 hs

36. " #12 Completion Rept. 5-24-61 hs

CONTENTS OF FILE NO. 35430 Well Record Supp #1

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21.
22. Well Record #4 8---1959
23. " " #5 8---1959
24. " " #6 8---1959
25. Well Record #7 8---1959
26. " " #8 8---1959
27. " " #9 8---1959
28. Elec Log #4 8-28-1959
29. " " #5 8-28-1959
30. " " #6 8-28-1959
31. " " #7 8-28-1959
32. " " #8 8-28-1959
33. " " #9 8-28-1959

34. Elec Log #2 9-4-1959
35. #11 Amended Location 5-1-1961
36. #12 Completion Rept 5-24-1961
37. APPLICATION TO DRILL WELL # 14 8-24-84
38. APPLICATION TO DRILL WELL # 1 6-25-85 DB
39. COMP. REPORT WELL # 1 6-25-85 DB
40. Ltr fr. Arco Oil & Gas Company 4-10-86 DB
41. Ltr to Arco 6-30-86 Rec 8-25-86
42. APPLICATION TO DRILL WELL # 2 8-25-86
43. COMP. REPORT WELL # 2 8-25-86
44. APPLICATION TO ~~DRILL~~ Inject WELL # 801 11-19-86 RS
45. APPLICATION TO ~~DRILL~~ Inject WELL # 909 11-19-86 RS
46. Unit Agreement Report 12-16-86 RS
47. App. to drill well #1 WS 2-9-87
48. Comp Rep. # 2 5-27-87
49. Application to Inject Fluid. 6-14-91
50. App to Drill well 2WS 2-9-87
51. Ltr to Arco 5-18-88
52. Comp Repot well 2WS 7-14-87
53. PLUG WELL #802 2-4-97
54. ~~#11~~
55.
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66.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(12-22-75)

API Well No. 42 42 389-30422
Instruction (1a & b) on back side.

76,918

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: ☐ DRILL ☐ DEEPEN (Below Casing) ☒ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

AUG 10 1977

1. Operator: Atlantic Richfield Company
2. Address (Including City and Zip Code): Box 1610, Midland, Texas 79701
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)
4. Lease Name: Beckham, Agnes "26"
5. Location (Sec., Blk., Survey): Sec.26,Blk.57,T-2, T&P RR Sur.
6. This well is to be located 2 miles SW Direction from Orla, Texas Nearest Post Office or Town.
7. RRC District: 8
8. County: Reeves
9. Well Number: 1
10. Number of Acres in Lease: 640
11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 660
12. Total Depth: 15,705

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

SPS

13. FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore, If none, State None.	16. Applicable Field Rules Spacing Pattern, If no Rules, State 467-1200 (ft.)	17. Applicable Field Rules Density Pattern, If no Rules, State 40, acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells on Permitted locations on this Lease in same Reservoir for which this Permit is Requested	
										OIL	GAS
Chapman, Deep (Fusselman)	15,641	76,918	1320/ ~~3735 2640~~	640	640	No	~~NA~~ 2000	Regular ☐ Rule 37 ☒	Gas	-0-	-0-
								Regular ☐ Rule 37 ☐			
								Regular ☐ Rule 37 ☐			
								Regular ☐ Rule 37 ☐			

RECEIVED
R.R.C. OF TEXAS
AUG 21 1977
O&G
MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

660' FWL & 1320' FSL, Sec. 26, Blk 57, T-2, T & P RR Survey

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Article 6035c, R. C. S. that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Mary J. Bowen
Title: Agent
Date: 1/19/77
Telephone: Area Code 512 477-6659

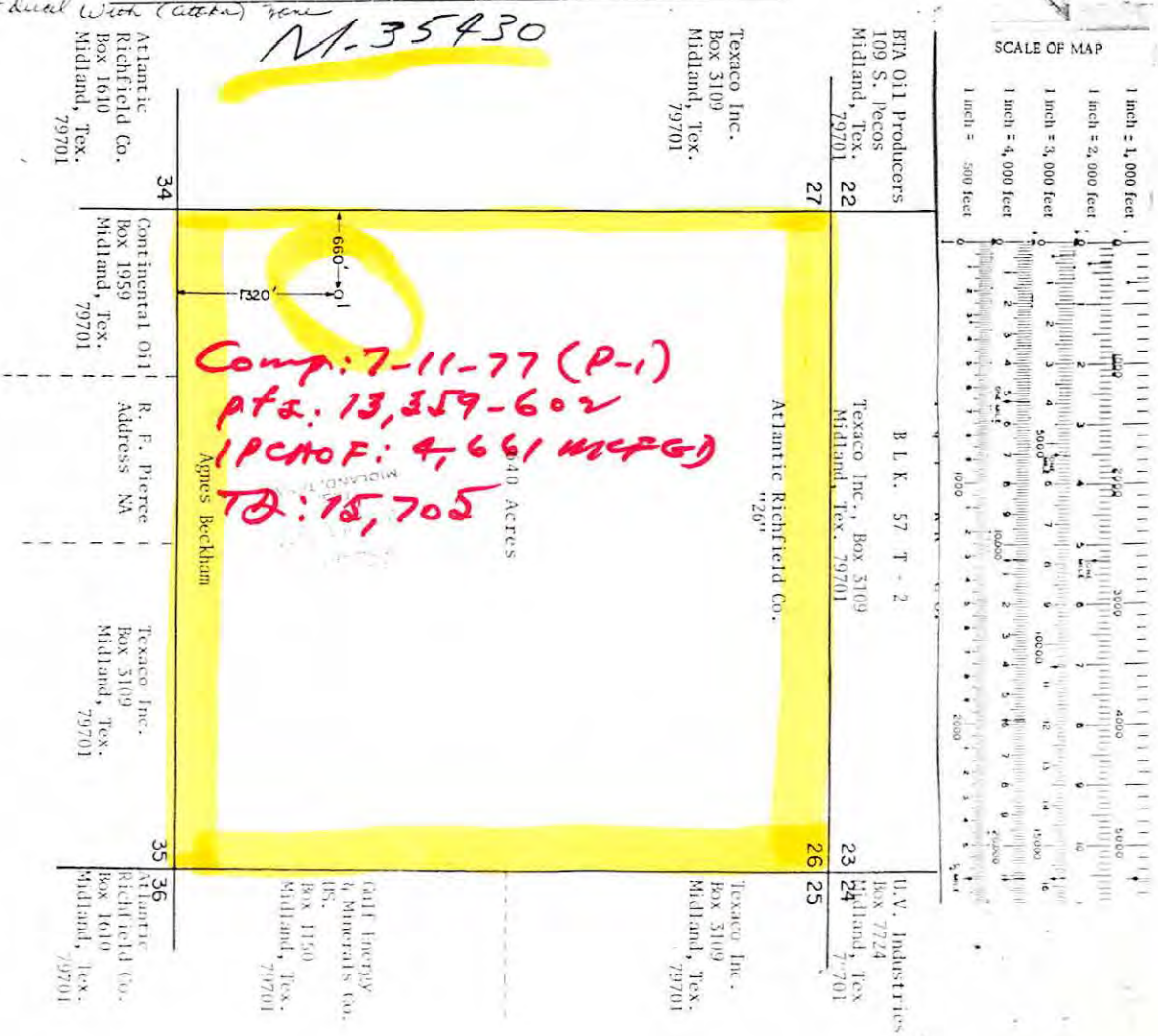
REMARKS: This well is permitted as a regular location in the Chapman, Deep (Atoka) Field; Rule 37 Case No. 76918 in the Chapman, Deep (Fusselman) was heard on 12/2/76 and withdrawn by Atlantic Richfield 12/22/76.

To deepen + dual with (~~Cabot~~) Hare

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

M-35430

Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767



WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Beckham Agnes '26' WELL NO. 1

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE ____ DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They have not been able to get a small rotary rig to Re-Enter this location as yet ?

BA/jmh/gs

2-25-75

James Weatherly
INSPECTOR

August 24,1977
DATE

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham '26' WELL NO. 1

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 2nd SPUD DATE ____ DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: They have not been able to get a rig to Re-Enter this location as yet.

BA/jmh/gs

2-25-75

James Walker Lee
INSPECTOR

DATE Sept 14,1977

(22)

M. F. 55430

APPLICATION TO DRILL

WELL # 1

FILED 7-11 1977

BOB ARMSTRONG, COMMISSIONER

BY: [illegible]

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

File No. 35430

Form 2
Well Record

Operator SINCLAIR OIL & GAS COMPANY Address BOX 1470, MIDLAND, TEXAS

County REEVES Survey TWP NR CO. Block No. 57 Sec. No. 26 TWP. 2

Lease Name AGNES BECKHAM (12665) Well No. 4 Elevation 2948'
(Above Sea Level)

Name of Field in which well is located SABLE (DELAWARE)

Form 1 (Notice of Intention to Drill) Was Filed in Name of SINCLAIR OIL & GAS COMPANY

Is this a NEW WELL? YES, DEEPENING? NO, or a WORK-OVER? NO,

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work was commenced and when completed.

(Drilling) Commenced DECEMBER 15TH, 19 58 (Drilling) Completed DECEMBER 23RD, 19 58

Correspondence regarding this well should be sent to: Name MR. FRED HARRIS Address BOX 3306
ODESSA, TEXAS

Has an allowable been assigned to this well? NO - NEW WELL

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In	Ft.	In	Ft.	In	
8-5/8" OD	365		0		365		CEMENTED W/200 SAX
5" OD	3023		0		3023		CEMENTED W/150 SAX
2-3/8" OD	2940		0		2940		TUBING-PACKER SET @ 2909

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil Barrels 16 HR. NSC POTENTIAL TEST: FLOWED 103.86 BBLS. 34.0 CORR GRTY OIL, NO WATER, 16/64" CHOKE, TP 260#, CP-0-PACKER, GOR 2261:1
24 HR. CALCULATED POTENTIAL 156 BBLS. OIL

Initial Production of Distillate; Barrels

Is this an OIL well? YES, a GAS well? NO, or a Dry HOLE? NO,

DESCRIPTION OF PROPERTY

NORTH

AGNES BECKHAM WELL NO. 4 LOCATED 330' FROM THE SOUTH LINE & 1650' FROM THE WEST LINE OF SECTION 26, BLOCK 57, TWP. 2, TAP NR COMPANY, SURVEY, REEVES COUNTY, TEXAS.

WEST

EAST

Orig. & cc: NSC - Midland,
cc: Gen Land Of-Austin,
cc: PNR, HWD, File.

SOUTH

GENERAL REMARKS

WELL DRILLED TO 3023' TOTAL DEPTH. SET 5" OD CASING @ 3023', CEMENTED W/150 SAX. PLUG BACK DEPTH 2989'. PERFORATED DELAWARE SAND SECTION 2945-59' W/56 HOLES. MUD ACID WASHED PERFS W/ 250 GALS & SAND-OIL FRACED W/1500 GALS OIL & 1500# SAND. WELL COMPLETED AS PRODUCER IN DELAWARE SAND SECTION THRU PERFORATIONS 2945-59'.

RECEIVED
AUG 25 1959
General Land Office

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
RED BED	0	890	
LIME, SHALE & DOLOMITE	890	1096	
SANDY LIME	1096	1494	
LIME & SHALE	1494	1650	
ANHYDRITE & LIME	1650	2125	
LIME	2125	2550	
SALT	2550	2893	
ANHYDRITE & DOLOMITE	2893	2923	
SAND	2923	3023	TD 2909 PBTD

Method of shutting off water: CASING CEMENTED

Account of water withdrawn: NONE

Is water available from well? YES, NONE per day?

RED BEDS

I, [illegible], being first duly sworn on oath state that I have knowledge of the facts stated herein and that the same are true and correct.

Subscribed and sworn to before me this 5TH day of JANUARY, 59

[illegible] Notary Public [illegible] County, Texas.

RECEIVED

AUG 25 1959

General Land Office

22

M. F. 35430

WELL RECORD

WELL # 4

FILED AUG 25 1959

Bill Allison

COMMISSIONER

HJ

CLERK

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Peckham (38665) Well No. 5 Elevation 2925 (Above Sea Level)

Name of Field in which well is located Shore (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work over commenced and when completed

(Work Over) (Drilling) Commenced February 9th 59 (Work Over) (Drilling) Completed February 11th 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3186 Odessa, Texas

Has an allowable been assigned to this well? No - New well

SIZE	PUT IN WELL Ft.	PUT IN WELL In.	PULLED OUT Ft.	PULLED OUT In.	LEFT IN WELL Ft.	LEFT IN WELL In.	PACKERS AND SHOES
8 5/8" OD	400		0		400		Cemented w/150 Sax
5 " OD	3017		0		3017		Cemented w/175 Sax
2 3/8" OD	2907		0		2907		Tubing

Initial Production of Gas—Volume MCF 24 hr Potential Test: Flowed 178.72 bbls 30.8 Gravity Oil, no water, 14/64" choke, TP 110#, TP 50#, GOR 3781

Initial Production of Oil: Barrels

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Peckham Well No. 5 located 1980' from the North & west lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

WEST EAST

SOUTH

Orig & cc: RRC - Midland
cc: General Lands Office-Austin
PER, MED, File

RECEIVED
AUG 25 1959
General Land Office

GENERAL REMARKS

Well drilled to 3017' total depth. Set 5" OD casing @ 3017', cemented w/175 sax & 45 gals. latex. Plug back depth 2994'. Perforated Delaware Sand Section 2942-55' w/52 holes. Mud acid washed perforations w/500 gals & sand oil frac'd w/500 gals oil and 15000# sand. Well completed as producer in Delaware sand Section thru perforations 2942-55'.

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	500	Core # 1: 2917-2967
Anhydrite	500	1169	Core # 2: 2967-3017
Anhydrite & Lime	1169	2470	
Lime & Shale	2470	2497	
Salt, Lime & Shale	2497	2689	
Shale	2689	2900	
Lime	2900	2917	
Shaly Sand	2917	3017	TD 2994, PBTD

Method of shutting off water: Casing cemented Yes

Amount of water with oil: None Gas: None

Type Packer: None

I, [illegible], being first duly sworn on oath state that I am an employee of [illegible] and that the facts stated herein are true and correct.

[illegible] Company.

Subscribed and sworn to before me this 18th day of February, 19 59

[illegible]

Notary Public

[illegible], Texas

RECEIVED

AUG 25 1959

General Land Office

23

M. F. 35430

WELL RECORD

WELL # 5

FILED AUG 25 1959

Bill Williams

COMMISSIONER

#5

CLERK

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

N-35,30

FORM H-1
(5-8-77)

API Well No. 42 389 30902 — 1-0009018
Instruction (7a & b) on back side.

Directional Well ☐ Amended or Corrected Permit ☐

RRC Permit Number, if previously assigned.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

OCT 13 1977

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify)

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator
Atlantic Richfield Company

2. Address (Including City and Zip Code)
P. O. Box 1610
Midland, Texas 79702

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?
YES ☒ NO ☐ (Instruction (2) on back side.)

4. Lease Name and RRC Lease or ID No. If Assigned
Beckham, Agnes "26"

5. Location (Sec., Blk., Survey)
Sec. 26, Blk. 57, T-2, T&P RR Survey

6. This well is to be located 2 miles SW Direction from Orla, Texas
Nearest Post Office or Town.

7. RRC District
8

8. County
Reeves

9. Well Number
2

10. Number of Acres in Lease
640

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
1320

12. Total Depth
16,500

10/11/77

SPB

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Permits this Lease Reservoir Permit is requested	
										OIL	GAS
17030180 Chapman, Deep (Atoka)	13,900	none	1320/2640	320	320	no	2721	Regular 1 ☒ Rule 37 2 ☐	Gas	0	1
								Regular 1 ☐ Rule 37 2 ☐			
17030400 Chapman, Deep (Fusselman)	16,500	none	1320/3735	640	640	no	NA	Regular 1 ☒ Rule 37 2 ☐	Gas	0	0
								Regular 1 ☐ Rule 37 2 ☐			

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1320' FN & WL Sec. 26, Blk 57, T-2, T&P RR Survey
B. Survey Lines SAME

25. DISTANCE AND DIRECTION TO NEAREST W. IN THE SAME FIELD ON THIS LEASE:
2721' NE of Well #1

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Article 6036 R. C. authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated true, correct, and complete, to the best of my knowledge.

Signature
Senior Drilling Engineer
Title
9/29/77
Date
Telephone: Area Code 915 684-0328

REMARKS:
Form H-9 filed 9/30/77
Comp: 3/21/78 (Sct)
Pfd: 15,673-699

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

IPAOF: 48,628 MCFGD
TD: 12,733

NOTE: SEE ITEM 48 IN "B" FILE (Ltr. fr. ARCO)

SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

I, certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.
JULY 1, 1976 Sept 27, 1977
Registered Public Surveyor
Licensed State Land Surveyor
COOL & ASSOCS.

RECEIVED
R.R.C. OF TEXAS
SEP 30 1977
O.G.
MIDLAND, TEXAS

LOCATION PLAT
ATLANTIC RICHFIELD CO.
AGNES BECKHAM "26" LSE.
SEC 26 BLK 57 T-2 T&P RR CO.
REEVES CO., TEX.
SCALE 1" = 1000'

660'
1320'
1320'
1320'
El 2926
AGNES BECKHAM
ATLANTIC RICHFIELD CO.
"26"
BLK. 57 T-2
22
27
35
36
23
24
25
N

Statewide BLANK PLAT SERVICE P. O. DRAWER 1897, AUSTIN, TEXAS 78767

AtlanticRichfieldCompany
North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

C. H. McClure
District Land Manager

161

October 18, 1977

Honorable Bob Armstrong,
Commissioner
The General Land Office
State of Texas
Stephen F. Austin Building
Austin, Texas 78701

Re: Atlantic Richfield-Agnes Beckham
"26" Well No. 2
Chapman (Deep) Field
Reeves County, Texas
State Lease No. - M-35430
Our Lease No. - S-20

Gentlemen:

With reference to our past correspondence and verbal conversations concerning this company's activities on the subject lease, we enclose copy of Railroad Commission form W-1, application for permit to drill the subject well at a location 1320' FNL & FWL of Section 26, Block 57, T-2, T&P RR Co. Survey, Reeves County, Texas. The location is complete and we are currently moving in material and digging pits. We would expect to commence drilling operations within the next two weeks.

We will continue to keep you advised of our operations concerning the drilling of the subject test well.

Very truly yours,

Jack McMillan

Jack McMillan
Special Projects Negotiator

JMcM:lj

Attachment

API Well No. 42
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Amended or Corrected Permit

MW-1 (6-8-77)

RRC Permit Number, if previously assigned.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: [X] DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

7. RRC District: 8

8. County: Reeves

1. Operator: Atlantic Richfield Company

4. Lease Name and RRC Lease or ID No. (If Assigned): Beckham, Agnes "26"

9. Well Number: 2

2. Address (Including City and Zip Code): P. O. Box 1610, Midland, Texas 79702

5. Location (Sec., Blk., Survey): Sec. 26, Blk. 57, T-2, T&P RR Survey

10. Number of Acres in Lease: 640

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES [X] NO ☐ (Instruction (2) on back side.)

6. This well is to be located 2 miles SW Direction from Orla, Texas. Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 1320

12. Total Depth: 16,500

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	14. Completion Depth	15. All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	20. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL	GAS
Chapman, Deep (Atoka)	13,900	none	1320/2640	320	320	no	2721	Regular 1 [X] Rule 37 2 ☐	Gas	0	1
								Regular 1 ☐ Rule 37 2 ☐			
Chapman, Deep (Fusselman)	16,500	none	1320/3735	640	640	no	NA	Regular 1 [X] Rule 37 2 ☐	Gas	0	0
								Regular 1 ☐ Rule 37 2 ☐			

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1320' FN & WL Sec. 26, Blk 57, T-2, T&P RR Survey
B. Survey Lines

25. DISTANCE AND DIRECTION TO NEAREST WELL IN THE SAME FIELD ON THIS LEASE.
2721' NE of Well #1

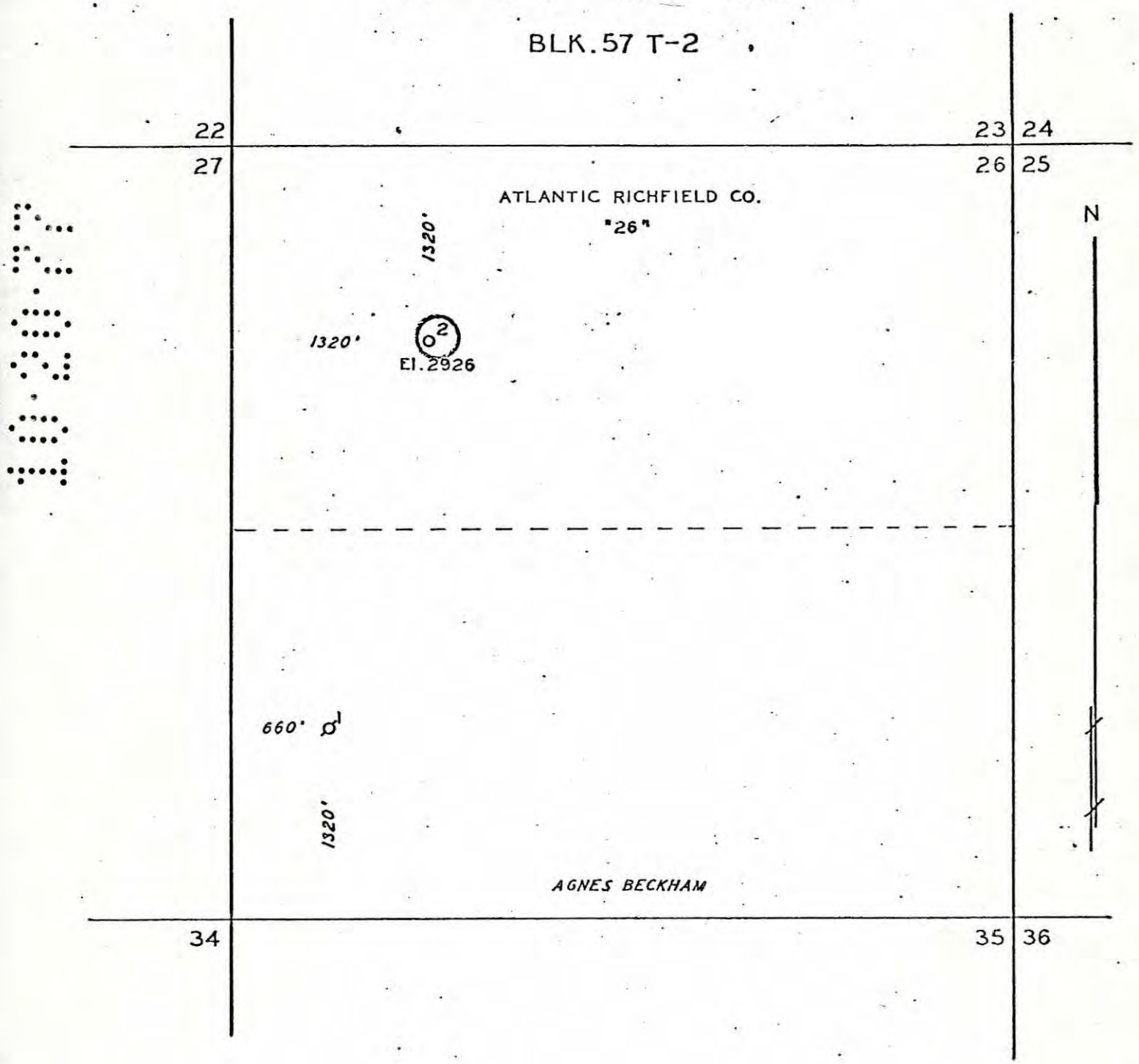
NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Form H-9 filed 9/30/77

Signature: Jerry W. Schmidt
Senior Drilling Engineer
Title
9/29/77
Date
Telephone: Area Code 915 684-0328

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



I certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

JULY 1, 1976-SEPT. 27, 1977

Clifford C. Cool

Registered Public Surveyor
Licensed State Land Surveyor

STATE OF TEXAS
CLIFFORD C. COOL
2
REGISTERED PUBLIC SURVEYOR

COOL & ASSOCS.

LOCATION PLAT

ATLANTIC RICHFIELD CO.

AGNES BECKHAM "26" LSE.

SEC. 26 BLK. 57 T-2 T&P RR CO.

REEVES CO., TEX.

SCALE 1" = 1000'

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Baeckham '26' WELL NO. 2

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 1st SPUD DATE ____ DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Loffland Drg Co. Rig #32(Holder of deepest hole in the WORLLD is Rigging up on this location this date ?

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Nov 2,1977

AtlanticRichfieldCompany

North American Producing Division
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

C. H. McClure
District Land Manager

(161)

November 7, 1977

Honorable Bob Armstrong,
Commissioner, Land Department
State of Texas
Stephen F. Austin Building
Austin, Texas 78701

Re: Atlantic Richfield-Agnes Beckham
"26" Well No. 2
Chapman (Deep) Field
Reeves County, Texas

State Lease No. - M-35430
Our Lease No. - S-20

Gentlemen:

With reference to our past correspondence and verbal conversations concerning this company's activities on the subject lease, we wish to advise that the subject well, located 1,320 feet from the north line and west line of Section 26, T-2, T&P RR. Survey, Reeves County, Texas, was spudded at 4:00 p.m., November 6, 1977. The well is being currently drilled at 350 feet in red beds and shale.

We will continue to keep your office advised as to operations concerning subject well.

Very truly yours,

Jack McMillan

Jack McMillan
Special Projects Negotiator

JMcM:tm

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Peckham '26' WELL NO. 2

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 2nd SPUD DATE 11-6-77 DRILLING DEPTH 5606 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: ____

BA/jmh/gs

2-25-75

James Weathers
INSPECTOR

DATE Nov 30,1977

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham '26' WELL NO. 2

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 3rd SPUD DATE 11-6-77 DRILLING DEPTH 15,470 feet

COMPLETION DATE ____ TOTAL DEPTH ____

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Running 7 5/8 pipe at this depth and then will drill 6¼ inch to T.D.

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Jan 31,1978

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham '26' WELL NO. 2

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 4th SPUD DATE 11-6-77 DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 15,733 feet

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: ____

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

DATE Feb 15,1978

WELL STATUS REPORT

OPERATOR Atlantic Richfield Co.

STATE LEASE NO. M-35430 FEE ____ R.A.L. Yes FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham '26' WELL NO. #2

FIELD NAME Chapman Deep Fusselman WILDCAT ____ COUNTY Reeves

REPORT NO. 5th SPUD DATE 11-6-77 DRILLING DEPTH ____

COMPLETION DATE Unkown TOTAL DEPTH 15,733 feet

PERFS 15,673-15,699 feet 1ST COMPLETION: YES ?? NO ??

POTENTIAL/TEST: OIL ____ GAS 48,622,000 MCF/D D&A ____

REMARKS: FROM ORLA COFFE SHOP(Am sure it came from San Angelo S.Times)

BA/jmh/gs

2-25-75

James Weatherby
INSPECTOR

March 21,1978
DATE

(23)

M. F. 35430

APPLICATION TO DRILL

WELL # 5

FILED 3-21 19 78

BOB ARMSTRONG, COMMISSIONER

BY: MHJ

WITHIN / RAL M-35430

1909378 237

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

API Well No. 42 389-31359
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☐ Amended Permit (Explain in Remarks)

RRC Permit Number, if previously assigned.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER 92667

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

7. RRC District: 8

8. County: Reeves (N)

1. Operator: ARCO Oil & Gas Company 029340

4a. Lease Name (32 Spaces Maximum): Agnes Beckham

4b. RRC Lease or ID No. (if assigned): 12665

9. Well Number: 1 4

2. Address (Including City and Zip Code): P.O. Box 1610, Midland, Texas 79702

5. Location (Sec., Blk., Survey): Sec 26, Block 57, T&P RR Survey

10. Number of Contiguous Acres in Lease or Unitized Tract: 659.7

6. This well is to be located 1.2 miles SW Direction from Orla, Texas Nearest Post Office or Town.

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.): 1450

12. Total Depth: 3040

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)

MAY 3 1983

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exec. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL	GAS
Sabre (Delaware) 79423500	3040	None	660-1200	40	40	No	723' SE	Regular 1 ☐ Rule 37 2 ☒	Oil	11 1-WIW	0
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			
								Regular 1 ☐ Rule 37 2 ☐			

C: 6-2-83
APP: 34 BO + 184 BW
Pfs: 2960-72

RECEIVED RRC OF TEXAS FEB 15 1983 O.G. HOBBS, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1450' FSL & 1450' FEL of Agnes Beckham Lease
B. Survey Lines 1450' FSL & 1450' FEL of Sec 26, Blk 57, T-2, Reeves Co, Tx

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒
(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation. Yes ☐ No ☒

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No ☒

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

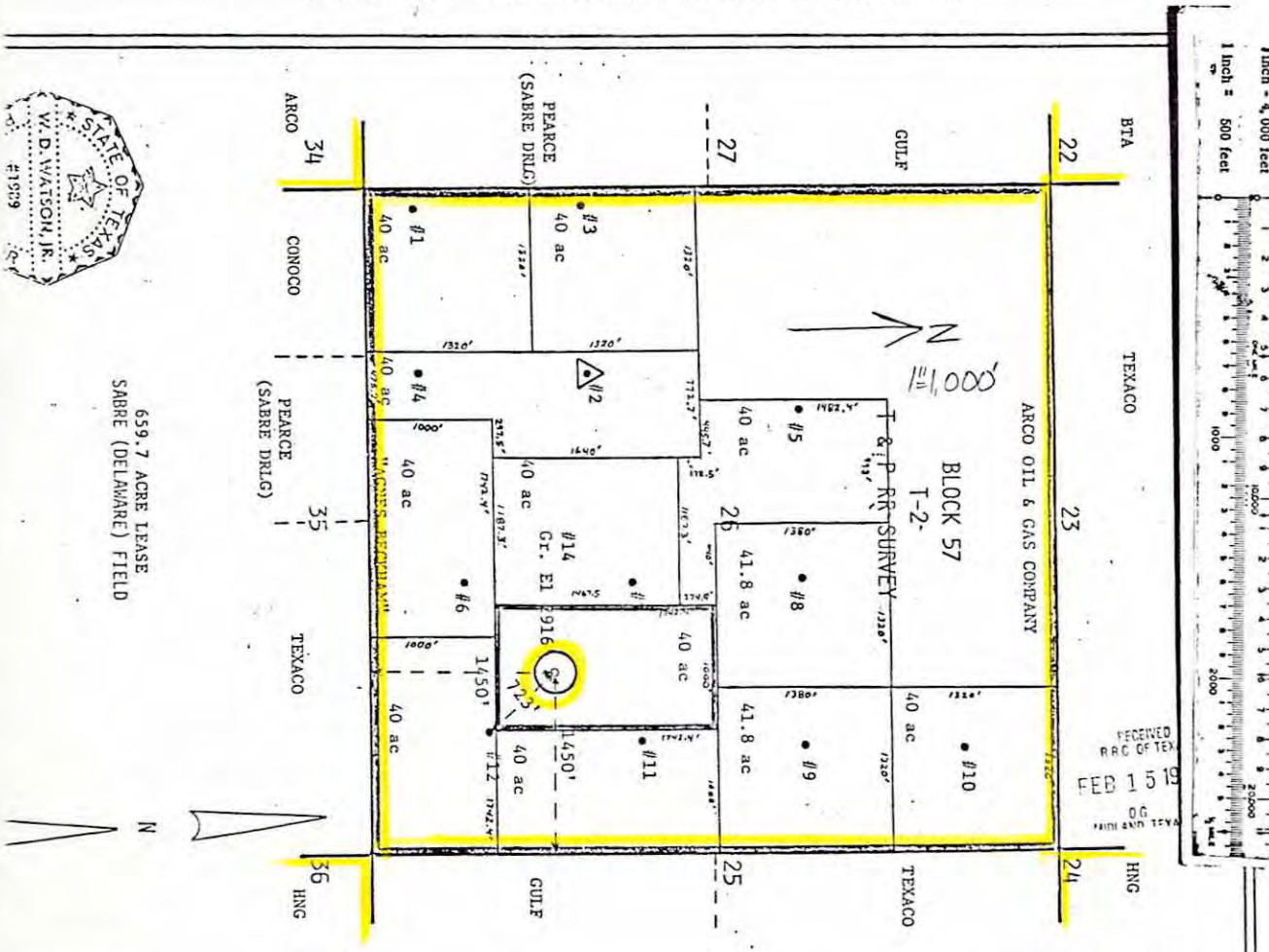
REMARKS: Rule 37 exception requested due to distance between wells; offset waivers attached.

TD 3059

RECEIVED RRC OF TEXAS FEB 22 1983 O.G. AUSTIN, TEXAS

J. R. Hasdien
Signature
Engineer Technician
Title
1-26-83
Date
Telephone: Area Code 915 , 684-0100

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



RECEIVED RRC OF TEXAS FEB 15 1983 O.G. HOBBS, TEXAS

Statewide PLAT SERVICE P. O. DRAWER 1867, AUSTIN, TEXAS 78767

4-19-83

1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

WELL STATUS REPORT

OPERATOR Arco Oil & Gas Co.

STATE LEASE NO. M-35430 FEE ____ Within/ R.A.L. xx FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham WELL NO. 14

FIELD NAME Sabre/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 4/28/83 @ 2PM DRILLING DEPTH ____

COMPLETION DATE ____ TOTAL DEPTH 3059'

PERFS ____ 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL ____ GAS ____ D&A ____

REMARKS: Acidizing well by Halliburton and getting ready to start testing.

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE May 11, 1983

GLO-ED-04-(1-82)

(24)

M.F 35430

APPLICATION TO DRILL

WELL # 14

FILED AUG 16 1983 19

GARRY MAURO, COMMISSIONER

BY: R. V. PHIPPS

Sinclair Oil + Gas Co.
Box 1470
Midland, Texas

24

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.

Operator SINCLAIR OIL & GAS COMPANY Address BOX 1470 - MIDLAND, TEXAS

County REEVES Survey TAP RR CO. Block No. 97 Sec. No. 26, Twp. 2

Lease Name AGNES MECHAM (22695) Well No. 6 Elevation 2983'
(Above Sea Level)

Name of Field in which well is located PARKS (DELAWARE)

Form 1 (Notice of Intention to Drill) Was Filed in Name of SINCLAIR OIL & GAS COMPANY

Is this a NEW WELL? YES, DEEPENING? NO, or a WORK-OVER? NO,

If this is a NEW WELL, show when drilling commenced and when drilling was completed

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work over commenced and when completed

XXXXXX (Work-Over) (Drilling) Commenced MARCH 3rd, 59 XXXXXX (Work-Over) (Drilling) Completed MARCH 10th, 59

Correspondence regarding this well should be sent to: Name MR. FRED BURNS Address BOX 1306 ODESSA, TEXAS

Has an allowable been assigned to this well? NO - NEW WELL

SIZE	PUT IN WELL Ft.	PUT IN WELL In.	PULLED OUT Ft.	PULLED OUT In.	LEFT IN WELL Ft.	LEFT IN WELL In.	PACKERS AND SHOES
8-5/8" OD	390		0		390		CEMENTED W/225 SAX
5" OD	3013		0		3013		CEMENTED W/175 SAX
2-3/8" OD	2996		0		2996		TUBING

Initial Production of Gas—Volume MCF 23 HR RRC POTENTIAL TEST: FLOWED 141.08 BBLS 31.6° CORR GVTY OIL & NO WATER, 14/64" CHOKE, CP 425#, TP 425#, GOR 2501:1, 24 HR CALCULATED POTENTIAL 147.14 BBLS OIL

Initial Production of Oil. Barrels

Initial Production of Distillate: Barrels

Is this an OIL well? YES, a GAS well? NO, or a Dry HOLE? NO,

DESCRIPTION OF PROPERTY
NORTH

AGNES MECHAM WELL NO. 6 LOCATED 1980' FROM THE EAST LINE & 660' FROM THE SOUTH LINE OF SECTION 26, BLOCK 97, TWP. 2, TAP RR COMPANY SURVEY, REEVES COUNTY, TEXAS.

WEST

EAST

GENERAL REMARKS

WELL DRILLED TO 3013' TOTAL DEPTH. SET 5" OD CASING @ 3013', CEMENTED W/175 SAX & 45 GALS LATEX. PLUG BACK DEPTH 3011'. PERFORATED DELAWARE SAND SECTION 2946-96' W/40 HOLES. MUD-ACID WASHED PERFORATIONS W/250 [illegible] & SAND-OIL FRACED W/1500 GALS OIL & [illegible] FLUSH

Orig. & cc: RRC - Midland
cc: Gen.Land Off.-Austin,
cc: PER, [illegible], File

RECEIVED
AUG 25 1959
General Land Office

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
RED BED	0	365	CORE #1 7913-7963'
ANHYDRITE	365	2913	CORE #2 2963-3013'
SALT	2913	3013	TD 3011 PBTD

Method of shutting off water CASING CEMENTED Is water completely shut off? YES,

Amount of water with oil NONE per cent

I, G. E. COOPER, being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

Subscribed and sworn to before me this 17th day of August, 19 59.

Notary Public

County, Texas.

RECEIVED

AUG 25 1959

General Land Office

24

M. F. 35430

WELL RECORD

WELL # 6

FILED AUG 25 1959

COMMISSIONER

HB

CLERK

File No.....

RAILROAD COMMISSION OF TEX.
OIL AND GAS DIVISION

Form 2
Well Record

Operator Sinclair Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 2

Lease Name Agnes Beckham (12665) Well No. 7 Elevation 2918 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

~~(Work-Over)~~ (Drilling) Commenced March 23rd, 19 59 ~~(Work-Over)~~ (Drilling) Completed March 29th, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 3386 Odessa, Texas

Has an allowable been assigned to this well? No- New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8" OD	390		0		390		Cemented w/325 sax
5" OD	3012		0		3012		cemented w/175 sax
2 3/8" OD	2929		0		2929		Tubing

Initial Production of Gas—Volume ..... MCF 24 hrs. Pressure ..... lbs. per square inch

Initial Production of Oil: Barrels On 24 hr ~~A.O.F~~ Potential flowed 201.09 bbls [illegible] Corr Grty Oil and 3 bbls acid water, 15/64" choke, [illegible] GOR 475:1

Initial Production of Distillate: Barrels .....

Is this an OIL well? Yes , a GAS well? No or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

WEST

Agnes Beckham Well No. 7 located 1980' from the south and east lines of Section 26, Block 57, Twp. 2, T & P RR Co. Survey, Reeves County, Texas

EAST

GENERAL REMARKS

Well drilled to 3012' total depth Set 5" OD Casing @ 3012' cemented w/175 sax. Plug back depth 2972'. Perforated Delaware Sand Section 2937-49' w/48 holes Mud acid wash perforations w/250 gals & sand oil fraced w/1500 gals oil & 1500# sand. Well completed as producer in Delaware Sand Section thru perforations 2937-49'.

SOUTH

Orig & cc: RRC - Midland
cc: Gen Land Office, Austin
cc: PNR, MFD, File

RECEIVED
AUG 25 1959
General Land Office

FILE IN DUPLICATE WITH DEPUTY SUPERVI[illegible] DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red	0	390	Core # 1: 2913-2962
Anhydrite	390	2380	Core # 2: 2962-3012
Anhydrite & Salt	2380	2895	
Anhydrite & Lime	2895	2913	
Sand & Shale	2913	3012	TD 2972 PBTD

Method of shutting off water Casin, cemented. Is water completely shut off? Yes

Amount of water with oil 3 bbls acid water per cent 15

I, Wade Confer being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

COPY original C. G. CONFER

Representative of Company.

Subscribed and sworn to before me this 6th day of April, 19 59

COPY original R. E. CROSS, JR.

Notary Public

Reeves County, Texas.

RECEIVED

AUG 25 1959

General Land Office

25

M. F. 35430

WELL RECORD

WELL # 7

FILED AUG 25 1959

Bill Allison
COMMISSIONER

MS
CLERK

RAILROAD COMMISSION OF TEX.
OIL AND GAS DIVISION

File No.....

Form 2
Well Record

Operator Standolind Oil & Gas Company Address Box 1470 - Midland, Texas

County Reeves Survey T & P RR Co. Block No. 57 Sec. No. 26 Twp. 8

Lease Name Agnes Buchanan (12665) Well No. 1 Elevation 2759 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Standolind Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK-OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

(Drilling) Commenced April 16th, 19 59 (Drilling) Completed April 23rd, 19 59

Correspondence regarding this well should be sent to: Name Mrs. Fred Burns Address Box 1265 - Gibson, Texas

Has an allowable been assigned to this well? No,- new well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8"OD	350		0		350		Cemented w/250 sax
5 1/2"OD	3981		0		3981		Cemented w/175 sax
2 1/8"OD	3747		0		3747		Tubing

Initial Production of Gas—Volume MCF 24 hrs. Pressure lbs. per square inch

Initial Production of Oil: Barrels On 22 hr B.C Potential test flowed 249.3 bbls 31.0 Corr Grav Oil & 5 bbls Formation water, 16/64" choke, CP 570#, TP 150#, GOR 1004. 24 hour calculated Potential 272.89 bbls oil

Initial Production of Distillate: Barrels

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Buchanan Well No. 1 located 1980' from the north & east lines of Section 26, Block 57, Twp. 8, T & P RR Co. Survey, Reeves County, Texas

WEST

EAST

Orig & 4 cpy: RRC - Midland
cpy: Gas, Locate Office - Austin
cpy: File, Midland, File

GENERAL REMARKS

Well drilled to 3981' total depth. Set 5 1/2" casing @ 3981', cemented w/175 sax & 45 gals Latex. Plugback depth 3961'. Perforate Delaware sand section 3934-44' w/40 holes, 15% w/250 gals & SOF w/1500 gals oil & 15000# sand. Well completed as producer in Delaware Sand section thru perfs 3934-44'.

SOUTH

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

RECEIVED
AUG 25 1959
General Land Office

FORMATION RECORD

Show All Formations, Especially ands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
[illegible]	0	[illegible]	
[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	

Method of shutting off water Casing cemented Is water completely shut off? Yes

Amount of water with oil 8 bbls per cent 35

C.J. Confer

I, [illegible] being first duly sworn on oath state that I have knowledge of the facts and matter herein set forth and that the same are true and correct.

COPY original signed C. G. CONFER

Representative of Company

Subscribed and sworn to before me this 28th day of April, 19 59

COPY original signed R. E. CROSS, JR.

Notary Public

[illegible] County, Texas.

RECEIVED

AUG 25 1959

General Land Office

26

M. F. 35430

WELL RECORD

WELL # 8

FILED AUG 25 1959

Bill Allmon

COMMISSIONER

215

CLERK

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form 2
Well Record

File No.....

Operator Sinclair Oil & Gas Company Address Box 1470, Midland, Texas

County Reeves Survey T&P RR Co. Block No. 57 Sec. No. 26 TWP 2

Lease Name Agnes Beckham (12665) Well No. 9 Elevation 2909 (Above Sea Level)

Name of Field in which well is located Sabre (Delaware)

Form 1 (Notice of Intention to Drill) Was Filed in Name of Sinclair Oil & Gas Company

Is this a NEW WELL? Yes DEEPENING? No or a WORK OVER? No

If this is a NEW WELL, show when drilling commenced and when drilling was completed.

If this is a PLUG-BACK or DEEPENING operation to a different reservoir, show when work-over commenced and when completed.

(Drilling) Commenced May 7th, 19 59 (Drilling) Completed May 15th, 19 59

Correspondence regarding this well should be sent to: Name Mr. Fred Burns Address Box 2386 Odessa, Texas

Has an allowable been assigned to this well? No-New Well

SIZE	PUT IN WELL		PULLED OUT		LEFT IN WELL		PACKERS AND SHOES
	Ft.	In.	Ft.	In.	Ft.	In.	
8 5/8"OD	350		0		350		Cemented w/250 sax
4 1/2"OD	2980		0		2980		Cemented w/175 sax
1 1/4"OD	2977		0		2977		Tubing

Initial Production of Gas—Volume ..... MCF 24 hrs. Pressure ..... lbs. per square inch

Initial Production of Oil: Barrels 23 Hr RRC Potential Test: Flowed 166.06 Bbls 30.2 Gravity Oil, No Water, 14/64" choke, CP 550#, TP 490#, GOR 425:1 24 Hr Calculated Potential 175.97 Bbls Oil

Initial Production of Distillate: Barrels .....

Is this an OIL well? Yes, a GAS well? No, or a Dry HOLE? No

DESCRIPTION OF PROPERTY

NORTH

Agnes Beckham Well No. 9, located 660' from the East line and 1980' from the North line of Section 26, Block 57, TWP 2, T & P RR Co Survey, Reeves County, Texas

WEST EAST

SOUTH

Orig & cc: RRC-Midland
cc: Gen Land Office-Austin
cc: FWR, HFD, File

GENERAL REMARKS

Well drilled to 2985' total depth. Set 4½" OD casing @ 2980', cemented w/175 sax. Plug back depth 2973'. Perforated Delaware sand section 2947-62' w/60 holes. Mud acid washed perforations w/250 gals and sand-oil frazed w/1500 gals oil and 1500# sand. Well completed as producer.

RECEIVED
AUG 25 1959
General Land Office

RECEIVED
MAY 25 1959

FILE IN DUPLICATE WITH DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATED

FORMATION RECORD

Show All Formations, Especially All Sands and Character and Contents Thereof

FORMATIONS	TOP	BOTTOM	REMARKS
Red Bed	0	303	
Anhydrite	303	1879	
Anhydrite & Lime	1879	2225	
Lime & Anhydrite	2225	2331	
Salt	2331	2695	
Lime & Sand	2695	2928	
Sandy Shale	2928	2980	TD 2973 PBTD

Casing Cemented — Yes

Method of shutting off water None — Is water completely shut off? None

Amount of water with oil C. G. Confer per cent

I, ...

being first duly sworn on oath state that I have knowledge of the facts and matters hereinset forth and that the same are true and correct.

COPY C. G. CONFER

21st May

Representative of Company

Subscribed and sworn to before me this day of

COPY R E CROSS, JR.

Notary

Notary Public

County, Texas.

RECEIVED

AUG 25 1959

General Land Office

27

M. F. 35430

WELL RECORD

WELL # 9

FILED AUG 25 1959

Bill Adams
COMMISSIONER

45

CLERK

Amended Location 8

Date February 28, 19 61

Name of company or operator

Name Sinclair Oil & Gas Company

Address P. O. Box 1470

City Midland, Texas

Description of farm or lease:

Name of Lease Agnes Beckham (12665)

Number of Acres 640 Well No. 11

Number of wells on lease 9 oil & 1 dry hole

Elevation Approx. 2918 (Ft. above sea level) Section No. 26 Block No. 57

Survey T&P RR Co.

Zone or Reservoir Bell Canyon (Delaware) sandstone

To be Located in Sabre (Delaware) Field

(If Wildcat state above, also state Distance and Direction from nearest Survey Lines.)

Reeves County

Approx. 2 Miles southwest direction from

Orla, Texas nearest post office or town.

Rotary or Cable Tools Rotary

Date work will start drilling when Form 1 approved

Depth to which you propose to drill 3100 feet.

Date work will start deepening

IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILLED, FROM WHOM PURCHASED?

Name

Address

210 BOPD 2956'-63'

all information requested. Much unnecessary

FIDAVIT ON REVERSE SIDE

NOTE: Original Form 1 dated February 24, 1961, Permit dated February 28, 1961, to drill well to 3100'. This amended Form 1 filed to correct location

M-35430 35.

Bell #11 Amended Location
Jerry Sadler, Comm.
5-1-61
ks

State-RA

M-35430

Tank

Form 1
Rev. 4/60

ION OF TEXAS
DIVISION

LL, DEEPEN OR PLUG BACK Drill

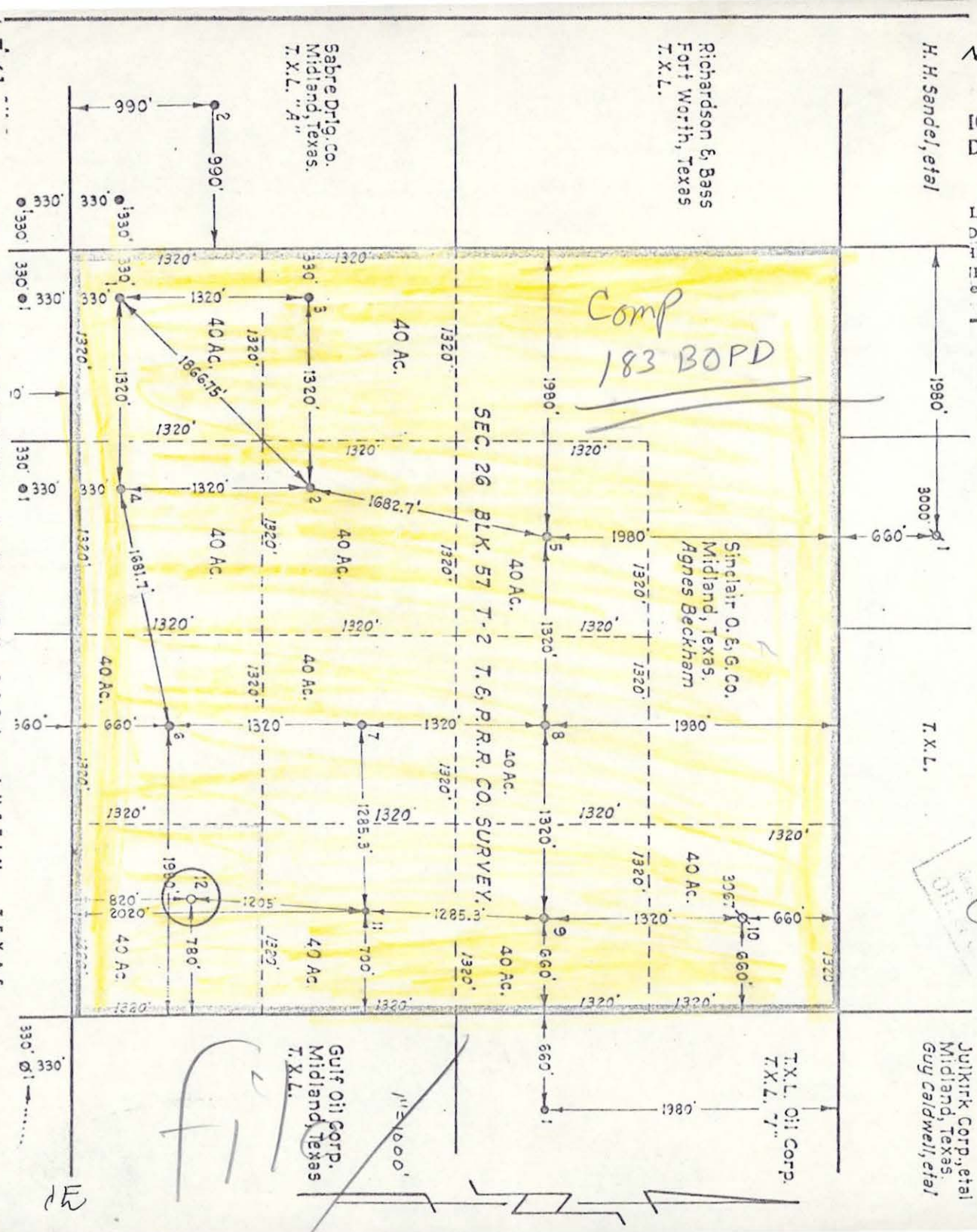
DEPUTY SUPERVISOR OF DISTRICT IN WHICH WELL IS LOCATE

IMENT HERETO MUST BE CLEARLY LEGIBLE,

IED WITHOUT COMMISSION ACTION.

er Ribbon Preferable)

8



Date April 4, 19 61

Name of company or operator

Name Sinclair Oil & Gas Company

Address P. O. Box 1470

City Midland, Texas

Description of farm or lease:

Name of Lease Agnes Beckham (12665)

Number of Acres 640 Well No. 12

Number of wells on lease 10 oil; 1 dry hole

Elevation Approx 2909 (Ft. above sea level) Section No. 26 Block No. 57

Survey T&P RR Co.

Zone or Reservoir Bell Canyon (Delaware) sandsto

To be Located in Sabre (Delaware) Field

(If Wildcat state above, also state Distance and Direction from nearest Survey Lines.)

Reeves County

Approx. 2 Miles southwest direction from

Orla, Texas nearest post office or town.

Rotary or Cable Tools Rotary

Date work will start drilling when Form 1 approved

Depth to which you propose to drill 3100 feet.

Date work will start deepening

IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILLED FROM WHOM PURCHASED?

Name

M. F. 35430
WELL # 12 COMPLETION REPORT
JERRY SADLER, COMMISSIONER
FILED 5-24-61 BY [illegible]

WITHIN 1 MI ~~#20457~~ M-35430 190937 Bg R37

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

FORM W-1
1/1/81

API Well No. 42
Instruction (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

☐ Directional Well ☐ Sidetrack ☒ Amended Permit (Explain in Remarks)

RRC Permit Number, if previously assigned.
Rule 37 #92,667

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

1. Operator
ARCO Oil & Gas Company 029340

2. Address (Including City and Zip Code)
P.O. Box 1610
Midland, Texas 79702 000858

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?
YES ☒ NO ☐ (Instruction (2) on back side.)

4a. Lease Name (32 Spaces Maximum)
Agnes Beckham

4b. RRC Lease or ID Number (if assigned)
12665

5. Location (Sec., Blk., Survey)
Sec 26, Blk 57, T&P RR Survey

6. This well is to be located 1.2 miles SW Direction from Orla, Texas
Nearest Post Office or Town.

7. RRC District
8

8. County
Reeves (N)

9. Well Number
114

10. Number of Contiguous Acres in Lease or Unitized Tract
659.7

11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.)
1450

12. Total Depth
3059'

AUG 03 1983 White

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13. FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	14. Completion Depth	15. All Prior Rule 37 Exc. Case Numbers for this wellbore. If none, State None.	16. Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	17. Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	18. Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	19. Is this acreage presently assigned to another well in same res. on same lease? Yes or No. If yes explain in remarks.	20. Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	21. Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	22. Oil, Gas, or other Type Well (Specify)	23. Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL	GAS
Sabre (Delaware)	3059	92,667	660/1200	40	40	No	723' SE	Regular ☐ Rule 37 ☒	Oil	11 1 WIW	0
79423 500		C: 5-17-83						Regular ☐ Rule 37 ☐			AUG 23 1984
		TD - 3059'						Regular ☐ Rule 37 ☐		RECEIVED R.R.C. OF TEXAS	
		Pfs 2960-2972						Regular ☐ Rule 37 ☐		MAY - 9 1983	

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 1450' FSL & 1450' FEL of Agnes Beckham
B. Survey Lines 1450' FSL & 1450' FEL, Sec 26, Blk 57, T-2, Reeves Co., Tx.

25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒
(b) If subject to SWR 36, has Form H-9 been filed? ☐ ☐ If no, attach explanation.)

26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. Yes ☐ No ☒

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒

28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒

NOTICE
NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REMARKS: Request permission to drill well 19' deeper.
Well will still be completed in same formation.

Issued 3/28/83 R37.

J. R. Hardin
Signature
Engr. Tech.
Title
5-5-83
Date
Telephone: Area Code 915 684-0100

RECEIVED R.R.C. OF TEXAS MAY 11 1983 O.G. AUSTIN, TEXAS

RECEIVED R.R.C. OF TEXAS MAY 19 1983 O.G. AUSTIN, TEXAS

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

IP: 34 BO + 185 BW

Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767
7-12-83

WELL STATUS REPORT

OPERATOR ARCO Oil & Gas Co.

STATE LEASE NO. M-35430 FEE ____ Within/ R.A.L. xx FREE ROYALTY ____

OFFSET, APPROX. ____ FT. FROM STATE LEASE ____

LEASE Agnes Beckham WELL NO. 14

FIELD NAME Sabre/Delaware WILDCAT ____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 4/28/83 DRILLING DEPTH ____

COMPLETION DATE 5/17/83 TOTAL DEPTH 3059' PBD 3057'

PERFS 2960' to 2972' 1ST COMPLETION: YES ____ NO ____

POTENTIAL/TEST: OIL Pumping GAS ____ D&A ____

REMARKS: Date of test 6/2/83 (24 hrs.)--Top of pay 2960'--Oil produced prior to test 371 bbls. Oil/34 bbls.--Gas/MCF 28--Water/185 bbls.--Gas/Oil Ratio 824 to 1--Gravity 39.8

GM/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE April 13, 1984

GLO-ED-04-(1-82)

(37)

M.F 35430 - N.R.

APPLICATION TO DRILL

WELL # 14

FILED 8-24-84 19

GARRY MAURO, COMMISSIONER

BY: gp

within AL M- [redacted] 35430

▶ Make a check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-0600

Purpose of filing (mark appropriate boxes):
[ ] Drill [ ] Deepen (below casing) [X] Deepen (within casing) [ ] Plug Back [ ] Re Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned:
API No. ▶ 42- 389-30422
Permit No. ▶ ~~002660~~ 25233
Rule 37 Case No. ▶ 95259

1. Operator's Name (exactly as shown on Form P-5, Organization Report): ARCO Oil & Gas Co.
3. RRC Operator No.: 029340
4. RRC District No.: 8
5. County of Well Site: Reeves

2. Address (including city and zip code): P.O. Box 1610, Midland, Texas 79702
000858
6. Lease Name (32 spaces maximum): Agnes Beckham "26"
7. RRC Lease/ID No.:
8. Well No.: 1
9. Total Depth: 15,720'

10. Location
• Section 26 Block 57 Survey T-2, T&P RR Co. Abstract No. A-
• This well is to be located 2 miles in a SW direction from Orla, Texas
which is the nearest town in the county of the well site.

OCT 16 1984

11. Distance from proposed location to nearest lease or unit line: 660 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 640 (OUTLINE ON PLAT)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Chapman, Deep (Fusselman)	15,643	1320/3735	640	640	Yes	2721	Gas	0	2
17030400									
PERFS 15644' to 15703'									

RECEIVED
R. R. C. OF TEXAS
JAN 19 1984

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 660' FWL & 1320' FSL
• Survey/Section 660' FWL & 1320' FSL, Sec. 26, Blk. 57

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [XX]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [X] No [ ] If subject to Rule 36, is Form H-9 filed? Yes [X] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes [XX] No [ ]
If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

Remarks: This well is permitted as a regular location in the Chapman, Deep (Atoka). Rule 37 exception requested due to distance from lease line (Item 18): Well #2 will be shut in or plugged back prior to recompleting this well in the Chapman, Deep (Fusselman). Rule 36 Cert. No. 5173.

I certify that information stated in this application is true and complete, to the best of my knowledge.

T. R. Hardin
Signature

T. R. Hardin, Engr. Tech.
Name and title of operator's representative

01 13 84
Date: mo. day yr.

915/684-0100
Tel: Area Code Number

211077 JAN 2084

• RRC Use Only •

W003641

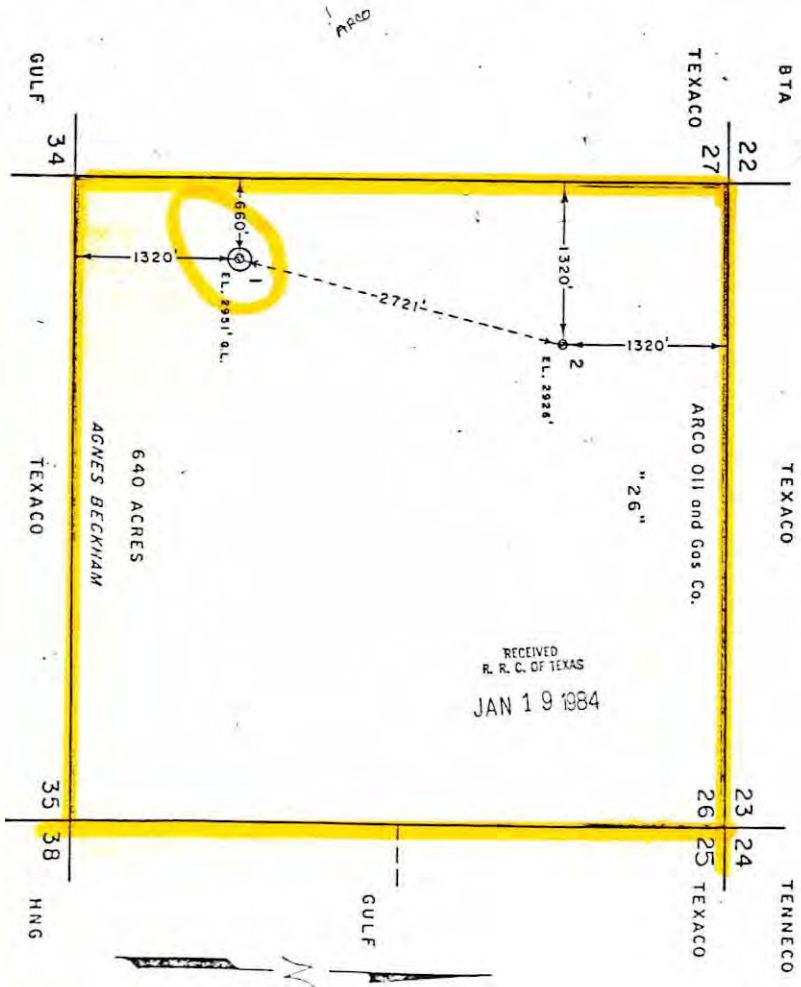
228498

Completed 10/1/85 TD 15705, C 15703 plugback

10-1-84

Statewide PLAT SERVICE
P. O. DRAWER 1967, AUSTIN, TEXAS 78767

I, James A. Deeh of ARCO Oil and Gas Company, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my



RECEIVED
R. R. C. OF TEXAS
JAN 19 1984

AGNES BECKHAM 26 LEASE
SEC. 26, BLK. 57, T-2, T&P RR CO.
Reeves Co., Texas
Scale: 1" = 1000'

SCALE OF MAP
1 inch = 500 feet
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet

38

M.F 35430

APPLICATION TO DRILL

WELL # 1

FILED 6-25 19 85

GARRY MAURO, COMMISSIONER

BY: D Bright

2-21-85

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. 42- 389-30422

7. RRC District No. 8

8. RRC Gas ID No.

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): Chapman, Deep (Fusselman)
2. LEASE NAME: Beckham, Agnes "26"
9. Well No.: 1
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Company
RRC Operator No.: ~~036350~~ 029340
10. County of well site: Reeves
4. ADDRESS: P.O. Box 1610 Midland, Texas 79702
11. Purpose of filing: Initial Potential [X]; Retest [ ]; Reclass [ ]; Well record only (Explain in remarks) [ ]
5. Location (Section, Block, and Survey): Sec 26, Blk 57, T-2, T&P RRCo. Survey
5b. Distance and direction to nearest town in this county.: 2 miles southwest of Orla, Texas
6. If operator has changed within last 60 days, name former operator: -
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #
Chapman, Deep (Atoka)	071990	G	1

13. Pipe Line Connection: United Texas Transmission
14. Completion or recompletion date: 1/10/85
15. Any condensate on hand at time of workover or recompletion? [ ] Yes [X] No
16. Type of Electric or other Log Run.: FDC, BHC-Sonic, ML, Comp DLL, DI, GRN

Section I — GAS MEASUREMENT DATA

Date of Test: 2/8/85
Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [ ] Pipe Taps [ ]; Positive Choke [ ]; Orifice Vent Meter [ ]; Pitot Tube [ ]; Critical-flow Prover [ ]
Gas produced during test: 842 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. ^oF	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	4.026	1.500	14356	973	16	79	.9822	1.0215	1.061	1906
2	4.026	1.500	14356	973	35	79	.9822	1.0215	1.061	2820
3	4.026	2.500	43217	981	10	75	.9859	1.0215	1.064	4584
4	4.026	2.500	43217	1033	55	60	1.0000	1.0215	1.074	11304

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
.575	0 Deg. API	0 CF/Bbl	G_{mix} = .575	123.5 ^oF	200 ^oF @ 15679 Depth

$D_{eff}^{8/3}$ = 8.58
$\sqrt{T_f}$ = $\sqrt{596}$ = 24.42
$\sqrt{GL}$ = $\sqrt{9015}$ = 94.95
$C = \frac{1118 \times D_{eff}^{8/3}}{\sqrt{T}}$ = = 393
$\frac{\sqrt{GL}}{C}$ = = .24181

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. ^oF	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	P_w/P_l
Shut-In	24 hrs		5120	47	26214				
1	60	.047	5053	71	25530	415.6	172.7	5070	.997
2	60	.063	4983	75	24828	631.4	398.6	5023	.992
3	60	.094	4803	78	23066	1108.5	1228.8	4929	.974
4	60	.141	3713	82	13784	2733.5	7471.8	4610	.805

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In	24 hrs	.2898	.949	1.316	6759	45683	
1	.998	.2829	.947	1.307	6628	43930	1754
2	.996	.2823	.949	1.307	6566	43111	2572
3	.987	.2798	.956	1.307	6441	41487	4196
4	.906	.2568	.988	1.289	5941	35300	10383

Angle of Slope
θ 45
n 1.000
Absolute Open Flow
49500 ..... MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester — ARCO Oil & Gas Co. — Name of Company — RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator's representative — Area Prod. Supt. — Title — 2/14/85 — Date — Tel: 915 -332-4361 — A/C Number

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☐ Deepening ☒ Plug Back ☐ Other ☐

18. Permit to Drill, Plug Back or Deepen — DATE: 1/13/84 — PERMIT NO.: 003662
Rule 37 Exception — Amended 3/29/84 — CASE NO.: 95,259
Water Injection Permit — PERMIT NO.:
Salt Water Disposal Permit — PERMIT NO.:
Other — PERMIT NO.:

19. Notice of Intention to Drill this well was filed in Name of: ARCO Oil and Gas Company

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 640

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 11/7/84; Completed 1/10/85

23. Distance to nearest well, Same Lease & Reservoir: 2721 feet

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 660 Feet From West Line and 1320 Feet from South Line of the Agnes Beckham "26" Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 2951 GR (29' KB)

26. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No

27. Top of Pay: 15,644

28. Total Depth: 15,705

29. P. B. Depth: 15,703

30. Surface Casing Determined by: Field Rules ☐; Recommendation of T.D.W.R. ☒; Railroad Commission (Special) ☐; Dt. of Letter: Unknown; Dt. of Letter:

31. Is well multiple completion? ☐ Yes ☒ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: Rotary Tools X; Cable Tools

34. Name of Drilling Contractor: A.W. Thompson, Inc.

35. Is Cementing Affidavit Attached? ☐ Yes ☒ No

36. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
20	94 & 133	1163	-	HL,C,2300	26	Surface	4396
13-3/8	68	3300	-	HL,C,3450	17-1/2	Surface	6885
9-5/8	47	10550	3191	HL,TLW,3800	12-1/4	800'	6608

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7-3/4	10207	15480	970	None
5	15143	15705	165	None

38. TUBING RECORD

Size	Depth Set	Packer Set
2-7/8	15203	15139

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From	15644	To	15703 Perfs
From		To	
From		To	
From		To	

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
15644 - 15703	15,000 gals 20% HCL, 90 bbl flush KCL wtr.

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Bell Canyon	2930	Wolfcamp	9613
Brush Canyon	5303	Atoka	12982
Dean	9288	*Mississippian	15414
		*Woodford Shale	15,530
		Upper Silurian	15,641

REMARKS: Well was producing from the Atoka (13359-13602). The Atoka zone was P&A'd and the well was recompleted in the Fusselman (15644-15703). Please remove Chapman, Deep (Atoka) well (017990) from proration schedule.

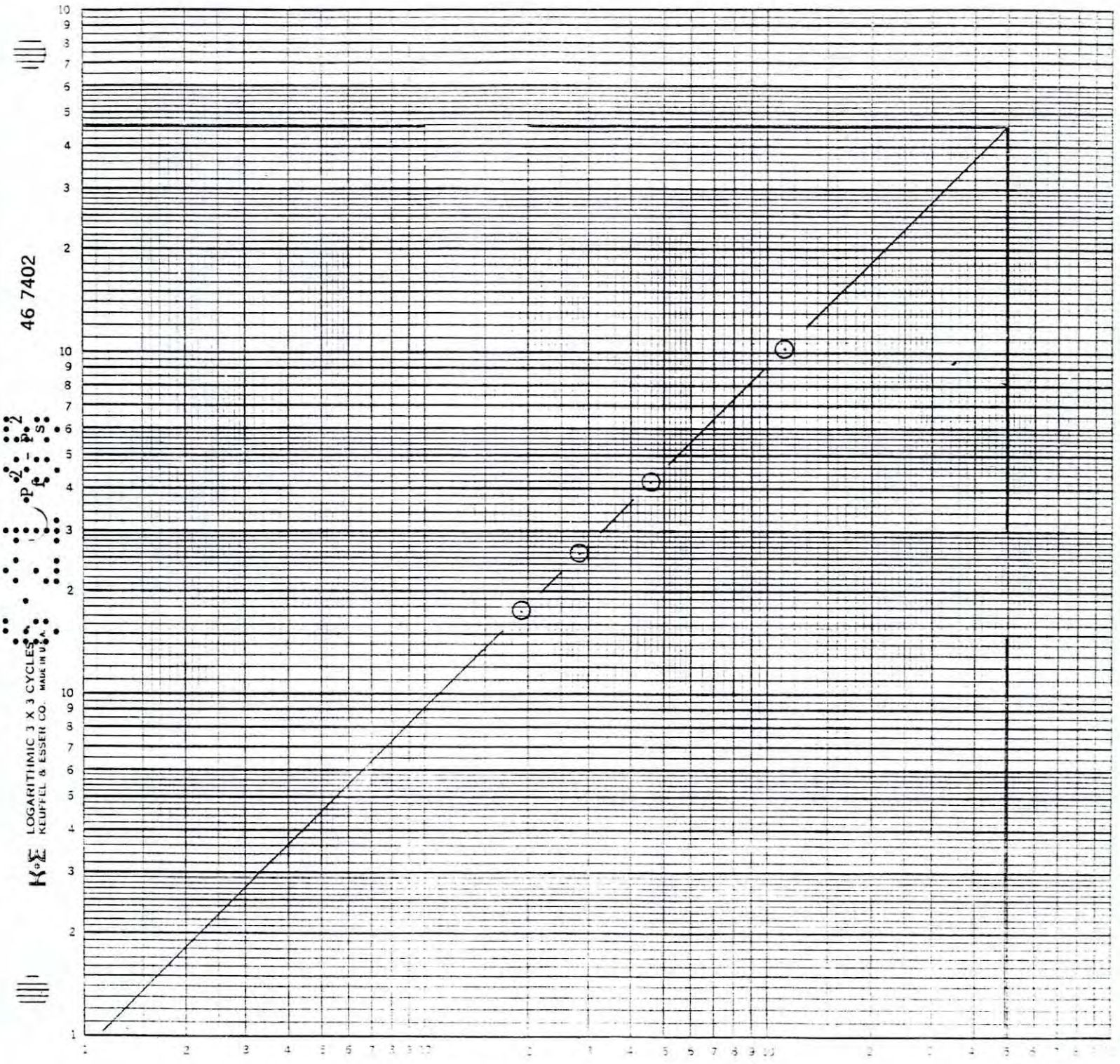
COUNTY Reeves FIELD CHAPMAN, DEEP FSLMN.

OPERATOR Arco Oil & Gas

LEASE Agnes Beckham WELL NO. 26-1

VOLUME 49500 MCF/24 hrs.

DATE 2-8-85



θ = 45

n = 1.000

Q = 49500

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

7. RRC District: 8
8. RRC Identification Number:

1. FIELD NAME (as per RRC Records): Chapman, Deep (Fusselman)
2. LEASE NAME: Agnes Beckham "26"
9. Well Number: 1
3. OPERATOR: ARCO Oil and Gas Company
10. County: Reeves
4. ADDRESS: P.O. Box 1610 Midland, Texas 79702
11. Utilized for: Intra State Sales
5. LOCATION (Section, Block, and Survey): Sec 26, Blk 57, T-2, T&P RR Company Survey
6. Pipeline Connection or Use of Gas: United Texas Transmission Company
12. Acres Allocated to this Well: 640

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	5000	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	0	(BBLS.)	F. Color of Liquid	None	
C. Gas/Liquid-Hydrocarbon Ratio	0	(CF/BBL.)	G. Gravity of Liquid	None	°API
D. Flowing Tubing Pressure	4500	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.575	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	49500	(MCF/DAY)	C. Shut-In Wellhead Pressure	5120	(PSI)
B. Date of Test	2/8/85		D. Length of Time Well Shut-In Prior to Test	24	

Section III — A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

DATE LIQUID SAMPLE OBTAINED:

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Roy D. Poelsen
SIGNATURE

2/14/85
DATE

Area Production Supt.
TITLE

AREA CODE AND TELEPHONE NUMBER 915 332-4361

INSTRUCTIONS

This report shall be filed in duplicate in the appropriate Railroad Commission District Office; (a) Upon completion of a gas well; (b) Upon reclassification of any well from oil to gas, or gas to oil; (c) And upon subsequent requests by the Railroad Commission.

NOTICE:

NO CONDENSATE OR CRUDE PETROLEUM WILL BE CLEARED FROM A GAS WELL UNTIL THIS REPORT HAS BEEN PROPERLY PREPARED, EXECUTED AND FILED.

Production Test: The production test data required should reflect representative operating conditions and the volumes must be on a 24-hour basis.

Potential Test: The potential test data shown shall be that taken from a Railroad Commission test made during the latest semi-annual survey; or, if no test was made during such survey, data shall be taken from a test made by the operator not more than 30 days prior to the date on which this report is filed.

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the ARCO Oil & Gas Company (OPERATOR), Agnes Beckham "26" (LEASE), No. 1 (WELL); that such well is completed in the Chapman, Deep (Fusselman) Field, Reeves County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 640 _____ acres which can reasonably be considered to be productive of hydrocarbons.

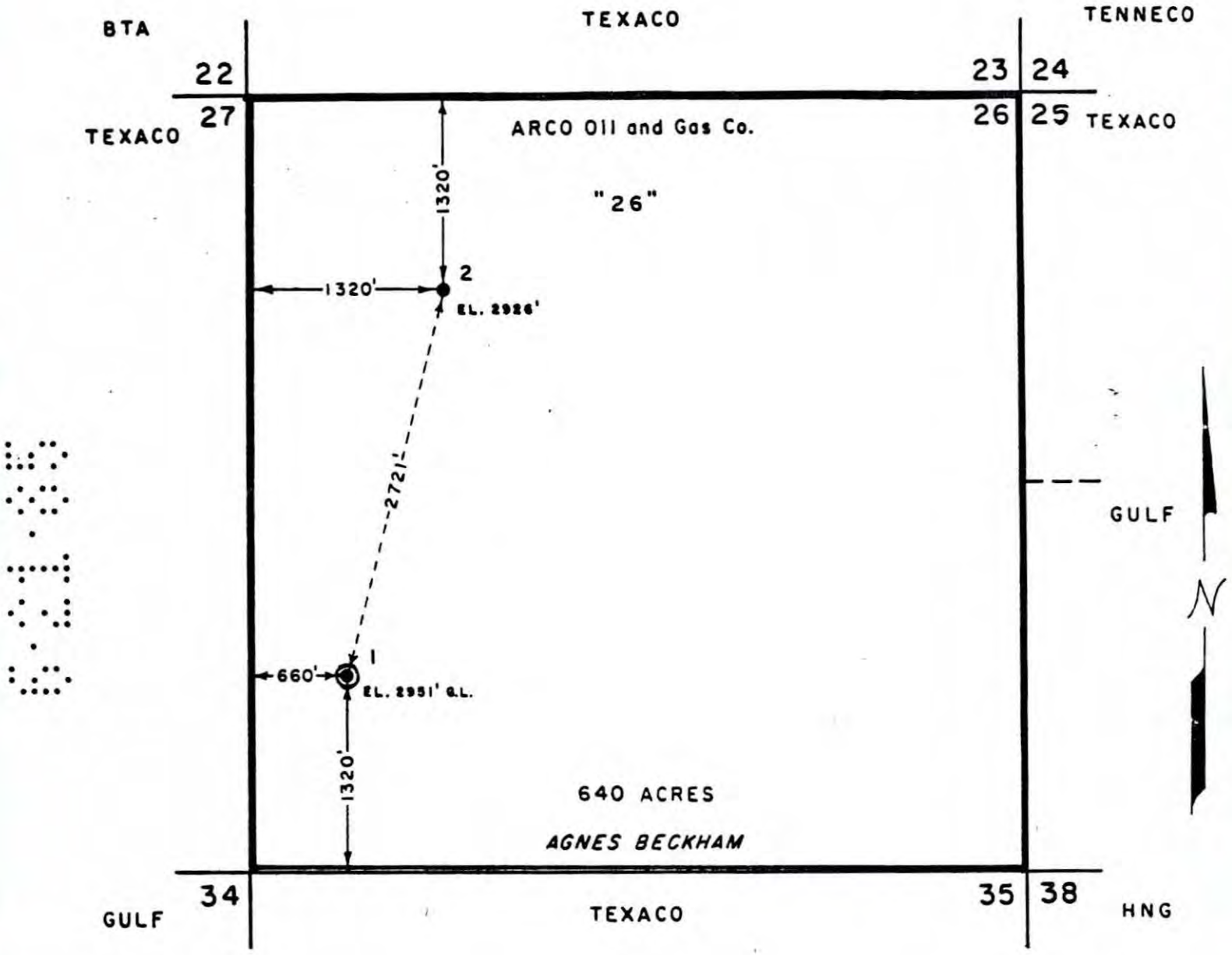
– CERTIFICATE –

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date 2-21-85 Signature J. R. Hardin

Telephone 915/684-0100 (AREA CODE) _____ Title Engr. Tech.

ARCO Oil and Gas Company
AGNES BECKHAM "26" LEASE
SEC. 26, BLK. 57, T-2, T&P RR CO.
Reeves Co., Texas
Scale: 1" = 1000'



I, James A. Dech of ARCO Oil and Gas Company, Division of Atlantic Richfield Company, certify that I have knowledge of the facts and matter herein set forth and that the same are true and correct to the best of my knowledge and belief.

James A. Dech

3-20-85

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
ARCO Oil & Gas Company	029340	8	Reeves

5. Field Name (Wildcat or exactly as shown on RRC records)	6. API No.	7. Drilling Permit No.
Chapman, Deep (Atoka)	42-389-30422	003662

8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No.
Agnes Beckham "26"		071990	1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date							
13. •Drilled hole size							
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)							
15. Top of liner (ft.)							
16. Setting depth (ft.)							
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶						
	Class ▶						
	Additives ▶						
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶						
	Height (ft.) ▶						
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?							

22. Remarks

OVER ▶

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date	11-17-84							
24. Size of hole or pipe plugged (in.)	7-5/8							
25. Depth to bottom of tubing or drill pipe (ft.)	13142							
26. Sacks of cement used (each plug)	200							
27. Slurry volume pumped (cu. ft.)	236							
28. Calculated top of plug (ft.)	12989							
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)	15.6							
31. Type cement	H w/.9% Halad - 14.							

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Tony Romo	Cementer	Halliburton Services						
Name and title of cementer's representative		Cementing Company		Signature				
P.O. Drawer Y		Monahans	Texas 79756	915/943-2721		11	17	84
Address		City,	State, Zip Code	Tel.: Area Code / Number		Date: mo.	day	yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Tony P. Carnes	Drlg. Foreman							
Typed or printed name of operator's representative	Title	Signature						
P.O. Box 1610	Midland	Texas 79702	915/684-0100		11	17	84	
Address	City,	State, Zip Code	Tel.: Area Code Number		Date: mo.	day	yr.	

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- Form **W-4**, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form **W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting **dry** holes, operators must complete Form **W-15, in addition to Form W-3, to show any casing cemented in the hole.**

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

2-25-85

FORM G-10
Rev. 11/1/83
GAS WELL STATUS REPORT

[ ] RETEST

and Gas Company
1610 Revenue Dept.
Texas 79702

Test Period

Due Date

Page

Effective Date

PRODUCING WELLS						NON-PRODUCING WELLS				
TED r	DAILY PRODUCING RATE GAS	CONDEN SATE	WATER GAS/COND.	PRESSURE PSIA#	POTENTIAL BHP	SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
5	10,084 MCF	-0- . BBLS	23 BBLS	5210 SIWH	MCF/DAY					
	0 . 576 Spec.Grav.	-0- Grav. °API	-- MCF/Bbl	987 Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	MCF	. BBLS	BBLS	SIWH	MCF/DAY					
	. Spec.Grav.	. Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				

ert the date (MO/Yr) the well was last produced or utilized.

pounds per square inch gauge pressure (PSIG) for wells in and Texas-Hugoton Fields.

CATE

16c, R.C.S., that I am authorized to make this r my supervision and direction, and that data plete, to the best of my knowledge.

Signature — Date: 2/14/85

Area Production Supt. — Title

915-332-4361 — Telephone

INSTRUCTIONS

This report shall be mailed in duplicate to the appropriate Railroad Commission District Office not later than 5 days after the close of the test period.

Report full well stream gas production figures in MCF (thousands of cubic feet) measured at a base pressure of 14.65 pounds per square inch, absolute, and a standard base temperature of 60 degrees Fahrenheit. Whenever the conditions of pressure and temperature differ from the above standards, conversion of volume from measured conditions to the standard conditions shall be made in accordance with the Ideal Gas Laws: corrected for deviation. Correction for specific gravity shall be made based on a test made by the Balance Method. All tests submitted to the Commission on this form shall be made by a person qualified by training or experience to make such tests, and the methods of gas measurement used shall be those described in the current pamphlet "Gas-Oil Ratio Calculation", and the back pressure manual issued by the Commission, or al accurac . All roduction tests to determine the daily producing rates reported on

this form shall be of 24 hours duration and shall be made with the same equipment used during tions. Liquid hydrocarbons include both oil and condensate and shall be reported in barrels of 42 U. S. Gallons at 60 degrees Fahrenheit.

Show all requested data separately for each well.

1. Each gas well operating under Statewide Rules 28 and 29 shall be assigned an allowable not to exceed 25% of the calculated absolute open flow potential or the production test volume as reported on Form G–10, whichever is the smaller volume. A 24 hour production test at a rate selected by the operator shall be taken semi-annually and filed with the appropriate District Office on Form G–10. The latest absolute open flow (AOF) as reported on Form G–1 shall be semi-annually adjusted by one of the following methods and the adjusted AOF reported on Form G–10.
   a. Using the shut-in wellhead pressure, a measured or calculated bottom hole pressure, calculate a new PF_2, plot on the original back pressure curve and determine a new AOF (attach a copy of curve),
   b. Calculate the new AOF by use of the formula.

$$OF_2 = OF_1 \left[\frac{(PF_2)^2}{(PF_1)^2} \right]^n$$

2. Wells operating under Statewide Rule 28C (special field rules) shall receive a daily allowable in accordance with the field rules but not to exceed the daily rate as reported on Form G–10. These wells must be preflowed for 48 hours preceding the test at an average rate not less than 75% of the official test rate. The average producing rate during the 48 hour stabilization period shall be the average of the producing rates during the two 24 hour stabilization periods. At the conclusion of the 24 hour official test, the well shall be closed in, and the maximum shutin wellhead pressure determined and reported.

3. Wells operating under special field rules where potential is part of the factor (Annual 4 Point Test) shall report the highest rate of flow from the 4–point test conducted, the corresponding ending flowing well head pressure, the shut-in bottomhole pressure and the new AOF. A copy of the back pressure curve shall be attached.

4. In addition to other data, calculated potential or deliverability shall be reported for each well in the East Panhandle, West Panhandle, and Texas-Hugoton Fields. In the West Panhandle, West Panhandle (Red Cave), and Texas-Hugoton Fields, shut-in well head pressures are to be determined to the nearest one-tenth (0.1) pound per square inch by deadweight gauge or equivalent method approved by the Commission. Pressures thus obtained are to be rounded off to the nearest pound per square inch gauge and reported on Form G–10. West Panhandle and Texas-Hugoton Field Rules remain unchanged in regard to test requirements.

5. All other producing wells (including associated gas wells or wells previously granted exceptions to Statewide Rule 28 and 29 testing requirements) shall report the ending flowing well head pressure plus the daily production of gas, condensate, water, plus gas specific gravity, API gravity of condensate and gas condensate ratio. The shut-in well head pressure may be omitted.

6. Prorated wells which have BHP as part of the proration formula shall include the BHP on Form G–10 in addition to the filing of Form W–7. The reported BHP must have been taken within the same test period as the production test.

7. Wells delivering full well stream to a plant or central facility shall report the calculated condensate produced and liquid hydrocarbon ratio based on a GPM test conducted within 30 days of the date of the production test reported on this form.

M. F. [illegible] COMPLETION REPORT
WELL # 1
GUNTY HUGOTON GAS FIELD
FILED 6-25-85 BY [illegible]
35430
(32)

M-35430

ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

161

March 31, 1986

TO: Surface Owners
Offset Operators
County Clerk

RE: Application to Inject Fluid
Sabre (Delaware) Unit (Proposed)
Well Numbers 102, 105, 108, 301, 304, 305, 307, 401, 403, 405, 408, 503, 504, 606, 611, 616, 702, 704, 803, 804, 903, 907, 1002, and 1101.
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

ARCO Oil and Gas Company will apply to the Railroad Commission a H-1 entitled, "The Application to Inject Fluid into a Reservoir Productive of Oil and Gas", and a H-1A "Injection Well Data", on the Proposed Sabre (Delaware) Unit Well Numbers 503, 504, 616, 803, 804, 907, 1002, and 1101, and Well Conversions Numbers 102, 105, 108, 301, 304, 305, 307, 401, 403, 405, 408, 606, 611, 702, 704, and 903. The attachments are for your records.

Yours very truly,

L. G. Griffin

LGG:lu

Attachments

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form H-1
(Rev. 1-74)
(Rev. 4-82)

APPLICATION TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS

1. Field Name (as per current proration schedule - including reservoir, if applicable.)	2. RRC District
Sabre (Delaware)	8
3. Operator	4. County
ARCO Oil and Gas Company	Reeves
5. Lease Name(s) and RRC Lease Number(s)	6. Reservoir Discovery Date
Sabre (Delaware) Unit	June 5, 1958

7. Have any injection permits been granted previously to any operator in this reservoir? ☐ Yes ☐ No
If answer to this question is "NO", ALL OPERATORS IN THE RESERVOIR MUST BE NOTIFIED of this application, and copies of notification attached hereto.

8. Check the Appropriate Block(s):
☐ New Project or ☒ Expansion of Previous Authority to Add Either: ☒ New Lease(s) or ☒ Additional Well(s) on Same Lease(s)
Initial Authority Dated 4-15-68 by ☐ Administrative Action or ☐ Hearing, Special Order No. _____

RESERVOIR AND FLUID DATA ON ENTIRE RESERVOIR

9. Name of Reservoir	10. Estimated Productive Area of Entire Reservoir (acres)
Sabre Delaware	2160
11. Composition (sand, limestone, dolomite, etc.)	12. Type of Structure (Include cross-section and structural maps.)
Sand	Monocline
13. Subsea Depth of Oil-Water Contact (ft.)	14. Subsea Depth of Gas-Oil Contact (ft.)
-120 est.	N/A
15. Original Bottom Hole Pressure (psig)	16. Current Bottom Hole Pressure (psig)
1513	600 psi est.
17. Was a Gas Cap Present Originally?	18. Is a Gas Cap Present Now?
No	No
19. Ratio of Gas Cap Volume to Oil Zone Volume	20. Saturation Pressure (psig)
N/A	1513
21. Formation Volume Factor Original: 1.183 Current: 1.11	22. Type Drive During Primary Production
	Solution Gas

RESERVOIR AND FLUID DATA

23. Number of Productive Acres in Lease(s) within Project Area	24. Average Depth to Top of Pay (ft.)	25. Average Effective Pay Thickness (ft.)
2040	2950'	10.6
26. Average Horizontal Permeability (mds.)	27. Range of Horizontal Permeability (mds.)	28. Connate Water Saturation (% of pore space)
34.2	11.9-140	34.3
29. Average Porosity (%)	30. Gravity of Oil (deg. API)	31. Viscosity (cps. @ ° F)
20.5	35	2.8 @ 88° F

PRODUCTION HISTORY OF RESERVOIR

32. Date First Well Completed on Lease(s)	33. Stage of Primary Depletion of Project Area
7/1/58	100% currently producing secondary
34. Current Average Gas-Oil Ratio (SCF/bbl.)	35. Current Water Production (% of total fluid production or bbls./day)
280 230	71%
36. Current Number of Producing Wells on Each Lease in Project Area	37. Current Average Daily Oil Production per Well (bbls./day/well)
32	9.4%
38. Cumulative Oil Production to Date from Lease(s) (bbls.)	39. SUBMIT ATTACHED SHEET(S) GIVING THE OIL, GAS, & WATER PRODUCTION BY YEARS SINCE DISCOVERY & TOTALS. FOR THE LAST 3 YEARS, GIVE THESE FIGURES BY MONTHS.
4,462,706	

TYPE OF INJECTION PROJECT AND RESULTS EXPECTED

40. Type of Injection Project (Check the appropriate block(s):)
☒ Waterflood, ☐ Miscible Displacement, ☐ Thermal Recovery, ☐ Pressure Maintenance, ☐ Other _____ (specify)

41. Current Estimated Oil Saturation (% of pore space)	42. Estimated Residual Oil Saturation at Abandonment (% of pore space)
42%	31%
43. Estimated Original Oil-In-Place (bbls.)	44. Estimated Ultimate Additional Oil that will be Recovered as a Direct Result of Injection (bbls.)
17.6 MMBO	2.4 MM

INJECTION DATA

45. Type of Injection Fluid (Check the appropriate block(s):)
☒ Salt Water, ☐ Brackish Water, ☐ Fresh Water, ☐ Gas, ☐ Air, ☐ LPG, ☐ Other _____ (specify)

46. Source of Injected Fluid(s) (formation(s) and depth(s) in ft.)	47. Injection Pattern and Spacing
Cherry Canyon 3800',Atoka13500',Fusselman15600'	5-Spot pattern, 80 acre spacing
48. Total Number of Injection Wells to be Approved in this Application	49. Estimated Maximum Daily Rate of Injection per Well (bbls./day/well)
24	2000
50 Total Estimated Maximum Daily Rate of Injection for All Wells in this Application. (bbls./day)	51. Maximum Injection Pressure to be Used. (psig)
48,000	1100

52. LIST COMPLETE INJECTION WELL DATA ON FORM H-1A AND ATTACH.

DATA ON PROPOSED PROJECT AREA

APPLICANT MUST COMPLY WITH THE INSTRUCTIONS AND SIGN CERTIFICATION ON REVERSE SIDE

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No.: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650
7a. Location (Sec.-Twp. or Block and Survey): Sec.39 and 26, Blk 57, TWP2,T&PRRCo.Svy,Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

WELL NO. 503

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO. 504

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO. 616

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650
7a. Location (Sec.-Twp. or Block and Survey): Sec. 35, Blk 57, TWP, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town)

WELL NO. 803

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO. 804

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO. 907

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No.: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650
7a. Location (Sec.-Twp. or Block and Survey): Sec. 25, Blk 57, TWP, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

WELL NO. 1002

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO. 1101

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	800'		Surf	Circ	11"	24 #
11. Intermediate							
12. Long String	5-1/2	3100'		Surf	Circ	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No.:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO.

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth):
14. Name, Model and Depth of Tubing Packer:
15. Total Depth of Well:
16. Date Well Drilled:
17. API No.:
18. Ground Surface Elevation:
19. Perforation or Open Hole:
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top Bottom
22. Name of Reservoir:
23. Injection System Open or Closed:
24. Anticipated Daily Injection Volume (Bbls): Average Maximum
25. Injection Pressure (Psi): Average Maximum
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No.: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 33, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

Well 102

9. WELL NO. 102	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	431'	200	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	5-1/2"	3044	175	2350	Temp Survey	7-7/8	14#

13. Tubing (Size and Depth): 2-3/8" @ 2850
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3044'
16. Date Well Drilled: 10/28/59
17. API No.: 42-389-00994
18. Ground Surface Elevation: 2998'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2903' Bottom 2919'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

Well 105

9. WELL NO. 105	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7	459'	200	Surf.	Circ.	9-7/8"	23#
11. Intermediate							
12. Long String	4-1/2"	3090'	150	2120	Calc.	6-1/8"	9.5#

13. Tubing (Size and Depth): 2-3/8 @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3090'
16. Date Well Drilled: 11/26/62
17. API No.: 42-389-00919
18. Ground Surface Elevation: 3013'
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2965' Bottom 2989'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

Well 108

9. WELL NO. 108	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7	488'	200	Surf.	Circ.	9-7/8"	20#
11. Intermediate							
12. Long String	4-1/2	3044'	100	2100'	Calc.	6-1/8"	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2850'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3050'
16. Date Well Drilled: 5/2/63
17. API No.: 42-389-10057
18. Ground Surface Elevation: 3020'Est.
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: P&A'd 5/83, will attempt to reenter.
21. Injection Interval: Top 2921' Bottom 2928'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No.: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 34, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

9. WELL NO. 301

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	416'	300	Surf.	Circ.	12-1/4"	32#
11. Intermediate							
12. Long String	5-1/2"	3042	300	2525	Temp Survey	7-7/8	14#

13. Tubing (Size and Depth): 2-3/8" @ 2900
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3041'
16. Date Well Drilled: 06/28/58
17. API No.: 42-389-00409
18. Ground Surface Elevation: 2967'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2945' Bottom 2955'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO. 304

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	9-5/8	396'	300	Surf.	Circ.	13-3/4"	32.3#
11. Intermediate							
12. Long String	4-1/2"	2999'	275	2750	Temp Surv.	7-7/8"	9.5#

13. Tubing (Size and Depth): 2-3/8 @ 2850'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3004'
16. Date Well Drilled: 11/09/58
17. API No.: 42-389-00412
18. Ground Surface Elevation: 2965'
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2909' Bottom 2916'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO. 305

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	9-5/8	377'	300	Surf.	Circ.	13-3/4"	32.3#
11. Intermediate							
12. Long String	4-1/2	3043'	250	1550'	Temp Surv.	6-3/4"	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3050'
16. Date Well Drilled: 12/19/58
17. API No.: 42-389-00413
18. Ground Surface Elevation: 2992'
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2957' Bottom 2964'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 34, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

9. WELL NO: 307

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	9-5/8"	356'	250	Surf.	Circ.	13-3/4"	36# &32.4#
11. Intermediate							
12. Long String	4-1/2"	3007	275	1180	Temp Survey	7-7/8	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2850
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3009'
16. Date Well Drilled: 05/12/59
17. API No: 42-389-00415
18. Ground Surface Elevation: 2981'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2914' Bottom 2924'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO: 401

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	637'	400	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	5-1/2"	3115'	300	1800	Temp Surv.	7-7/8"	5-1/2#

13. Tubing (Size and Depth): 2-3/8 @ 2950'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2950'
15. Total Depth of Well: 3115'
16. Date Well Drilled: 03/31/59
17. API No: 42-389-00187
18. Ground Surface Elevation: 3040' DF
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 3003' Bottom 3015'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO: 403

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	635'	400	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	5-1/2	2970'	300	1088'	Temp Surv.	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2850'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 2970'
16. Date Well Drilled: 06/11/59
17. API No: 42-389-00189
18. Ground Surface Elevation: 2988'DF
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2908' Bottom 2910'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 34 and 26, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located ____ miles 1 Southwest direction from Orla, (nearest post office or town.)

WELL NO 405

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	645'	400	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	5-1/2"	3000	675	Circ.	Surf.	7-7/8	14#

13. Tubing (Size and Depth): 2-3/8" @ 2850
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3000'
16. Date Well Drilled: 10/2/59
17. API No: 42-389-00191
18. Ground Surface Elevation: 2986'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2914' Bottom 2924'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO 408

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	692'	300	Circ.	Surf.	12-1/4"	24#
11. Intermediate							
12. Long String	4-1/2"	3006'	200	2640'	Temp Surv.	6-5/8"	9.5#

13. Tubing (Size and Depth): 2-3/8 @ 2850'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2850'
15. Total Depth of Well: 3006'
16. Date Well Drilled: 06/09/60
17. API No: 42-389-00194
18. Ground Surface Elevation: 3014' DF
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2930' Bottom 2931'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

WELL NO 606

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8	350'	225	Circ.	Surf.	12-1/4"	22.7#
11. Intermediate							
12. Long String	5	3013'	175	2590'	Temp Surv.	7-7/8"	11.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3013'
16. Date Well Drilled: 03/03/59
17. API No: 42-389-00100
18. Ground Surface Elevation: 2925'DF
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2946' Bottom 2956'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No.: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 26 and 35, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town.)

9. WELL NO. 611

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7-5/8"	370'	150	Surf.	Circ.	11"	15.28#
11. Intermediate							
12. Long String	4-1/2"	3100	175	2650'	Calc.	6-3/4	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: 03/7/61
17. API No.: 42-389-00105
18. Ground Surface Elevation: 2909'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2956' Bottom 2963'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO. 702

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7-5/8	500'	225	Surf.	Circ.	N/A	N/A
11. Intermediate							
12. Long String	4-1/2"	3049'	150	2600'	Temp Surv.	6-3/4"	7.5#

13. Tubing (Size and Depth): 2-3/8 @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3053'
16. Date Well Drilled: 11/21/58
17. API No.: 42-389-00237
18. Ground Surface Elevation: 2957'
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2951' Bottom 2959'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO. 704

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7-5/8	500'	225	Surf.	Circ.	N/A	N/A
11. Intermediate							
12. Long String	4-1/2	3074'	150	2675'	Temp Surv.	6-3/4"	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2950'
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2950'
15. Total Depth of Well: 3075'
16. Date Well Drilled: 03/28/80
17. API No.: 42-389-00239
18. Ground Surface Elevation: 2986'DF
19. Perforation or Open Hole: X
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: None
21. Injection Interval: Top 2987' Bottom 3005'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: X
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name: ARCO Oil and Gas Company
2. Lease Name: Sabre (Delaware) Unit
3. RRC Lease/ID No.:
4. Field Name: Sabre (Delaware)
5. RRC Field No: 794235000
6. Depth to Base of Deepest Fresh Water Zone: 650'
7a. Location (Sec.-Twp. or Block and Survey): Sec. 35, Blk 57, TWP2, T&PRRCo.Svy, Reeves
7b. County:
8. This lease is located 1 miles Southwest direction from Orla, (nearest post office or town)

9. WELL NO: 903

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	426'	160	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	4-1/2"	3152	225	2605'	Temp. Svy	6-3/4	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900
14. Name, Model and Depth of Tubing Packer: Baker Lok Set (or equivalent) @ 2900'
15. Total Depth of Well: 3152'
16. Date Well Drilled: 06/6/59
17. API No: 42-389-00985
18. Ground Surface Elevation: 2953'
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: 2-7-80 squeezed 2943-1120 w/ 600 sx cmt.
21. Injection Interval: Top 2976' Bottom 2997'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9. WELL NO.

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer
15. Total Depth of Well
16. Date Well Drilled
17. API No.
18. Ground Surface Elevation
19. Perforation or Open Hole
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21. Injection Interval: Top Bottom
22. Name of Reservoir
23. Injection System Open or Closed: [ ] [ ]
24. Anticipated Daily Injection Volume (Bbls): Average Maximum
25. Injection Pressure (Psi): Average Maximum
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

9. WELL NO.

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer
15. Total Depth of Well
16. Date Well Drilled
17. API No.
18. Ground Surface Elevation
19. Perforation or Open Hole
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21. Injection Interval: Top Bottom
22. Name of Reservoir
23. Injection System Open or Closed
24. Anticipated Daily Injection Volume (Bbls): Average Maximum
25. Injection Pressure (Psi): Average Maximum
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

Garry Mauro
Commissioner
General Land Office

June 30, 1986

Arco Oil & Gas Co.
P.O. Box 1610
Midland, Texas 79702

RE: State Lease M-35430
Tract Name: Agnes Beckham "26"
Well No. 2
Reeves County, Texas

Dear Gentlemen:

We note the recompletion of the captioned well in the Chapman Deep (Wolfcamp) field. However, we have not received the following reports or surveys, which are marked below, as required by your Oil and Gas Lease:

_____	Form W-1 Application to Drill
_____	Form W-2 Oil Well Potential Test/Completion Report
_____	Form W-3 Plugging Record
x	Form G-1 Gas Well Pressure Test and Completion Report
x	Form G-5 Gas Well Classification Report
x	Form G-10 Gas Well Status Report
_____	Form W-12 Inclination Report
_____	Form W-15 Cementing Report
_____	Electrical Log (full suite of 5 inch logs plus a 1-inch correlation electrical log. L-1 not acceptable as log.)
_____	Directional Survey (Please send E-Logs even though they may have been run prior to 9-1-85).

Your cooperation will be appreciated.

Sincerely yours,

Tim Pittman

Tim Pittman, Geologist
Texas General Land Office
Petroleum & Minerals Division
(512) 463-5022

TP/db

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

(41)

35430
Ltr to Ann
8-25-86 Rgg

WITHIN RAL M-35430

Return each W-1 with plat and $100.00 fee. Make a check or money order payable to the State Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711
File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Purpose of filing (mark appropriate boxes):
☐ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☒ Plug Back ☐ Re-Enter
☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here if assigned: API No. ▶ 42-389-30902 Permit No. ▶ 256262 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): ARCO Oil & Gas Company — 3. RRC Operator No.: 029340 — 4. RRC District No.: 8 — 5. County of Well Site: Reeves
2. Address (including city and zip code): P.O. Box 1610, Midland, Texas 79702 — 000858
6. Lease Name (32 spaces maximum): Agnes Beckham "26" — 7. RRC Lease/ID No.: — 8. Well No.: 2 — 9. Total Depth: 15,733
10. Location: • Section 26 Block 57 Survey T & P, T-2 Abstract No. A- — RR Co.
• This well is to be located 2 miles in a Southwest direction from Orla, Texas which is the nearest town in the county of the well site.

DEC 12 1984

11. Distance from proposed location to nearest lease or unit line: 1320 ft. — 12. Number of contiguous acres in lease, pooled unit, or unitized tract: 640 (OUTLINE ON PLAT)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. — 14. Completion depth — 15. Spacing pattern (ft.) — 16. Density pattern (acres) — 17. Number of acres in drilling unit for this well. OUTLINE ON PLAT. — 18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. — 19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.) — 20. Oil, gas, or other type well (Specify) — 21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir: OIL / GAS

13. FIELD NAME	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Acres in drilling unit	18. Other well?	19. Distance	20. Type well	21. OIL	21. GAS
Chapman Deep (Wolfcamp)	11,987	1320/2640	320	640	No	0	Gas	0	1
17030 500									

Granted 11/1/84

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 1320' FNL & 1320' FWL of the Agnes Beckham "26"
• Survey/Section 1320' FNL & 1320' FWL of Sec. 26
If a directional well, show also projected bottom-hole location:
Lease/Unit
Survey/Section

23. Is this a pooled unit? Yes ☐ ▶ (Attach Form P-12 and certified plat.) No ☒
24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ ▶ (Attach Form W-1A) No ☒
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☒ ▶ If not filed, explain in Remarks.
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes ☒ No ☐ If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

Remarks: Plug Atoka & Fusselman and recomplete in Wolfcamp.

I certify that information stated in this application is true and complete, to the best of my knowledge.
Signature: T. R. Hardin — Name and title of operator's representative: T. R. Hardin, Engr. Tech.
Date: 10 29 84 (mo. day yr.) — Tel.: 915/684-0100 (Area Code Number)

205943 OCT 31 84 • RRC Use Only •

262752

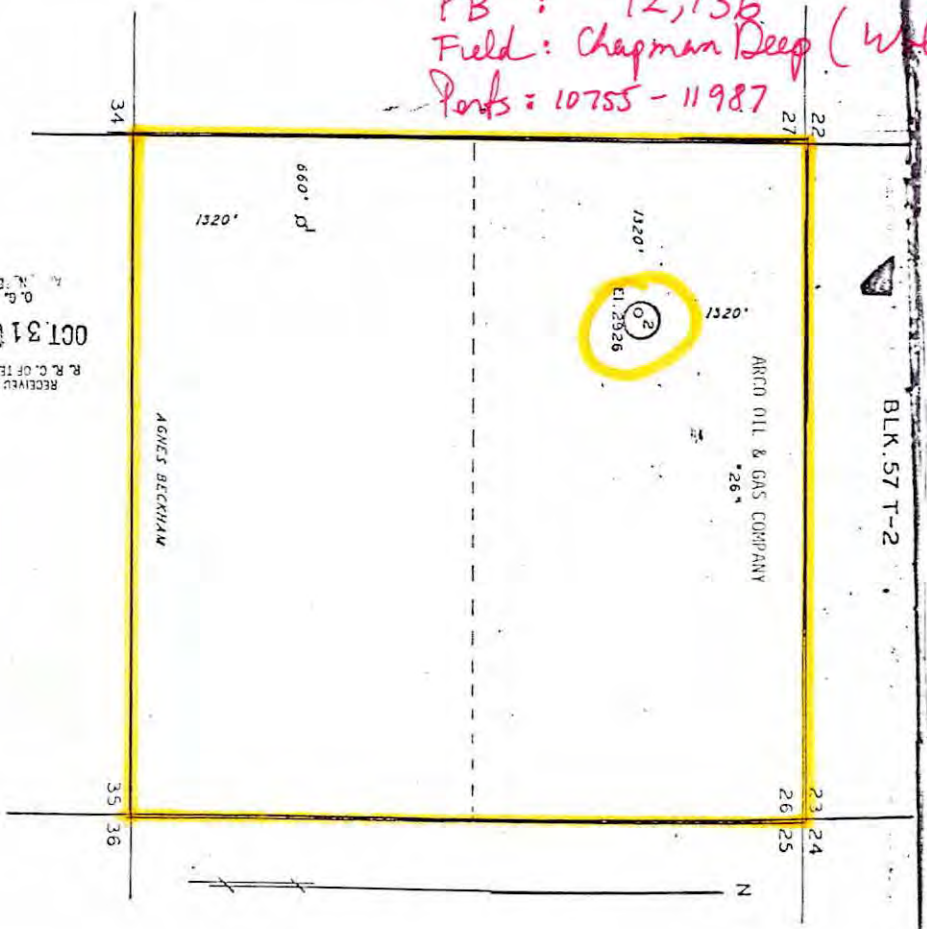
11-8-84

Compl: 5/1/85
PB: 12,136
Field: Chapman Deep (Wolfcamp)
Perfs: 10755 - 11987

I certify that the above plat was prepared from field notes of actual survey made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.
JULY 1, 1976-SEPT. 27, 1977
Registered Public Surveyor
License State Land Surveyor

RECEIVED
R. R. C. OF TEXAS
OCT 31 1984
O. G.

CLIFFORD C. GOOD
2



SCALE OF MAP
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

LOCATION PLAT
ARCO OIL & GAS COMPANY
AGNES BECKHAM "26" LSE.
SEC. 26 BLK 57 T-2 T&P RR CO.
REEVES CO., TEX.

M.F 35430 (42)

APPLICATION TO DRILL

WELL # 2

FILED 8-25 19 86

GARRY MAURO, COMMISSIONER

BY: [illegible]

m-35430

161

Type or print only

483-047

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

API No. 42-389-30902

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

7. RRC District No.: 8
8. RRC Gas ID No.: 117836
9. Well No.: 2
10. County of well site: Reeves

1. FIELD NAME (as per RRC Records or Wildcat): Chapman, Deep (Wolfcamp)
2. LEASE NAME: Agnes Beckham "26"
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Co.
RRC Operator No.: 029340
4. ADDRESS: P. O. Box 1610 Midland, Texas 79702
5. Location (Section, Block, and Survey): Sec. 26, Blk. 57, T2, T&P RR Co.
5b. Distance and direction to nearest town in this county.: 2 miles SW of Orla, Texas
6. If operator has changed within last 60 days, name former operator:
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no. FIELD & RESERVOIR | GAS ID or OIL LEASE # | Oil—O Gas—G | WELL #:
13. Pipe Line Connection:
14. Completion or recompletion date:
15. Any condensate on hand at time of workover or recompletion? ☐ Yes ☐ No
16. Type of Electric or other Log Run:

11. Purpose of filing
- Initial Potential ☐
- Retest [X]
- Reclass ☐
- Well record only (Explain in remarks) ☐

Section I — GAS MEASUREMENT DATA

Date of Test: 1-17-86
Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [X] Pipe Taps ☐ | Positive Choke ☐ | Orifice Vent Meter ☐ | Pitot Tube ☐ | Critical-flow Prover ☐
Gas produced during test: 267 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. °F	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	4.026	.500	1565	1007	25	58	1.0019	.9744	1.102	267
2										
3										
4										

DUE TO EXTREME DRAWDOWN, UNABLE TO OBTAIN MORE THAN ONE POINT

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon Deg. API	Gas-Liquid Hydro Ratio CF/Bbl	Gravity of Mixture G_{mix}	Avg. Shut-in Temp.	Bottom Hole Temp.
.632			.632	109 °F	158 °F @ 11371 (Depth)

$D_{eff}^{8/3} = 14.39$

$\sqrt{T_f} = \sqrt{568} = 23.83$

$\sqrt{GL} = \sqrt{7186} = 84.77$

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 675$

$\frac{\sqrt{GL}}{C} = \frac{}{} = .12555$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. °F	P_w^2 (Thousands)	R	R^2 (Thousands)	P_1	P_w/P_1
Shut-In			3390	60	11490				
1	1440	.188	1020	69	1040	33.5	1.1	1020	.999
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut—In		.2368	1.142	1.311	4442	19734	
1	1.000	.2371	1.237	1.341	1368	1872	17862
2							
3							
4							

Angle of Slope
θ .....45.....
n ..1.000.....
Absolute Open Flow
....300.. MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

D Poulson — Signature: Well Tester
ARCO Oil and Gas Company — Name of Company
RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Elizabeth A. Casbeer — Signature: Operator's representative
Sr. Engr. Tech. — Title
1-23-86 — Date
Tel: 915/684-0309 — A/C Number

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion:
New Well ☐ Deepening ☐ Plug Back ☐ Other ☐

18. Permit to Drill, Plug Back or Deepen — DATE — PERMIT NO.
Rule 37 Exception — CASE NO.
Water Injection Permit — PERMIT NO.
Salt Water Disposal Permit — PERMIT NO.
Other — PERMIT NO.

19. Notice of Intention to Drill this well was filed in Name of
ARCO Oil and Gas Co.

20. Number of producing wells on this lease in this field (reservoir) including this well

21. Total number of acres in this lease

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced | Completed

23. Distance to nearest well, Same Lease & Reservoir

24. Location of well, relative to nearest lease boundaries of lease on which this well is located — Feet From ____ Line and ____ Feet from Line of the ____ Lease

25. Elevation (DF, RKB, RT, GR, ETC.)

26. Was directional survey made other than inclination (Form W—12)? ☐ Yes ☒ No

27. Top of Pay | 28. Total Depth | 29. P. B. Depth | 30. Surface Casing Determined by: Field Rules ☐ | Recommendation of T.D.W.R. ☐ | Dt. of Letter
Railroad Commission (Special) ☐ | Dt. of Letter

31. Is well multiple completion? ☐ Yes ☐ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: | Rotary Tools | Cable Tools

34. Name of Drilling Contractor

35. Is Cementing Affidavit Attached? ☒ Yes ☐ No

36. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

38. TUBING RECORD

Size	Depth Set	Packer Set

39. Producing Interval (this completion) Indicate depth of perforation or open hole

From	To
From	To
From	To
From	To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth

REMARKS

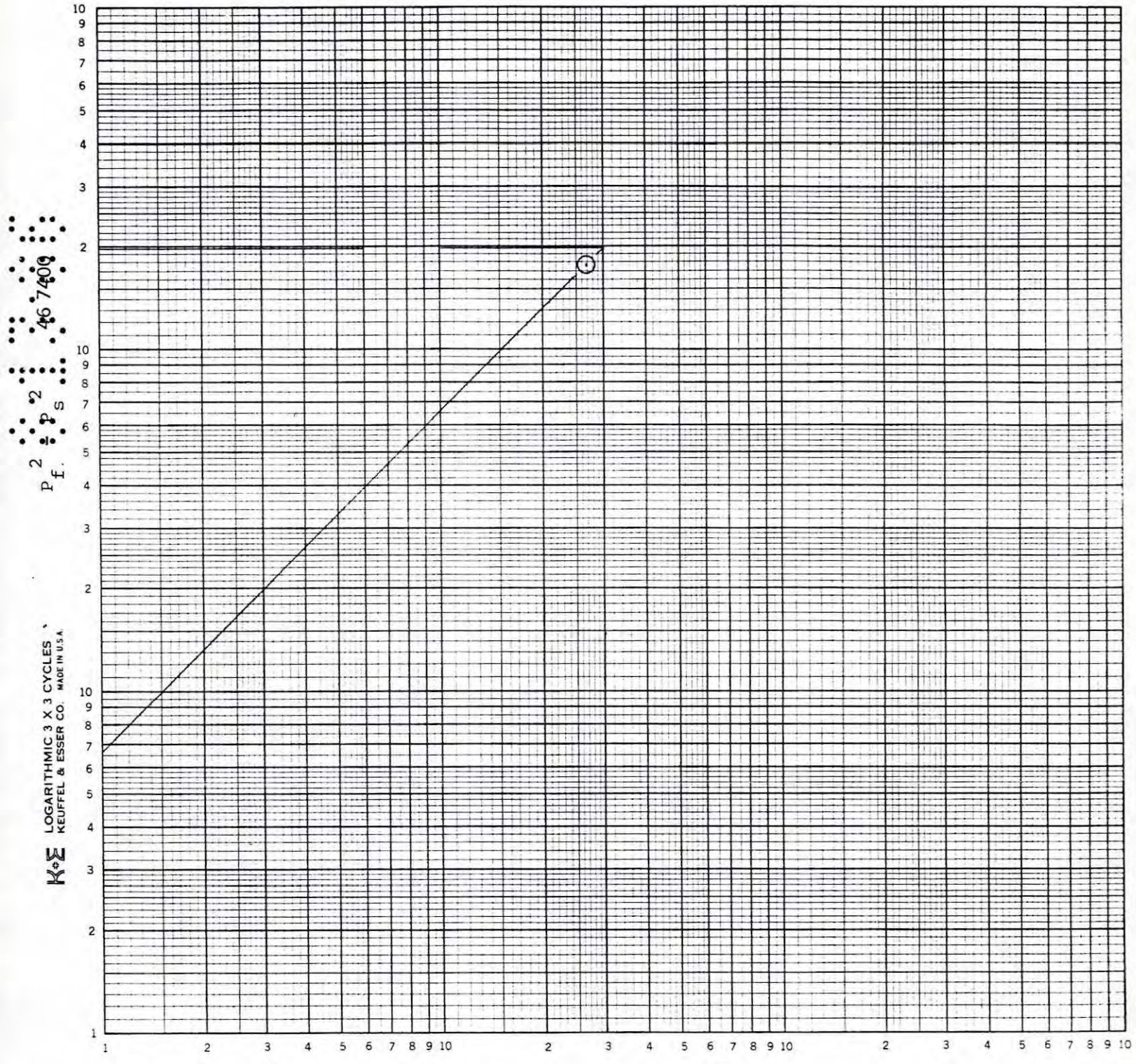
COUNTY: Reeves FIELD: _____

OPERATOR: ARCO Oil & Gas Company

LEASE: Agnes Beckham WELL NO.: #2

VOLUME: 300 MCF/24 hrs.

DATE: 1-17-86



θ = 45

Q in MCF per day

n = 1.000

Q = 300

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
[PRINTED FORM]

[DISTRICT 8]

[X RETEST]

FORM G-10
(Eff. 12/31/75)
GAS WELL STATUS REPORT

Operator ARCO Oil and Gas Company
Address P. O. Box 1610 Midland, Texas 79702

Test Period

Due Date

Page

Effective Date

*	FIELD NAME / LEASE NAME	RRC IDENT. NO. / WELL NUMBER	PRODUCING WELLS: DATE TESTED Mo/Day/Yr	DAILY PRODUCING RATE: GAS	CONDENSATE	WATER / GAS/COND.	PRESSURE PSIA	POTENTIAL / BHP	NON-PRODUCING WELLS: SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
	CHAPMAN, DEEP (Wolfcamp)	117836	1-19-86	280 MCF	0 BBLS	1 BBLS	SIWH 3375	MCF/DAY					
	Agnes Beckham "26"	2		0.632 Spec.Grav.	0 Grav. °API	0 MCF/Bbl	1005 Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/Day					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				

* COMMINGLING TEST REQUIREMENT (Gas Specific Gravity, Condensate Gravity and Gas/Condensate Ratio Required)

X ADDITIONAL SPECIAL TEST REQUIREMENT

@Wells with an exception to SWR 14(B)(2) must insert the date (Mo/Yr) the well was last produced or utilized.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R.C.S. that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

George McAlpine For: K. G. Poulsen
Signature Date

Area Prod. Supt. 915/332-4361
Title Telephone

M-35430

8-28-85

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. 42-389-30902

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

7. RRC District No. 8

8. RRC Gas ID No. 117836

1. FIELD NAME (as per RRC Records or Wildcat): Chapman, Deep (Wolfcamp)

2. LEASE NAME: Agnes-Beckham "26"

9. Well No. 2

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Company

RRC Operator No. 029340

10. County of well site: Reeves

4. ADDRESS: P. O. Box 1610, Midland, Texas 79702

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (Explain in remarks) [ ]

5. Location (Section, Block, and Survey): Sec. 26, Blk. 57, T2, T&P RR Co.

5b. Distance and direction to nearest town in this county: 2 miles Southwest of Orla, Texas

6. If operator has changed within last 60 days, name former operator

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #
Chapman, Deep (Atoka)	075788	G	2U
Chapman, Deep (Fusselman)	075539	G	2L

13. Pipe Line Connection: United TX Transporation Co.

14. Completion or recompletion date: 5-1-85

15. Any condensate on hand at time of workover or recompletion? [ ] Yes [X] No

16. Type of Electric or other Log Run: FDC, BHC-Sonic, ML, Comp, DLL, DI, GRN

Section I — GAS MEASUREMENT DATA

Date of Test: 8-10-85

Gas Measurement Method (Check One): Orifice Meter [X] ▶ Flange Taps [ ] Pipe Taps [ ] | Positive Choke [ ] | Orifice Vent Meter [ ] | Pitot Tube [ ] | Critical-flow Prover [ ]

Gas produced during test: MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P_m or Choke Press	Diff. h_w	Flow Temp. ^oF	Temp. Factor F_{tf}	Gravity Factor F_g	Compress Factor F_{pv}	Volume MCF/DAY
1	4.026	.500	1205.37	860	5	79	.9822	1.258	1.0756	81
2										
3										
4										

Section II — FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
.632	-0- Deg. API	CF/Bbl	G_{mix} =	78 ^oF	158 ^oF @ 11371 (Depth)

$D_{eff}^{8/3} = 10.779$

$\sqrt{T_f} = \sqrt{580} = 24.073$

$\sqrt{GL} = \sqrt{7186.5} = 24.773$

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 500.587$

$\frac{\sqrt{GL}}{C} = \frac{\quad}{\quad} = 0.1693$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P_w	Wellhead Flow Temp. ^oF	P_w^2 (Thousands)	R	R^2 (Thousands)	P_l	$P_w - P_l$
Shut-in	24 hrs		2100	79	4410				
1			950	81	903	13.3	0.2	950	1.00
2									
3									
4									

Run No.	F	K	$S = \frac{1}{z}$	E^{ks}	P_f and P_s	P_f^2 and P_s^2 (thousands)	$P_f^2 - P_s^2$ (thousands)
Shut-In		0.233	1.247	1.337	2807	7881	
1	1.000	0.232	1.225	1.329	1263	1595	6286
2							
3							
4							

Angle of Slope
θ 45
n 1.000

Absolute Open Flow
100 MCF DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Kaj Poulsen — Signature: Well Tester

KAJ POULSEN

ARCO OIL & GAS COMPANY — Name of Company

RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Elizabeth A. Casbeer — Signature: Operator's representative

Sr. Engr. Tech. — Title

8/27/85 — Date

Tel: 915/684-0100 — A/C Number

E A Casbeer

SECTION III — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☐ Deepening ☐ Plug Back ☒ Other ☐

18. Permit to Drill, Plug Back or Deepen — DATE: 11-1-84 — PERMIT NO.: 256262
Rule 37 Exception — CASE NO.:
Water Injection Permit — PERMIT NO.:
Salt Water Disposal Permit — PERMIT NO.:
Other — PERMIT NO.:

19. Notice of Intention to Drill this well was filed in Name of: ARCO Oil and Gas Company

20. Number of producing wells on this lease in this field (reservoir) including this well: 1

21. Total number of acres in this lease: 600

22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 2-23-85; Completed 5-01-85

23. Distance to nearest well, Same Lease & Reservoir:

24. Location of well, relative to nearest lease boundaries of lease on which this well is located: 1320 Feet From North Line and 1320 Feet from West Line of the Agnes Beckham "26" Lease

25. Elevation (DF, RKB, RT, GR, ETC.): 2951 GR (29' KB)

26. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No

27. Top of Pay	28. Total Depth	29. P. B. Depth	30. Surface Casing Determined by:
10,755	15,733	12,136	Field Rules ☐ Recommendation of T.D.W.R. ☒ Railroad Commission (Special) ☐

Dt. of Letter 10-3-77
Dt. of Letter

31. Is well multiple completion? ☐ Yes ☒ No

32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

33. Intervals Drilled by: Rotary Tools X; Cable Tools

34. Name of Drilling Contractor: A. W. Thompson, Inc.

35. Is Cementing Affidavit Attached? ☐ Yes ☒ No

36. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
20"	94 & 133	1163'		HL,C, 2300	26"	Surface	4396
13 3/8"	68	3300'		HL,C, 3450	17 ½"	Surface	6885
9 5/8"	47	10550'	3191	HL,TLW, 3800	12 ¼"	800'	6608

37. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7 3/4"	10,207	15,480	970	None
5	15,143	15,705	165	None

38. TUBING RECORD

Size	Depth Set	Packer Set
2 7/8"	10,600'	10,600'

39. Producing Interval (this completion) Indicate depth of perforation or open hole
From 10,755' To 11,987' Perfs
From To
From To
From To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
10,755' - 11,987'	8,988 Gal. 15% HCR w/500 SCF N2/Bbl. Flushed w/172,000 SCF & 27 Bbls 50/50 N2 & BW
12,945' - 13,146 & 15,673 - 15,699'	CIBP @ 12,520' w/40' cmt on top

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Bell Canyon	2930'	Wolfcamp	9,613'
Brush Canyon	5303'	Atoka	12,982'
Dean	9288'	Mississippian	15,414'

REMARKS: Fusselman & Atoka P&A'd set CIBP @ 12,520' w/40' cmt to 12,480'. TOF @ 12,587'
Please remove the Chapman, Deep (Atoka), Agnes Beckham "26" #2U and Chapman, Deep (Fusselman), Agnes Beckham "26" #2L from the gas proration schedule.

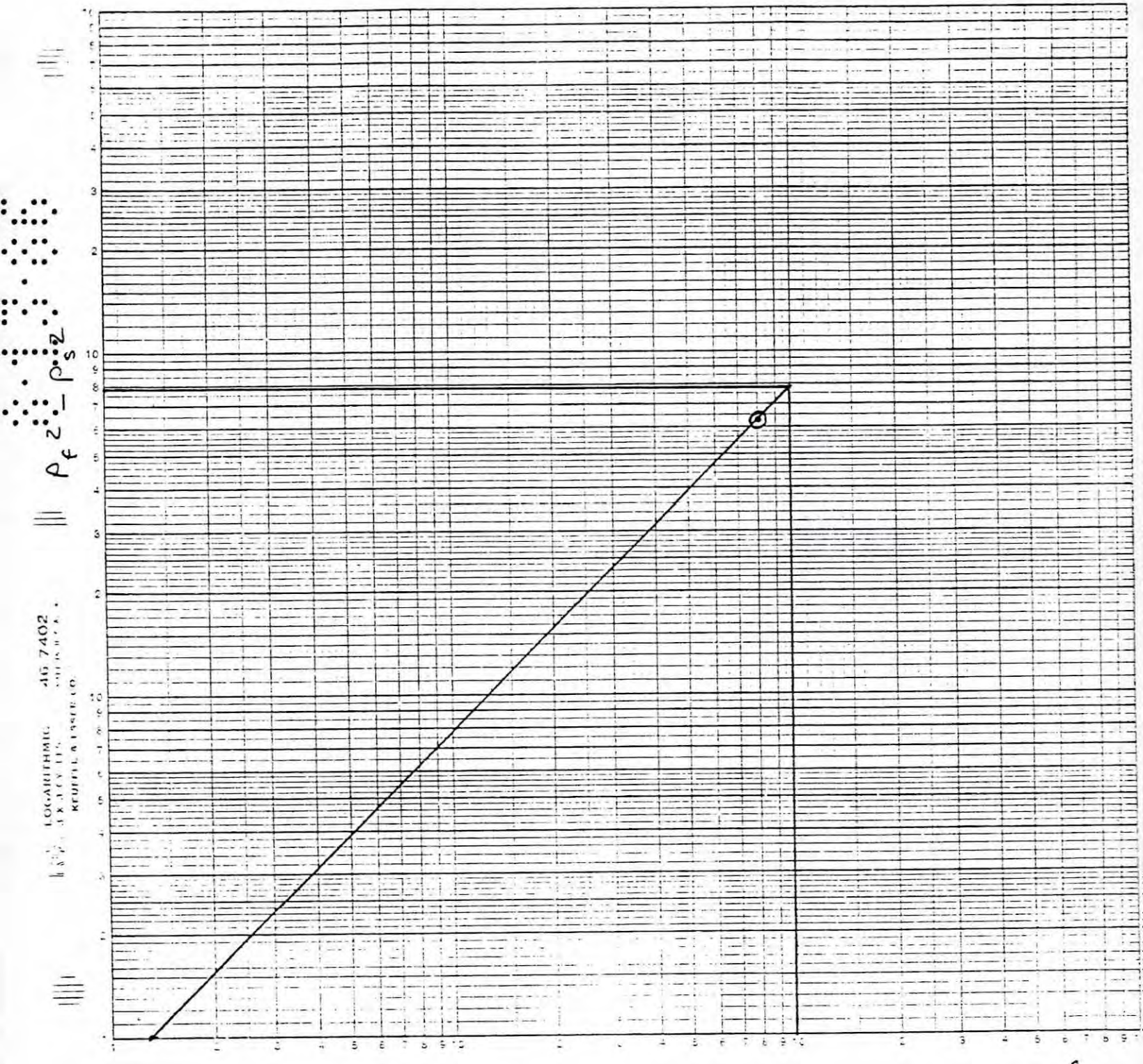
FIELD CHAPMAN-DEEP WOLFCAMP

OPERATOR ARCO Oil + GAS

LEASE AGNES-BECKHAM WELL NO. 26-4

VOLUME 100 MCF/24 HR

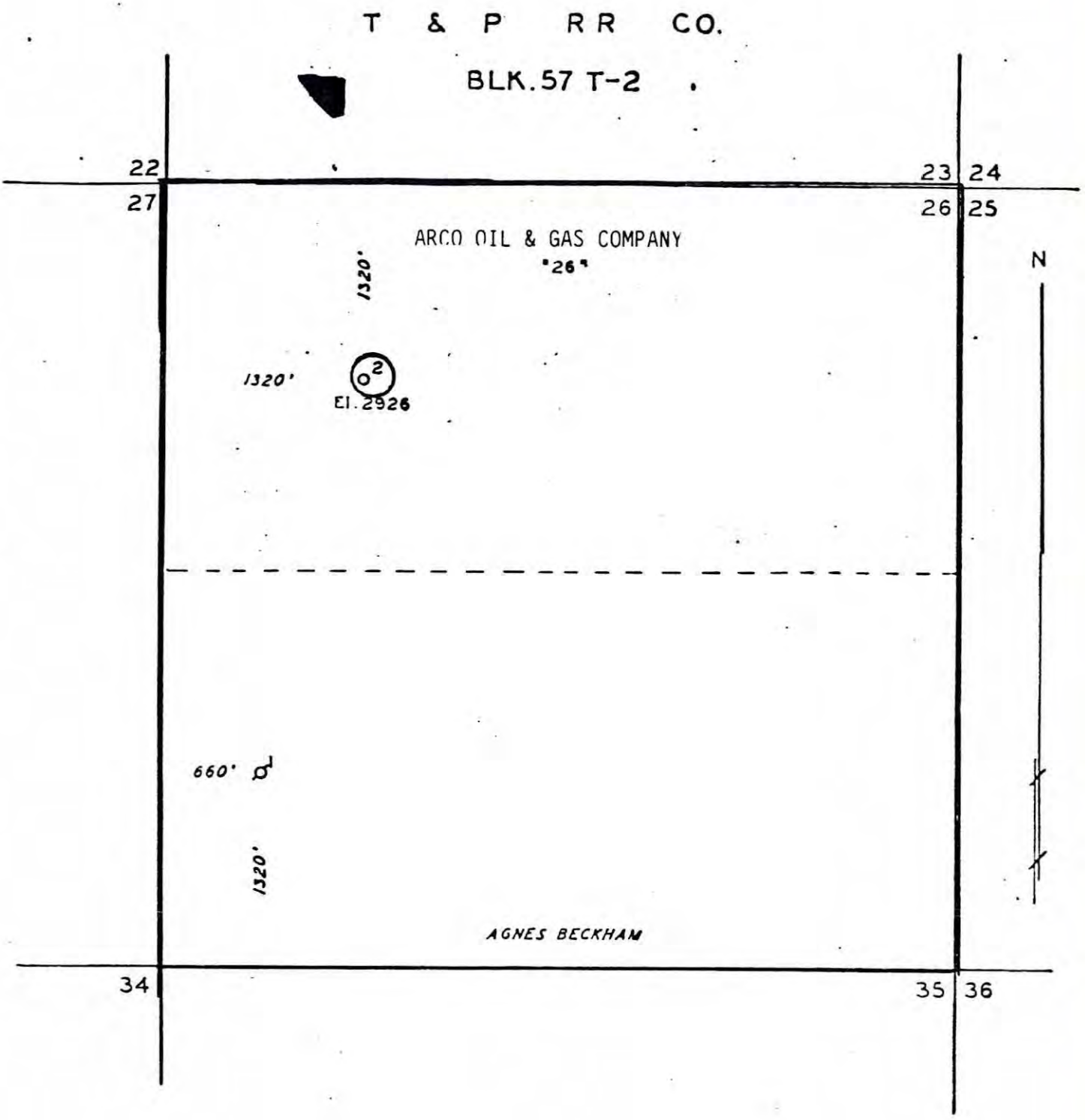
DATE 8-10-85



θ 45°

n 1.000

Q 100 MCF/D



I certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

JULY 1, 1976-SEPT. 27, 1977

Registered

STATE OF TEXAS
CLIFFORD C. COOL
2
REGISTERED PUBLIC SURVEYOR

LOCATION PLAT

ARCO OIL & GAS COMPANY
AGNES BECKHAM "26" LSE.
SEC. 26 BLK. 57 T-2 T&P RR CO.

M-35430

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

1 FIELD NAME (as per RRC Records): Chapman, Deep (Wolfcamp)

2. LEASE NAME: Beckham, Agnes "26"

7. RRC District: 08

8. RRC Identification Number:

9. Well Number: 2

3. OPERATOR: ARCO Oil and Gas Company

10. County: Reeves

4. ADDRESS: P. O. Box 1610, Midland, Texas 79702

11. Utilized for: Interstate Sales

5. LOCATION (Section, Block, and Survey): Sec. 26, Blk. 57, T2, T&P RR Co.

6. Pipeline Connection or Use of Gas:

12. Acres Allocated to this Well: 320 of 640

Section I — PRODUCTION TEST AT RATE ELECTED BY OPERATOR (Data on 24-hour basis)

A. Gas Volume	81	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	0	(BBLS.)	F. Color of Liquid	None	
C. Gas/Liquid-Hydrocarbon Ratio	0	(CF/BBL.)	G. Gravity of Liquid	None	°API
D. Flowing Tubing Pressure	950	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.632	

Section II — POTENTIAL TEST DATA

A. Absolute Open Flow	100	(MCF/DAY)	C. Shut-In Wellhead Pressure	2100	(PSI)
B. Date of Test	8-10-85		D. Length of Time Well Shut-In Prior to Test	24 hours	

Section III — A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

DATE LIQUID SAMPLE OBTAINED:

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

SIGNATURE

August 27, 1985
DATE

Sr. Engr. Tech.
TITLE

AREA CODE AND TELEPHONE NUMBER 915 684-0100

Form P-15
(5-5-71)

STATEMENT OF PRODUCTIVITY OF ACREAGE ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the ARCO Oil and Gas Company (OPERATOR), Beckham, Anges "26" (LEASE), No. 2 (WELL); that such well is completed in the Chapman, Deep (Wolfcamp) Field, Reeves County, Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 320 _____ acres which can reasonably be considered to be productive of hydrocarbons.

– CERTIFICATE –

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date August 27, 1985 Signature Elizabeth A. Casbeer
Elizabeth A. Casbeer

Telephone 915 (AREA CODE) 684-0100 Title Sr. Engr. Tech.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
[PRINTED FORM]
[DISTRICT 8]

[[x] RETEST]

FORM G-10
Rev. 11/1/83
GAS WELL STATUS REPORT

Operator
Address ARCO OIL & GAS CO.
Box 1610- Revenue Dept.
Midland, Texas 79702

Test Period
Due Date

Page
Effective Date

*	FIELD NAME / LEASE NAME	RRC IDENT. NO. / WELL NUMBER	PRODUCING WELLS: DATE TESTED Mo/Day/Yr	DAILY PRODUCING RATE: GAS	CONDENSATE	WATER GAS/COND.	PRESSURE PSIA#	POTENTIAL BHP	NON-PRODUCING WELLS: SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
	CHAMPMAN DEEP (WOLFCAMP)		8-12-85	100 MCF	-0- BBLS	BBLS	SIWH	MCF/DAY					
	Beckham-Agnes	2		0.632 Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
	PURCHASER'S STATEMENT DATE _____ PURCHASER: VALERO PIPELINE CO. SIGNATURE _____ AS PURCHASER'S REPRESENTATIVE, I AGREE THAT EACH TEST VOLUME SHOWN ABOVE IS A TRUE TEST REPRESENTATIVE OF EACH WELL(S) CAPABILITY.			MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				

* COMMINGLING TEST REQUIREMENT
(Gas Specific Gravity, Condensate Gravity and Gas Condensate Ratio Required)

X ADDITIONAL SPECIAL TEST REQUIREMENT

@ Wells with an exception to SWR 14(B)(2) must insert the date (MO/Yr) the well was last produced or utilized.

Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in the West Panhandle, West Panhandle (Red Cove), and Texas-Hugoton Fields.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Poulsen
Signature Kaj Poulsen Date 8-22-85

Title Area Production Supt. Telephone 332-4361

(13)

M. F. 35430
WELL # 2 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED 8-25-86 BY RGS

M-35430 Unit

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

121

October 7, 1986

TO: Surface Owners
Offset Operators
County Clerk

RE: Application to Inject Fluid
Sabre (Delaware) Unit
Well Numbers 703, 801, 909, and 910
Sabre (Delaware) Field
Reeves County, Texas

Gentlemen:

ARCO Oil and Gas Company will apply to the Railroad Commission a H-1 entitled, "The Application to Inject Fluid into a Reservoir Productive of Oil and Gas," and a H-1A "Injection Well Data," on the Proposed Sabre (Delaware) Unit Well Numbers 909 and 910, and Well Conversions Numbers 703 and 801. The attachments are for your records.

Yours very truly,

L. G. Griffin

LGG:tis
Attachments

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form H-1
(Rev. 1-74)
(Rev. 4-82)

APPLICATION TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS

1. Field Name (as per current proration schedule - including reservoir, if applicable.)	2. RRC District
Sabre (Delaware)	8
3. Operator	4. County
ARCO Oil and Gas Company	Reeves
5. Lease Name(s) and RRC Lease Number(s)	6. Reservoir Discovery Date
Sabre (Delaware) Unit	June 5, 1958

7. Have any injection permits been granted previously to any operator in this reservoir? ☐ Yes ☐ No
If answer to this question is "NO", ALL OPERATORS IN THE RESERVOIR MUST BE NOTIFIED of this application, and copies of notification attached hereto.

8. Check the Appropriate Block(s):
☐ New Project or ☒ Expansion of Previous Authority to Add Either: ☐ New Lease(s) or ☒ Additional Well(s) on Same Lease(s)
Initial Authority Dated 4-15-68 by ☐ Administrative Action or ☐ Hearing, Special Order No. _____

RESERVOIR AND FLUID DATA ON ENTIRE RESERVOIR

9. Name of Reservoir	10. Estimated Productive Area of Entire Reservoir (acres)
Sabre Delaware	2160
11. Composition (sand, limestone, dolomite, etc.)	12. Type of Structure (Include cross-section and structural maps.)
Sand	Monocline
13. Subsea Depth of Oil-Water Contact (ft.)	14. Subsea Depth of Gas-Oil Contact (ft.)
-120 est.	N/A
15. Original Bottom Hole Pressure (psig)	16. Current Bottom Hole Pressure (psig)
1513	600 psi est.
17. Was a Gas Cap Present Originally?	18. Is a Gas Cap Present Now?
No	No
19. Ratio of Gas Cap Volume to Oil Zone Volume	20. Saturation Pressure (psig)
N/A	1513
21. Formation Volume Factor Original: 1.183 Current: 1.11	22. Type Drive During Primary Production
	Solution Gas

RESERVOIR AND FLUID DATA

23. Number of Productive Acres in Lease(s) within Project Area	24. Average Depth to Top of Pay (ft.)	25. Average Effective Pay Thickness (ft.)
2040	2950'	10.6
26. Average Horizontal Permeability (mds.)	27. Range of Horizontal Permeability (mds.)	28. Connate Water Saturation (% of pore space)
34.2	11.9-140	34.3
29. Average Porosity (%)	30. Gravity of Oil (deg. API)	31. Viscosity (cps. @ °F)
20.5	35	2.8 @ 88° F

PRODUCTION HISTORY OF RESERVOIR

32. Date First Well Completed on Lease(s)	33. Stage of Primary Depletion of Project Area
7/1/58	100% currently producing secondary
34. Current Average Gas-Oil Ratio (SCF/bbl.)	35. Current Water Production (% of total fluid production or bbls./day)
280	71%
36. Current Number of Producing Wells on Each Lease in Project Area	37. Current Average Daily Oil Production per Well (bbls./day/well)
32	9.4%
38. Cumulative Oil Production to Date from Lease(s) (bbls.)	39. SUBMIT ATTACHED SHEET(S) GIVING THE OIL, GAS, & WATER PRODUCTION BY YEARS SINCE DISCOVERY & TOTALS. FOR THE LAST 3 YEARS, GIVE THESE FIGURES BY MONTHS.
4,494,747	

TYPE OF INJECTION PROJECT AND RESULTS EXPECTED

40. Type of Injection Project (Check the appropriate block(s):)
☒ Waterflood, ☐ Miscible Displacement, ☐ Thermal Recovery, ☐ Pressure Maintenance, ☐ Other _____ (specify)

41. Current Estimated Oil Saturation (% of pore space)	42. Estimated Residual Oil Saturation at Abandonment (% of pore space)
42%	31%
43. Estimated Original Oil-In-Place (bbls.)	44. Estimated Ultimate Additional Oil that will be Recovered as a Direct Result of Injection (bbls.)
17.6 MMBO	2.4 MM

INJECTION DATA

45. Type of Injection Fluid (Check the appropriate block(s):)
☒ Salt Water, ☐ Brackish Water, ☐ Fresh Water, ☐ Gas, ☐ Air, ☐ LPG, ☐ Other _____ (specify)

46. Source of Injected Fluid(s) (formation(s) and depth(s) in ft.)	47. Injection Pattern and Spacing
Cherry Canyon 3800',Atoka13500',Fusselman15600'	5-Spot pattern, 80 acre spacing
48. Total Number of Injection Wells to be Approved in this Application	49. Estimated Maximum Daily Rate of Injection per Well (bbls./day/well)
4	2000
50 Total Estimated Maximum Daily Rate of Injection for All Wells in this Application. (bbls./day)	51. Maximum Injection Pressure to be Used. (psig)
8,000	1100

52. LIST COMPLETE INJECTION WELL DATA ON FORM H-1A AND ATTACH.

DATA ON PROPOSED PROJECT AREA

APPLICANT MUST COMPLY WITH THE INSTRUCTIONS AND SIGN CERTIFICATION ON REVERSE SIDE

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1 Operator Name: ARCO Oil and Gas Company
2 Lease Name: Sabre (Delaware) Unit
3 RRC Lease/ID No: 30820
4 Field Name: Sabre (Delaware)
5 RRC Field No: 79423500
6 Depth to Base of Deepest Fresh Water Zone: 650
7a Location (Sec - Twp or Block and Survey): Sec. 35, Blk 57, TWP, T&P RR Co. Svy, Reeves
7b County:
8 This lease is located 1 miles Southwest direction from Orla, (nearest post office or town)

9 WELL NO: 801

WELL CASING AND TUBING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10 Surface Casing	8-5/8	376	125	Surf	Circ.	12-1/4	
11 Intermediate							
12 Long String	4-1/2	3007	225	2010	Calc.	7-7/8"	9.5#

13 Tubing (Size and Depth): 2-3/8" @ 2900'
14 Name, Model and Depth of Tubing Packer: Baker Loc Set (or equivalent) @ 2900'
15 Total Depth of Well: 3028'
16 Date Well Drilled: 11/19/58
17 API No: 42-389-00648
18 Ground Surface Elevation: 2953 DF
19 Perforation or Open Hole: [X]
20 List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21 Injection Interval: Top 2945' Bottom 2961'
22 Name of Reservoir: Sabre (Delaware)
23 Injection System Open or Closed: [ ] [X]
24 Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25 Injection Pressure (Psi): Average 500 Maximum 1100
26 Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9 WELL NO

WELL CASING AND TUBING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10 Surface Casing							
11 Intermediate							
12 Long String							

13 Tubing (Size and Depth)
14 Name, Model and Depth of Tubing Packer
15 Total Depth of Well
16 Date Well Drilled
17 API No
18 Ground Surface Elevation
19 Perforation or Open Hole
20 List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21 Injection Interval: Top Bottom
22 Name of Reservoir
23 Injection System Open or Closed: [ ] [ ]
24 Anticipated Daily Injection Volume (Bbls): Average Maximum
25 Injection Pressure (Psi): Average Maximum
26 Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

9 WELL NO

WELL CASING AND TUBING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10 Surface Casing							
11 Intermediate							
12 Long String							

13 Tubing (Size and Depth)
14 Name, Model and Depth of Tubing Packer
15 Total Depth of Well
16 Date Well Drilled
17 API No
18 Ground Surface Elevation
19 Perforation or Open Hole
20 List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21 Injection Interval: Top Bottom
22 Name of Reservoir
23 Injection System Open or Closed
24 Anticipated Daily Injection Volume (Bbls): Average Maximum
25 Injection Pressure (Psi): Average Maximum
26 Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

(44)

M.F 35430 WR

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WELL # 801

FILED 11-19 19 86

GARRY MAURO, COMMISSIONER

BY: RS

11-9-98

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1 Operator Name: ARCO Oil and Gas Company
2 Lease Name: Sabre (Delaware) Unit
3 RRC Lease/ID No: 30820
4 Field Name: Sabre (Delaware)
5 RRC Field No: 79423500
6 Depth to Base of Deepest Fresh Water Zone: 650
7a Location (Sec -Twp or Block and Survey): Sec. 35, Blk 57, TWP, T&P RR Co. Svy, Reeves
7b County:
8 This lease is located 1 miles Southwest direction from Orla, (nearest post office or town)

9 WELL NO: 909

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	800'	400sx	Surf.	Circ.	11"	24#
11. Intermediate							
12. Long String	5-1/2"	3100'	800sx	Surf.	Circ.	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc. set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: [X]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9 WELL NO: 910

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	8-5/8"	800'	400sx	Surf.	Circ.	11"	24#
11. Intermediate							
12. Long String	5-1/2"	3100'	800sx	Surf.	Circ.	7-7/8"	15.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc. set (or equivalent) @ 2900'
15. Total Depth of Well: 3100'
16. Date Well Drilled: Proposed Well
17. API No:
18. Ground Surface Elevation: 3000 est.
19. Perforation or Open Hole: x
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:
21. Injection Interval: Top 2950 Bottom 2965
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: [ ] [X]
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

9 WELL NO: 703

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing	7-5/8"	500'	225	Surf.	Circ.	12-1/4"	24#
11. Intermediate							
12. Long String	4-1/2"	3019	150	2650	Temporary Survey	6-3/4"	9.5#

13. Tubing (Size and Depth): 2-3/8" @ 2900'
14. Name, Model and Depth of Tubing Packer: Baker loc set (or equivalent) @ 2900'
15. Total Depth of Well: 3020
16. Date Well Drilled: 12/7/58
17. API No: 42-389-00238
18. Ground Surface Elevation: 2978KB
19. Perforation or Open Hole: x
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: Perfs @ 2984'-92' will be squeeze off prior to injection start.
21. Injection Interval: Top 2949' Bottom 2965'
22. Name of Reservoir: Sabre (Delaware)
23. Injection System Open or Closed: x
24. Anticipated Daily Injection Volume (Bbls): Average 1000 Maximum 2000
25. Injection Pressure (Psi): Average 500 Maximum 1100
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [X] Yes [ ] No

(45)

M.F 35430 WE

APPLICATION TO ~~DRILL~~ Inject

WELL # 909

FILED 11-19- 19 86

GARRY MAURO, COMMISSIONER

BY: RS

11-9-88

ARCO Oil and Gas Company

Division of AtlanticRichfieldCompany

Permian District
Midland, Texas

RECEIVED
MAR 14 1986
GENERAL LAND OFFICE

USE DATA in 8/85 Report

Unit Agreement

SABRE (DELAWARE) FIELD
WATERFLOOD STUDY
RAMSEY SAND

REEVES COUNTY, TEXAS

Aaron Dover
Midland, Texas

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APPENDIX

Table 1 - Comparison of Reservoir Volumes Calculation Methods

Table 2 - Comparison of Five-Spot Waterflood Predictions

Table 3 - Unitized 40 Acre Five-Spot Investments

Table 4 - Unitized 80 Acre Five-Spot Investments

Table 5 - Agnes Beckham 80 Acre Five-Spot Investments

Table 6 - ARCO/Gulf Coop. Randolph 80 Acre Five-Spot Investments

Table 7 - Unitization Parameters

Figure 1 - Sabre Field Area Base Map

Figure 2 - Delaware Lime Structure Map

Figure 3 - Isopach Map

Figure 4 - Core Porosity vs. Permeability

Figure 5 - Decreasing Core Permeability vs. Cumulative % Samples

Figure 6 - Core Isopermeability Map

Figure 7 - Vertical Permeability Distribution

Figure 8 - Relative Permeability Curve

Figure 9 - Unitized 80 Acre Five-Spot Map

Figure 10 - Beckham and Randolph 80 Acre Five-Spot Map

Figure 11 - ARCO Leases Net Primary vs. Unitized Net Secondary

Figure 12 - ARCO Leases New Primary vs. Secondary

CONCLUSIONS

1. Projected primary recovery for the Sabre (Delaware) Field is 4.6 MMBO, or 21.9% OOIP. Total recovery including the response seen from five injectors will be 5.1 MMBO, or 24.3% OOIP. ARCO's Agnes Beckham and A. T. Randolph leases along with Gulf's A. T. Randolph lease will recover 3.2 MMBO.

2. The field can be flooded, as evidenced by response from current injection and from reservoir waterflood calculations. An estimated 136 MBO per 80 acre pattern can be recovered, as compared to 76 MBO per 40 acre pattern.

2.4 MMBO est. as of 3/11/86

3. Unitized operation with an 80 acre five-spot waterflood pattern is the most economical and efficient pattern for the field. Secondary recovery will be 2.85 MMBO for an investment of $5.75 MM.

4. If the field is not unitized, an 80 acre five-spot is also the most economical and efficient waterflood pattern for individual leases. ACRO's Agnes Beckham and the combined A. T. Randolph leases of ARCO and Gulf will recover 966 MBO secondary reserves beyond the primary and secondary reserves already projected. The total cost will be $2.40 MM.

RECOMMENDATIONS

1. Attempt to unitize the field and waterflood with an 80 acre five-spot waterflood pattern in order to maximize recovery and profit.

2. If the field cannot be unitized in a reasonable time, waterflood the Agnes Beckham lease on an 80 acre five-spot pattern and attempt to unitize ARCO's and Gulf's A. T. Randolph leases for an 80 acre five-spot waterflood. Any other cooperative agreements can be evaluated at that time.

HISTORY

The Sabre Drilling Co. TXL "A" No. 1 was drilled and completed as the discovery well on June 5, 1958. Flowing potential was 537 BOPD and 87 BWPD from the Ramsey sand of the Bell Canyon (Delaware) formation. Primary development of the field occurred on 40 acre spacing, except for Conoco's TXL "A" 35 lease, which was drilled on 20 acre spacing. The RRC established field rules with 40 acre spacing in January, 1959, with proportionally reduced allowables for 20 acre wells. A total of 73 wells have been drilled to the Delaware, including 15 dry holes defining the limits of the field (Fig.1).

The initial attempt to unitize and waterflood the field was in 1964. The study recommended waterflooding on a five-spot pattern, but the field was never unitized. Secondary recovery in that study was estimated to be 100% of primary. No reason was documented for not unitizing the field.

Water injection for disposal of produced water was begun in ARCO's Randolph State No.8 in 1968, and in Texaco's Reeves J No. 7 and Reeves H No.5 in 1969. ARCO also took over operation of Gulf's TXL CB-N CT "A" No.2 in November, 1968 as a part of the Sabre SWD System. In 1978, the Agnes Beckham No. 2 was converted to water disposal for Fusselman and Atoka gas wells, as well as produced Delaware water. Cumulative injection thru 1-1-83 for the three ARCO operated wells was 3,304,041 BW. Cumulative injection for the Texaco wells thru 1-1-81 was 1,996,587 BW.

Mr. B. L. Stokely again recommended unitization and waterflooding in 1972. Mr. Royce Lubke, in 1974, concluded that oil would bank by waterflooding, but secondary recovery would only be 21.3% of primary. Lubke's report said that high initial water saturation was the main reason for a small secondary recovery, and recommended a micellar flood study. In 1976, Mr. M. C. Gupta again recommended that the field be unitized and

waterflooded, saying that 21.3% of primary recovery was conservative for a secondary reserve estimate, but would still be economical with the then-new oil prices. Generally negative response from other operators and uncertainty as to the various studies caused unitization activity to lapse until now.

This study was prompted by secondary response seen from the conversion of five wells to water disposal. The most recent of these is the Agnes Beckham No. 2. The well is currently injecting at some 1250 BWPD. Current oil production is approximately 370 BOPD, of which approximately 165 BOPD is decline-curve primary production. Total field oil production is still increasing. Cumulative oil production as of 1-1-83 was 4,545,706 BO. Previous predictions ranged from 3,981,500 BO to 4,500,000 BO.

A work order has been approved to convert the Agnes Beckham No. 8 to injection. This should reduce the disposal burden on No. 2 and expand the waterflood pattern toward the beginnings of an 80 acre five-spot. Also, an AFE has been approved to drill the Agnes Beckham No. 14 on 20 acre spacing and take a core for relative permeability data.

GEOLOGY

The Sabre (Delaware) Field produces from the uppermost sand member of the Bell Canyon formation; one of three formations in the Delaware Mountain group. This sand member, locally called the Ramsey sand, is found at an average depth of 2950'. The structure is monoclinal, dipping 90 feet per mile to the northeast (Fig.2). Net pay thickness averages 10.6 feet, with a maximum of 20 feet toward the center of the reservoir (Fig.3). Permeability and porosity barriers form a stratigraphic trap on the northwest and southeast edges of the field, where the sand gradually becomes more shaly. The east edge is defined by two wells which were initally completed with a high water cut and quickly watered out.

RESERVOIR

Cores were taken on almost all of ARCO's Agnes Beckham and A. T. Randolph wells, with other data scattered throughout the field. A plot of core permeability vs. porosity (Fig.4) shows permeability decreasing only slightly with decreasing porosity, but a definite slope can be seen. The data is more scattered below 10 md., as the sand becomes more shaly. For this reason, a 10 md. cutoff was used for reservoir calculations. A plot of decreasing core permeability vs. cumulative % of samples (Fig.5) for individual wells shows little evidence of layering, but a wide permeability range. A contour map of average core permeability (Fig.6) shows general agreement with the isopach, with permeability decreasing with pay thickness toward the edges of the field. The geometric mean liquid permeability for the field is 34.2 md. from core data, and the arithmetic mean core porosity is 20.5% , using a 10 md. cutoff. Average pay thickness is 10.6 feet.

Based on vertical permeability distribution (Fig.7), the field was divided into 5 layers for waterflood calculations as follows:

Height (ft.)	Permeability (md.)	Porosity (%)
0.3	140.0	22.1
3.3	80.6	21.6
4.4	33.3	20.7
1.9	17.6	20.1
0.7	11.9	17.7

The initial water saturation (S_{wi}) was the largest variable in determining OOIP. Volumetric OOIP was 17,759,000 BO, while material balance OOIP was 21,000,000 BO in the 1964 study. Although both numbers are in reasonable agreement, the material balance number is probably more accurate. The average initial water saturation used in the volumetric analysis was 44%. This number was determined by planimetering saturation contours calculated from the fractional flow equation. Core and log analysis on the Beckham lease gave initial water saturations from 16 to

30%. A value of 34% was needed to make the volumetric OOIP equal to the material balance OOIP. An initial water saturation estimate of 44% is therefore probably high.

The fractional flow calculation method for water saturation appears to be pressure sensitive, and therefore not reliable for current values. During primary depletion, the WOR gradually increased (as high as 2:1 on Texaco's Reeves "H" Fee lease), but the pressure history indicated little or no water influx. This is understandable as one moves along the relative permeability curve. However, water response from the Beckham No. 2 came approximately 6 months prior to oil response. During this time, the WOR went from 1.8 to 8.5, then dropped to 1.0. The corresponding water saturations for these fractional flows are 58%, 63%, and 53%, respectively. Before any secondary response from Beckham No. 2, the lease had a WOR of 0.6, which corresponds to 48% S_w. However, the other four injection wells in the field had contributed some pressure response, with 2.4 MMBW cumulative injection prior to the conversion of Beckham No. 2.

Estimates of fieldwide residual oil saturation (S_{or}) have ranged from 24% to 32%. Calculations on cores in individual wells ranged from 18 to 33%. The S_{or} used for waterflood calculations was 31%.

Initial reservoir pressure was at the bubble point, 1513 psi. By varying the pressure in the gas material balance and oil material balance equations, a trial and error solution yielded a current average gas saturation (S_{gx}) of 16% at a bottomhole pressure of 200 psi. This does not take into account any water injection. In order to account for injection in the calculations, good water production data was needed, but not available. Current bottomhole injection pressure in the Agnes Beckham No. 2 is approximately 2000 psi at 1250 plus BWPD. Fluid properties during

waterflood were assumed to be at an average reservoir pressure of 1200 psi.

The relative permeability curve (Fig.8) used for waterflood response predictions was calculated in 1978 from ARCO's KRWO reservoir engineering computer program. This curve best fits the k_w/k_o curve from the 1964 study, and is the best available data without special core analysis. The program used an empirical method called the Braun Method, to calculate the relative permeabilities for an intermediate wettability reservoir.

Based upon the 1978 relative permeability curve, the calculated mobility ratio is 0.64. A seven-spot waterflood pattern gives the maximum recovery for this mobility ratio, but the incremental recovery over a five-spot is insignificant. The seven-spot is not economically feasible due to the incrementally high investment required to install a seven-spot. Therefore, consideration of a seven-spot was abandoned early in the study.

PRIMARY PRODUCTION

The primary producing mechanism is pressure depletion, with some waterflood response seen in the last few years due to edge injection. Cumulative oil production to 1-1-83 is 4,514,529 BO. Estimated gas production is 6.03 BCF. This figure was derived by plotting field GOR for known years and interpolating. Estimated water production is 2,930,000 BW. Projected primary recovery is 4.6 MMBO. This is 25.9% recovery by volumetrics and 21.9% recovery based on the material balance. Ultimate recovery, including response from injection into the Agnes Beckham No. 2 and predicted response from conversion of Agnes Beckham No. 8 will be 5.1 MMBO. There is no remaining primary on the Agnes Beckham lease, and 64,300 BO (1-1-83) on the A.T. Randolph State lease.

Production on the ARCO operated leases as of 1-1-83 is as follows:

	Beckham	Randolph	Total
Cumulative Oil (MBO)	1377	777	2154
% Field Cumulative	30.5	17.2	47.7
Ultimate Primary (MBO)	1409	803	2212
% Field Primary	30.4	17.3	47.7

SECONDARY PRODUCTION

Secondary oil on the Agnes Beckham lease has been seen in all of the Beckham wells as a result of injection in No. 2. With the conversion of Agnes Beckham No. 8 to injection, secondary recovery should yield a minimum of 400 MBO for the lease. This is about twice the response predicted by RE18, due to additional oil seen in wells other than direct offsets. The reservoir is being repressurized.

Response on the Beckham lease is still increasing. Cumulative injection into the Beckham No. 2 is 964,386 BW (1-1-83), which amounts to fillup volume for about four and one half 80 acre patterns. Injection began in May, 1978 at 800 BWPD and declined to 200 BWPD within two and one half years, before steadily increasing to the present injection rate of 1250 BWPD. An increase in water production was seen about one year after injection began, and oil response followed approximately three to four months after the water response.

The reservoir engineering program RE18 was used to predict future waterflood response for a completed project. Results for 40 acre five-spots and 80 acre five-spots were compared to determine the optimum well spacing. The seven-spot pattern, with 51.9 acres per pattern, was eliminated as an option when RE18 predicted only an additional 21.8 MBO per pattern over 40 acre five-spot development. The field would have fewer seven-spot patterns than 40 acre five-spot patterns, so that total seven-spot recovery would be 268 MBO less.

Field average properties and layer data were used to calculate the response of one pattern and scaled up for the entire project area. As a check, pore volume, oil-in-place, and fillup volume were calculated for each pattern and summed for the total field. The sum of individual patterns and the scaled-up average pattern for both cases fell within 10% of each other (Table 1).

40 Acre Five-Spot

Recovery for the 40 acre five-spot was 2.8 MMBO in 10 years with a final WOR of 35:1. This comes to 13.3% recovery of the material balance OOIP, or 62% of primary recovery. Recovery per pattern was 70,825 BO. The peak rate of 51 BOPD per pattern was reached in the first year. Production declined to 5 BOPD per pattern over 9 years. It was assumed that all injection began immediately on 1-1-84 at 300 BWPD per well and declined to 200 BWPD per well. Present injection capacity is much higher. These injection rates were based on a constant pressure difference of 1700 psi from injector to producer.

80 Acre Five-Spot

Recovery for the 80 acre five-spot was 2.9 MMBO in 15 years with a final WOR of 27.4:1. This represents 13.6% recovery of the material balance OOIP, 64% of primary recovery, and 135,847 BO per pattern. The peak rate was 57 BOPD per pattern, reached within 2.5 years. Production then declined to 8 BOPD per pattern in 12.5 years. Injection was assumed to begin on 1-1-84 at 325 BWPD per well and to decline to 225 BWPD per well.

RE18 predicted no gain in ultimate recovery between the 40 and 80 acre patterns. The flood responded faster with closer spacing, but rate acceleration alone did not economically justify a 40 acre five-spot.

WATER SOURCE

The current source of injection water is the Agnes Beckham 26-2, a dual Atoka and Fusselman gas well, producing a total of approximately 1700 BWPD. The 26-1 can probably be completed in the Fusselman when the 26-2 Fusselman dies. However, these are only temporary sources.

The main source of water for a future waterflood is the Cherry Canyon. Maximum productivity of the Cherry Canyon is estimated to be in the range of 5000-6000 BWPD per well. In this range of productivity, 7" casing or larger is required in order to use 3½" tubing and a submersible pump. Both of the Agnes Beckham gas wells have 9-5/8" casing through the Cherry Canyon, and can be recompleted there when they die. As an added incentive to test the Cherry Canyon for a water source, Roy F. Pearce's TXL "B" No. 1, just south of the Agnes Beckham lease, has recently been tested as gas productive with a test of 1,234 MCFGPD.

APPENDIX

TABLE 1

RESERVOIR VOLUMES

COMPARISON OF CALCULATION METHODS

	40-ACRE FIVE-SPOT		80-ACRE FIVE-SPOT	
	Sum of Individual Pattern Analyses	RE18 x 39.5 Patterns	Sum of Individual Pattern Analyses	RE18 x 21. Patterns
Pore Volume (RVB)	26,834,977	26,127,844	28,570,387	27,804,188
Oil-In-Place (RVB)	11,787,575	12,589,082	12,387,966	13,396,799
Fill Up Volume (RVB)	4,286,237	4,180,455	4,571,262	4,448,670

TABLE 2

COMPARISON OF

FIVE SPOT WATERFLOOD PREDICTIONS

	40 Acre	80 Acre
Cum. Oil (MMBO)	2.8	2.9
% Material Balance OOIP	13.3	13.6
% of Primary	62	64
Final WOR	35:1	27.4:1
MBO per pattern	70.8	135.8
Peak BOPD per pattern	51	57
Years to peak rate	1.0	2.5
Final BOPD per pattern	5.4	7.8
Flood life (years)	10	15
Initial BWPD Injection	300	325
Final BWPD Injection	200	225
Injector/Producer Pressure Drop (psi)	1700	2100

TABLE 3

UNITIZED 40 ACRE FIVE SPOT

INVESTMENTS

	Tangible	Intangible
Plant Costs (25,000 BWPD capacity)	$780,000	$320,000
Water Supply Wells		
Recomplete 3 wells	298,650	160,200
Drill 2 wells	369,400	586,400
Total Water Supply Wells - 5	668,050*	746,600*
Injectors		
Drill 47	2,378,200	7,120,500
Convert 2	49,000	66,800
Total Injectors - 49	2,427,300*	7,187,300*
Producers		
Drill 8	747,200	1,437,600
TOTALS	$4,622,550	$9,691,500
Investment per month (invest evenly over 18 months)	$256,808	$538,417
TOTAL INVESTMENT	$14,314,050	

* Subtotal

TABLE 4

UNITIZED 80 ACRE FIVE-SPOT

INVESTMENTS

	Tangible	Intangible
Plant Costs (16,500 BWPD capacity)	$700,000	$275,00
Water Supply Wells		
Recomplete 3 wells	298,650	160,200
Drill 1 well	187,700	293,200
Total Water Supply Wells - 4	483,350*	453,400*
Injectors		
Drill 10	506,000	1,515,000
Convert 19	466,550	634,600
Total Injectors - 29	972,550*	2,149,600*
Producers		
Drill 3	280,200	539,100
TOTALS	$2,436,100	$3,417,100
Investment per month (invest evenly over 12 months)	$203,008	$284,758
TOTAL INVESTMENT	$5,763,200	

* Subtotal of Total

TABLE 5

AGNES BECKHAM 80 ACRE FIVE-SPOT

INVESTMENTS

	Tangible	Intangible
Plant Costs (2500 BWPD capacity)	150,000	60,000
Water Supply Well - Drill	184,700	293,200
Injectors - Convert 3	73,650	100,200
Producers - same	0	0
TOTALS	$408,350	$453,400
Investment per month (invest evenly over 3 months)	$136,117	$151,133
TOTAL INVESTMENT	$861,750	

TABLE 6

ARCO/GULF COOP RANDOLPH 80 ACRE FIVE-SPOT

INVESTMENTS

	Tangible	Intangible
Plant Cost (4000 BWPD capacity)	$170,000	$66,800
Water Supply Well - Drill 1	184,700	293,200
Injectors		
Drill 1	50,600	151,500
Convert 6	147,300	200,400
Total Injectors - 7	197,900	351,900
Producers - Drill 1	93,400	179,700
TOTALS	$646,000	$891,600
Investment per month (invest evenly over 3 months)	$215,333	$297,200
TOTAL INVESTMENT	$1,537,600	

SABRE (DELAWARE) FIELD
UNITIZATION PARAMETERS AND FORMULA
Revised 3-20-85

Operator / Lease	Last 6 Mos. Oil (10-1-83) BO	%	Ultimate Primary BO	%	Net Hydrcbn Pay Ac-Ft	%	Phase I 100-0 -0%	Phase II 0-60 -40%
ARCO								
Agnes Beckham (Tr. 6)	29330	48.59500	1527800	36.01330	3800.14	28.44105	48.59500	32.98440
A.T. Randolph St.(Tr. 3)	8803	14.58513	767300	18.08679	2459.70	18.40892	14.58513	18.21564
TXL B (Tr. 8) (Formerly Ray F. Pearce)	153	0.25350	143700	3.38730	571.98	4.28082	0.25350	3.74471
	38286	63.43363	2438800	57.48739	6831.82	51.13079	63.43363	54.94475
GULF								
A.T. Randolph St.(Tr. 4)	5389	8.92869	785900	18.52523	2184.79	16.35143	8.92869	17.65571
TEXACO								
Reeves Fee "H" (Tr. 9)	1217	2.01637	115100	2.71314	1169.99	8.75645	2.01637	5.13046
Reeves Fee "I" (Tr. 10)	0	0.00000	1253	0.02954	216.38	1.61944	0.00000	0.66550
Reeves Fee "J" (Tr. 1)	1772	2.93591	466700	11.00105	1269.98	9.50480	2.93591	10.40255
Reeves Fee "L" (Tr. 5)	653	1.08191	79800	1.88104	308.44	2.30843	1.08191	2.05200
TXL CB NCT-A (Tr.2)	0	0.00000	30485	0.71859	197.54	1.47843	0.00000	1.02253
TXL CB NCT-B (Tr. 11)	0	0.00000	484	0.01141	468.56	3.50680	0.00000	1.40956
	3642	6.03419	693822	16.35477	3630.89	27.17435	6.03419	20.68260
CONOCO TXL A-35 (Tr. 7)	13039	21.60349	323800	7.63261	713.96	5.34343	21.60349	6.71694
TOTAL	60356	100.00000	4242322	100.00000	13361.46	100.00000	100.00000	100.00000

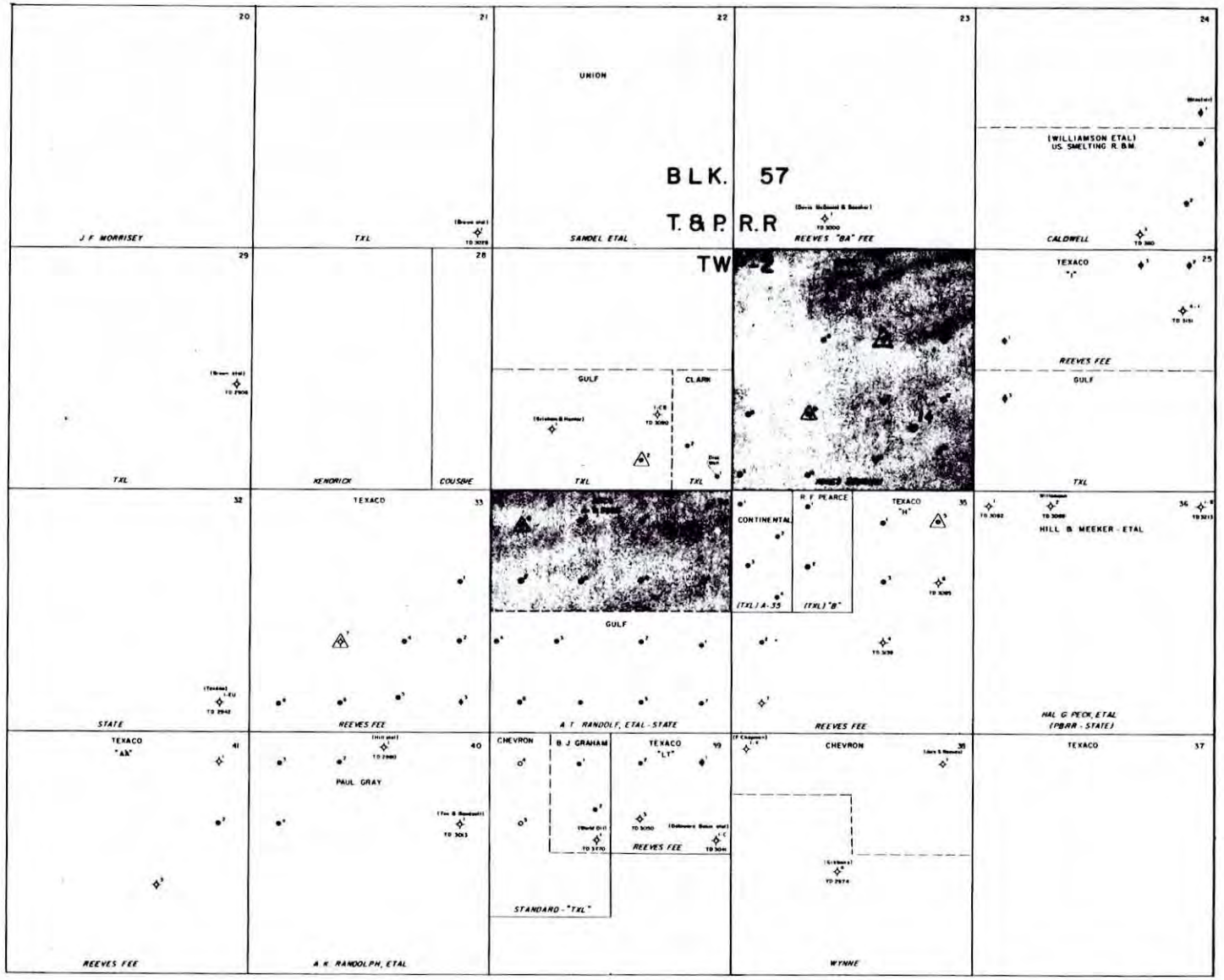


FIGURE 1

ARCO Oil and Gas Company
Permian District Midland, Texas

SABRE FIELD AREA
NW Reeves County, Texas
Scale 1"=1000'
Contoured on
Contour Interval

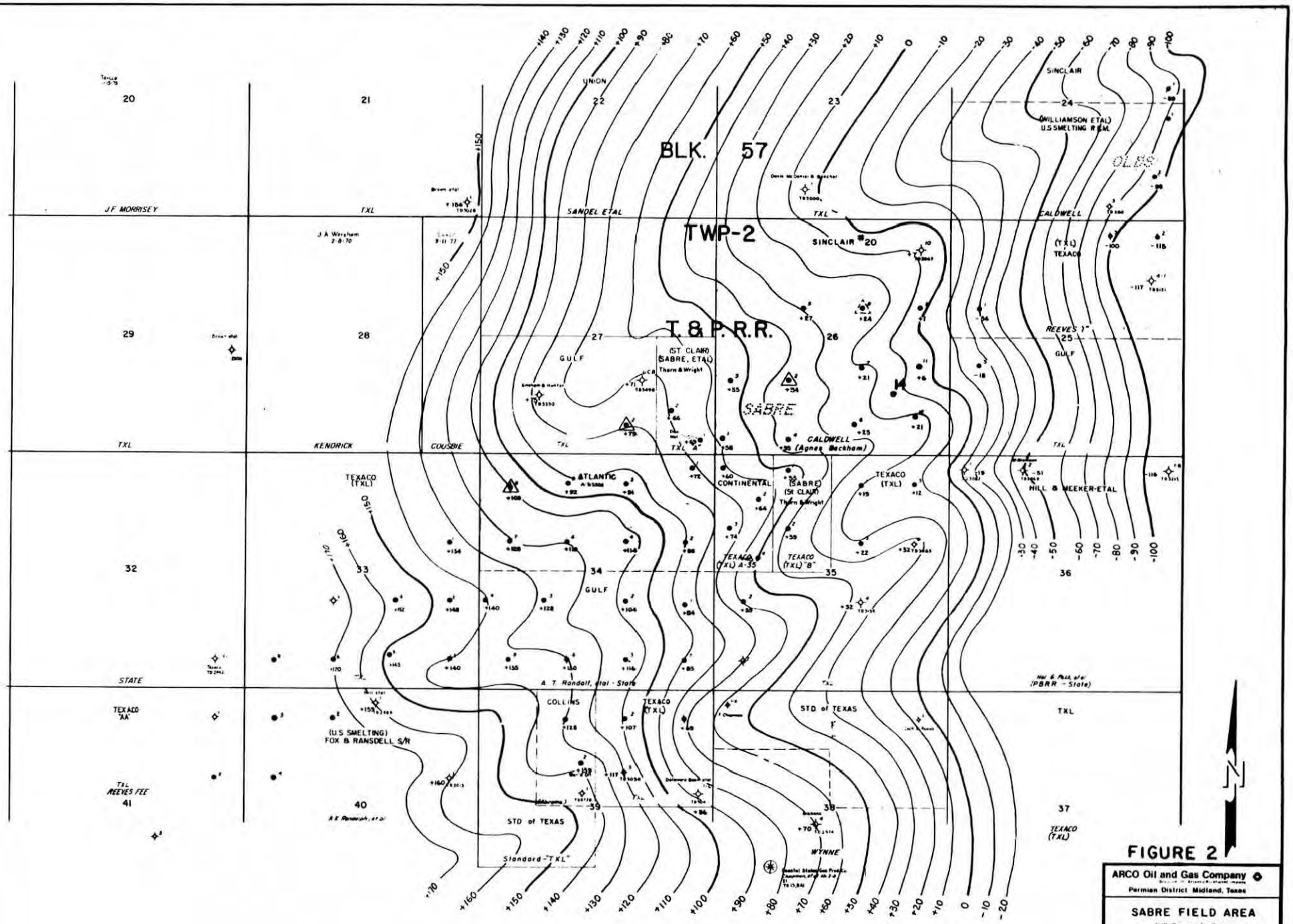


FIGURE 2

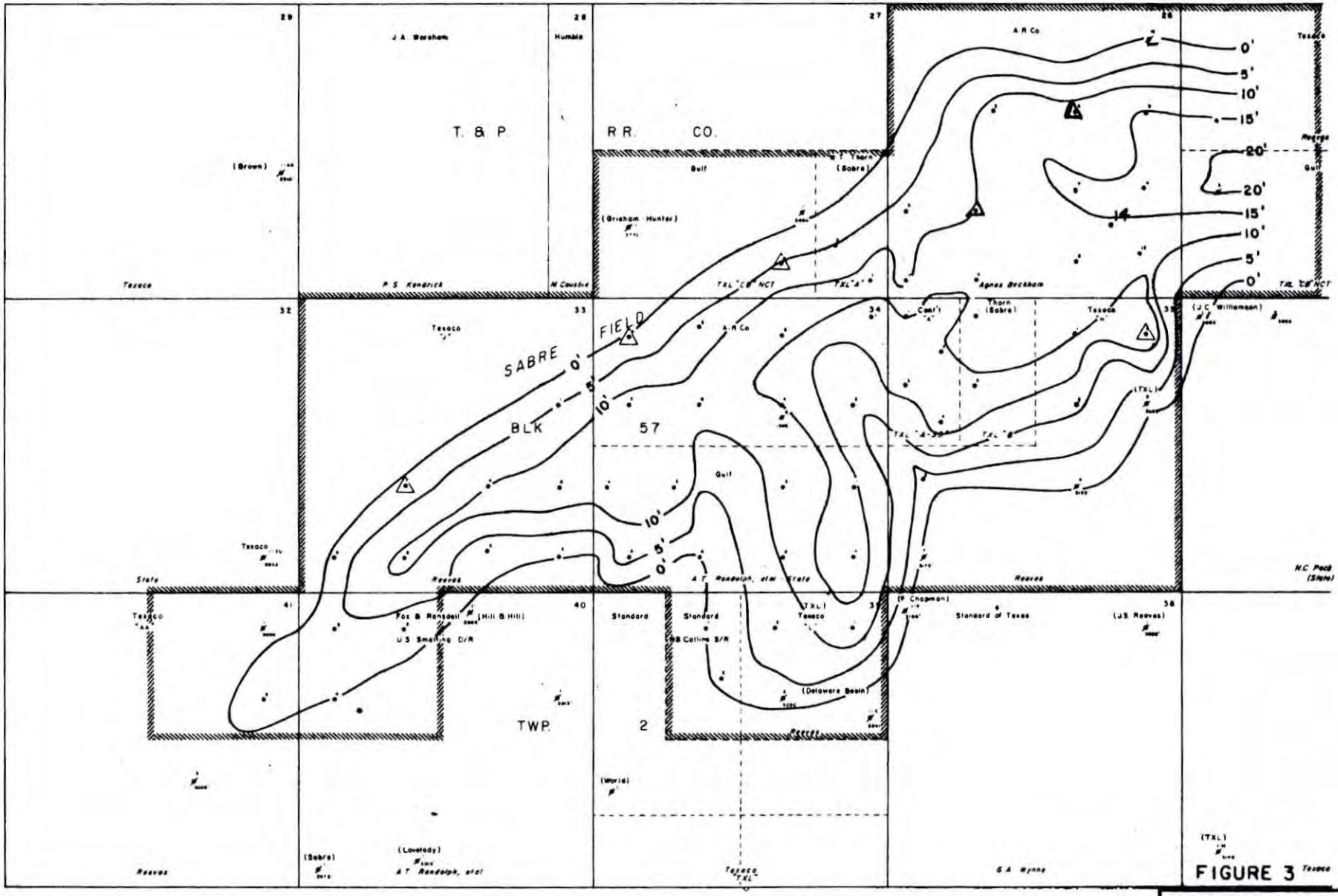
ARCO Oil and Gas Company
Permian District Midland, Texas

SABRE FIELD AREA
N.W. Reeves Co., Texas

CONTOURED ON: DELAWARE LIME (PDL)
CONTOUR INTERVAL: 10'

SCALE: 1" = 1000'

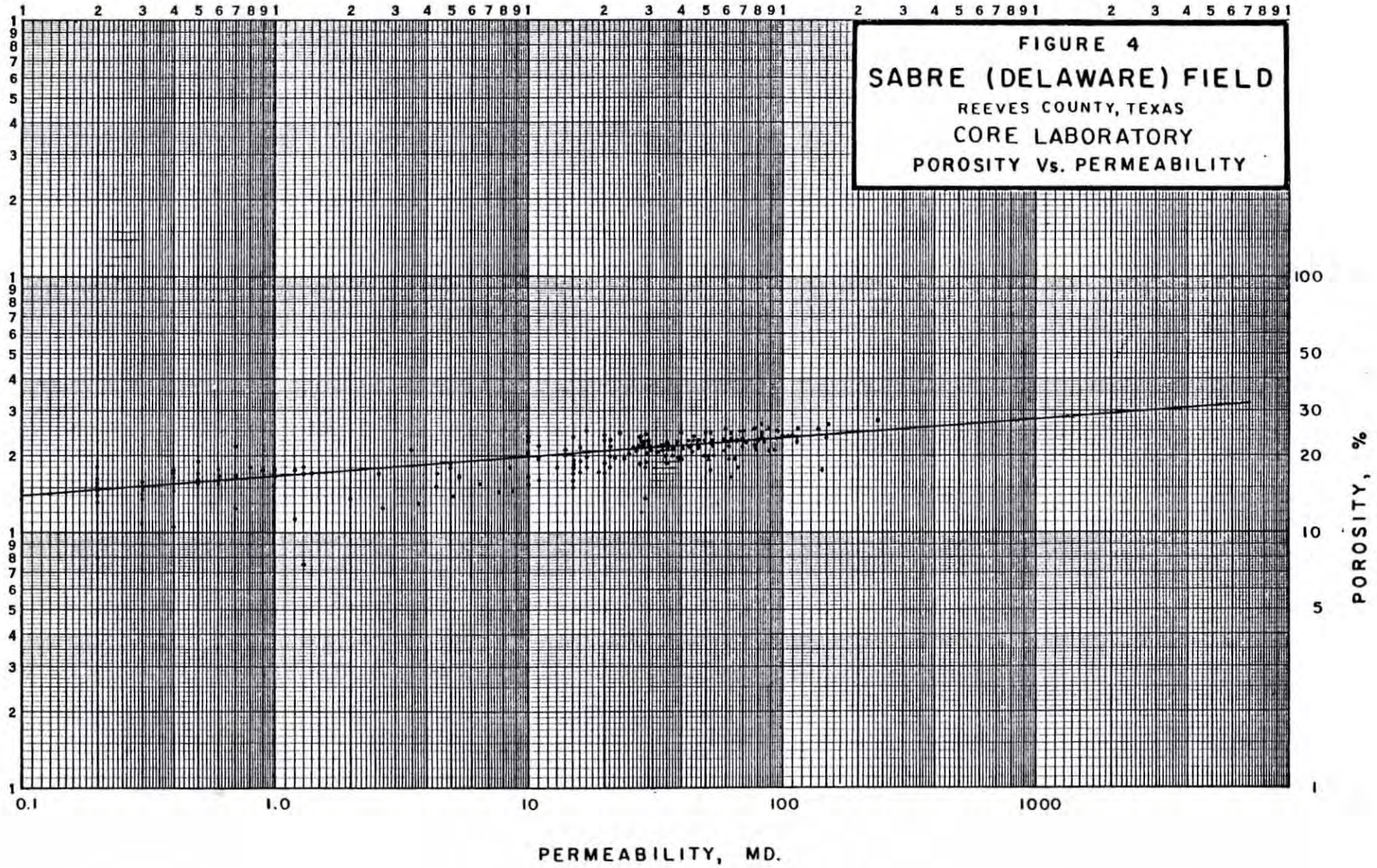
By: A. DOVER	Drawn By: R.C.T. Date: 4/19/83
Date: 4/83	Revised By: Date:
Dept: SOUTH ENGR.	Dwg. No.

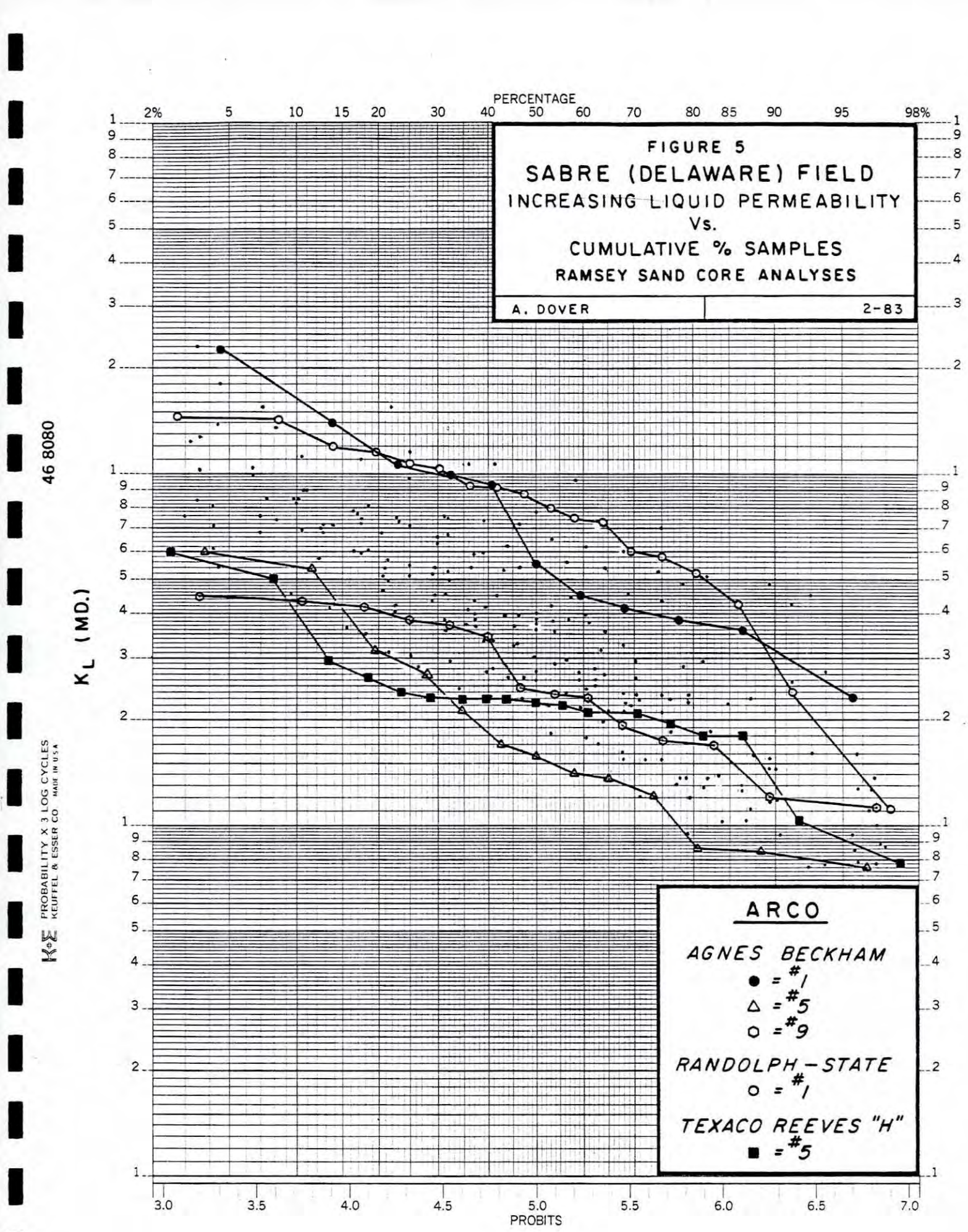


Atlantic Richfield Company
North American Producing Division
Permian District Midland, Texas

SABRE (DELAWARE) FIELD
REEVES COUNTY, TEXAS
ISOPACH MAP
NET RAMSEY SAND THICKNESS
ABOVE 10.0 MD.
Scale 1" = 1000

K&E LOGARITHMIC 46 7522
3 X 5 CYCLES MADE IN U.S.A.
KEUFFEL & ESSER CO.





46 8080

PROBABILITY X 3 LOG CYCLES
KEUFFEL & ESSER CO MADE IN U.S.A.

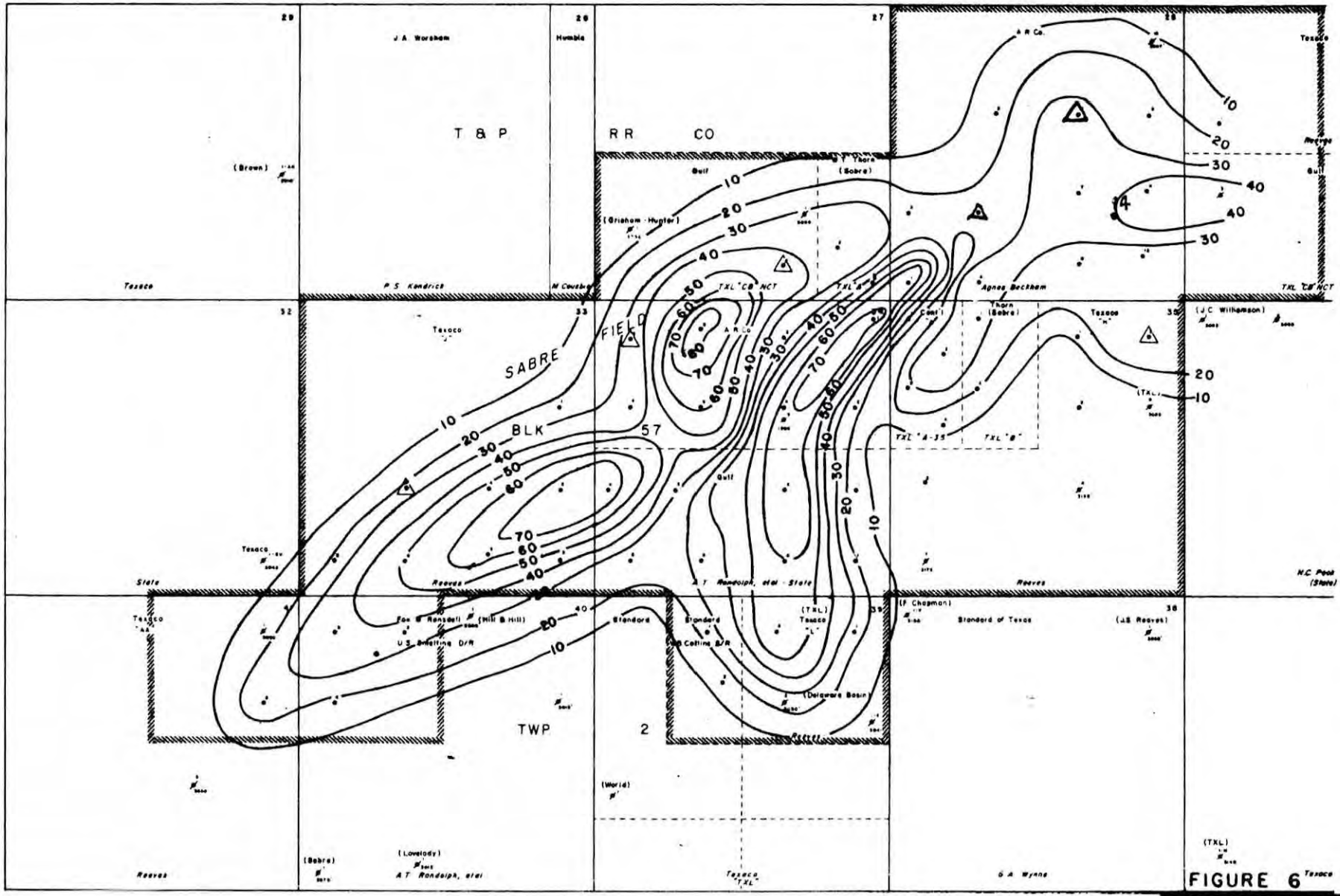
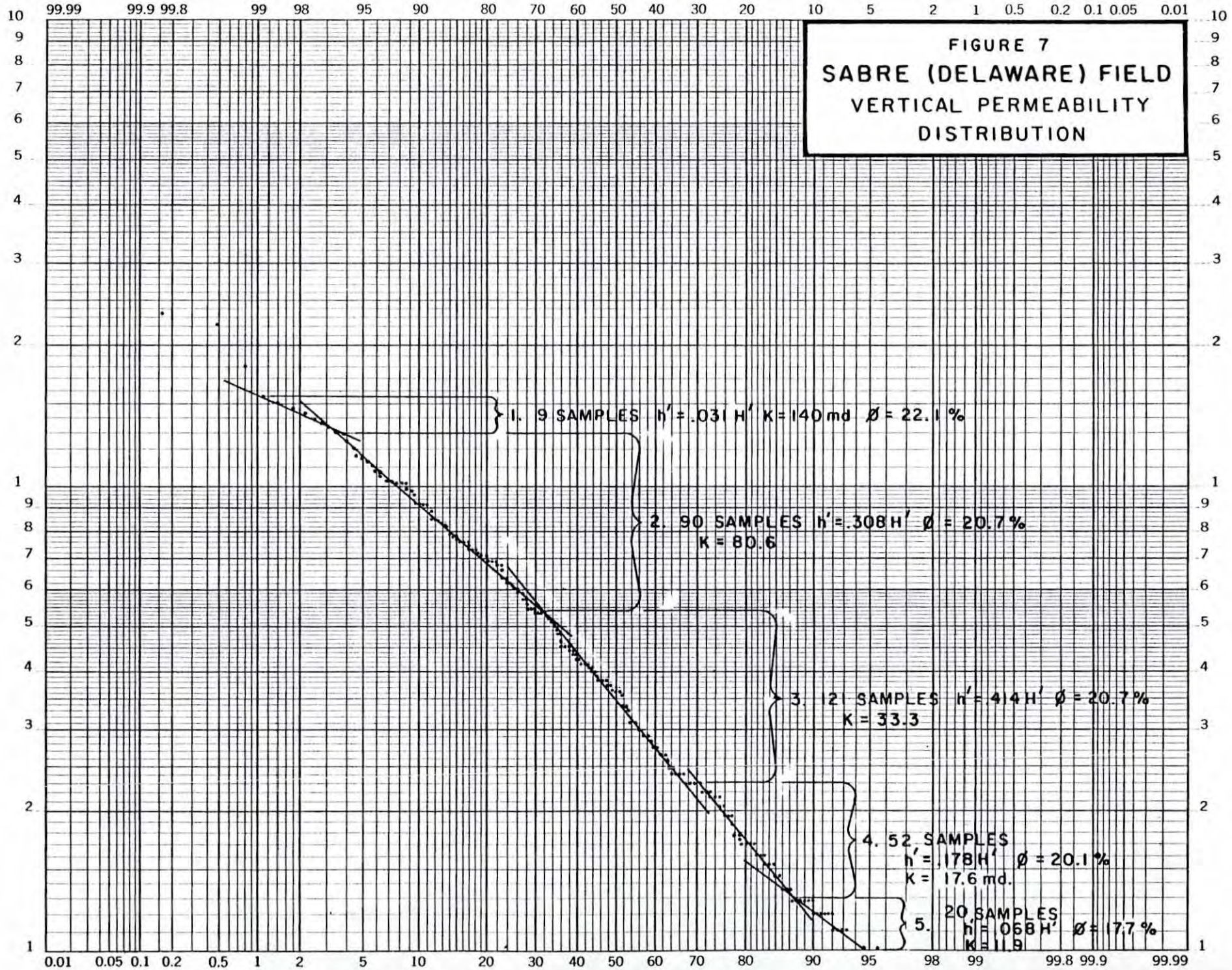


FIGURE 6

Atlantic Richfield Company
North American Producing Division
Permian District Midland Texas

SABRE (DELAWARE) FIELD
REEVES COUNTY, TEXAS
ISOPERMEABILITY
CONTOUR: 10 MD.
Scale 1" = 000'

K+E PROBABILITY X 2 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.



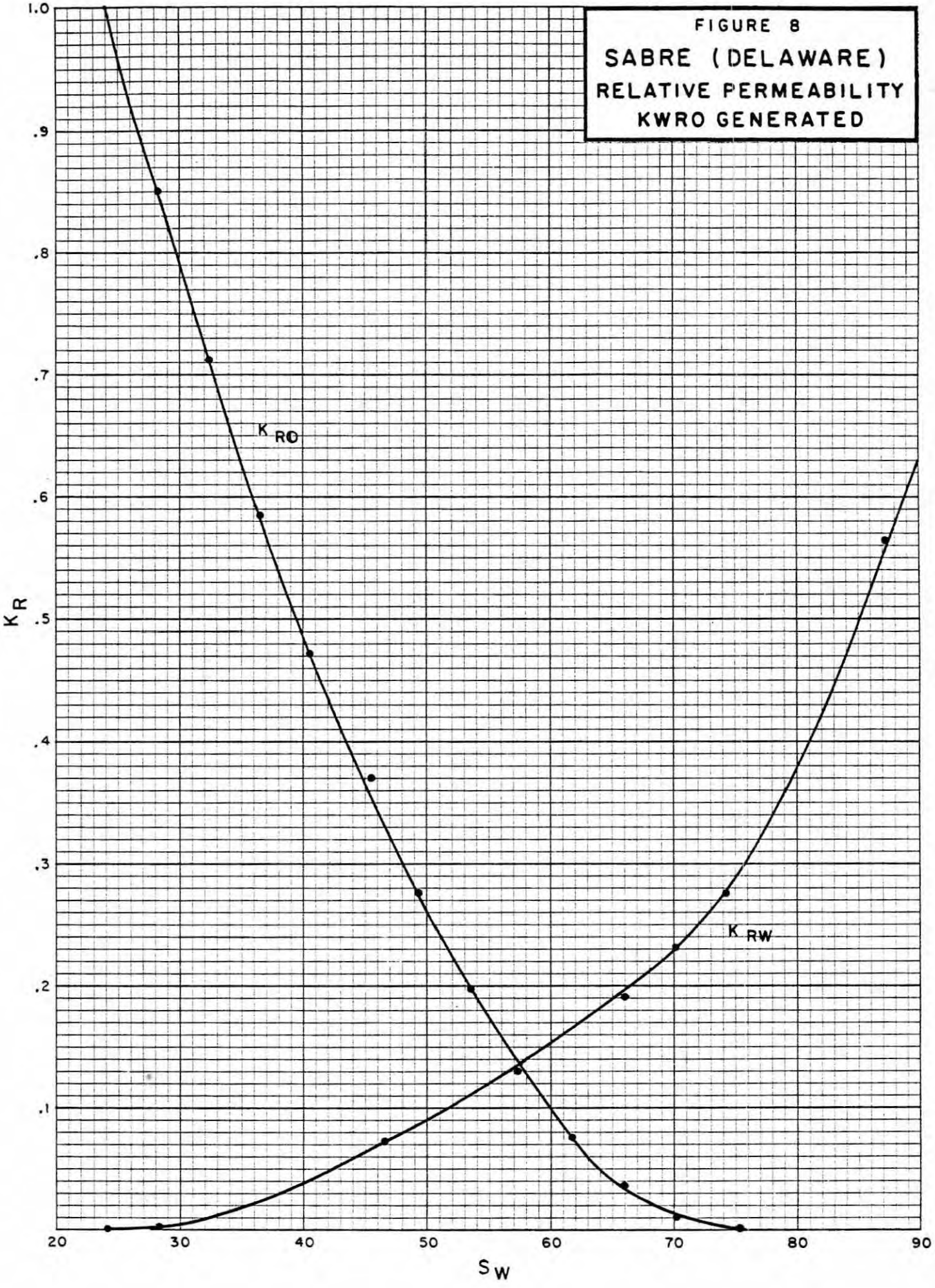


FIGURE 8
SABRE (DELAWARE)
RELATIVE PERMEABILITY
KWRO GENERATED
1.0
.9
.8
.7
.6
.5
.4
.3
.2
.1
K_R
K_{RO}
K_{RW}
20
30
40
50
60
70
80
90
S_W

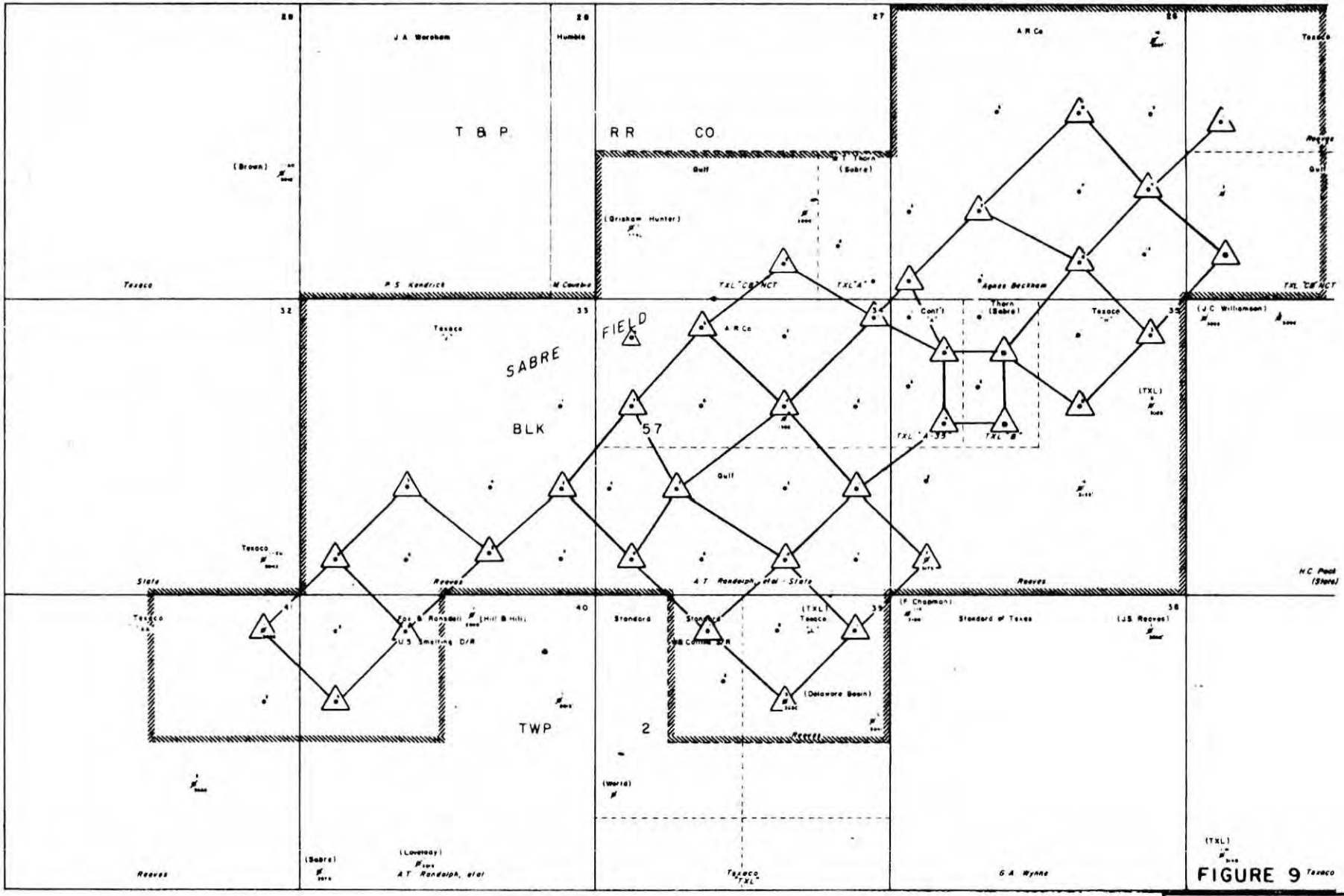


FIGURE 9 Texaco

AtlanticRichfieldCompany
North American Producing Division
Permian District Midland Texas

SABRE (DELAWARE) FIELD
REEVES COUNTY, TEXAS
UNITIZED 80 ACRE
5-SPOT
Scale 1" = 1000

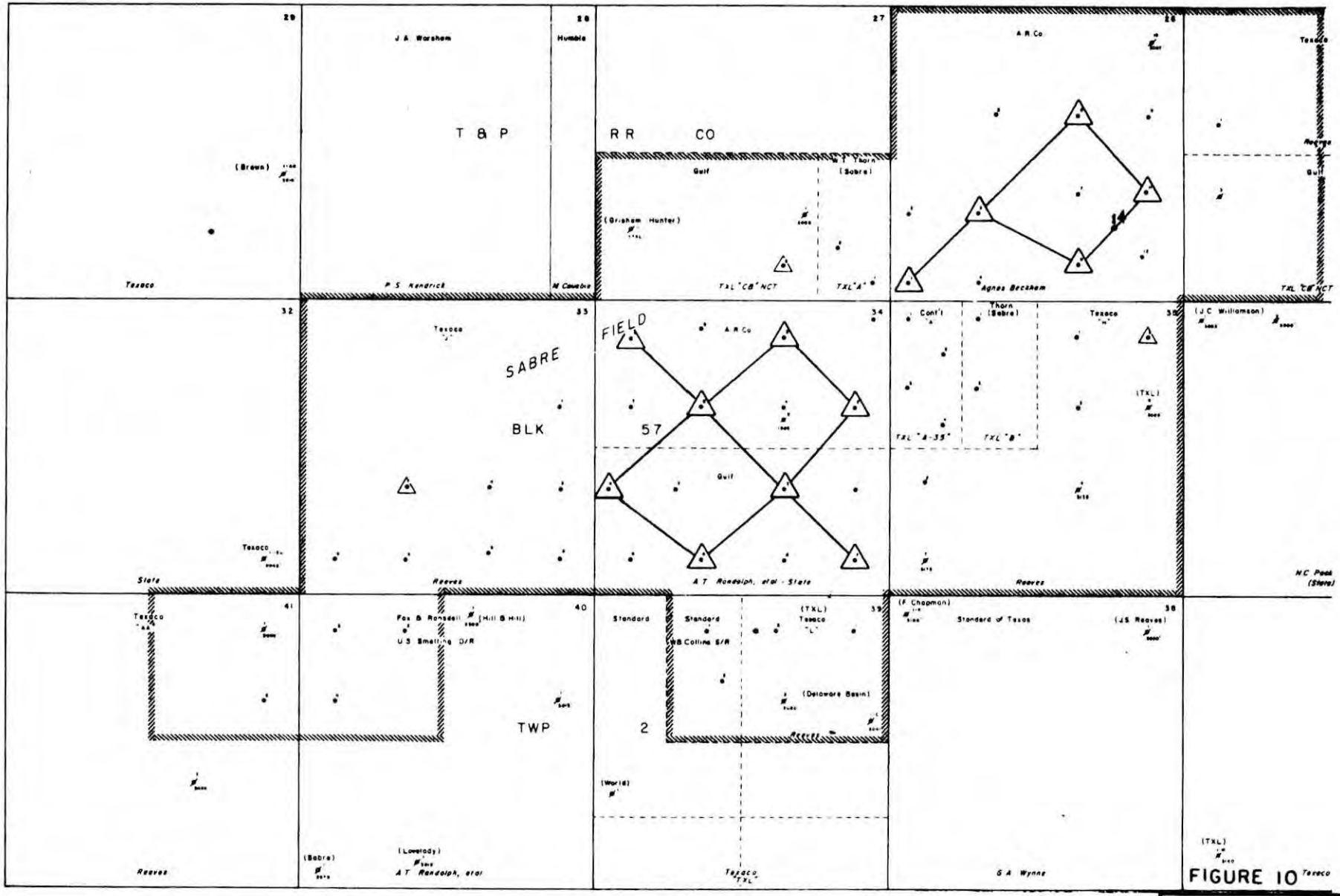
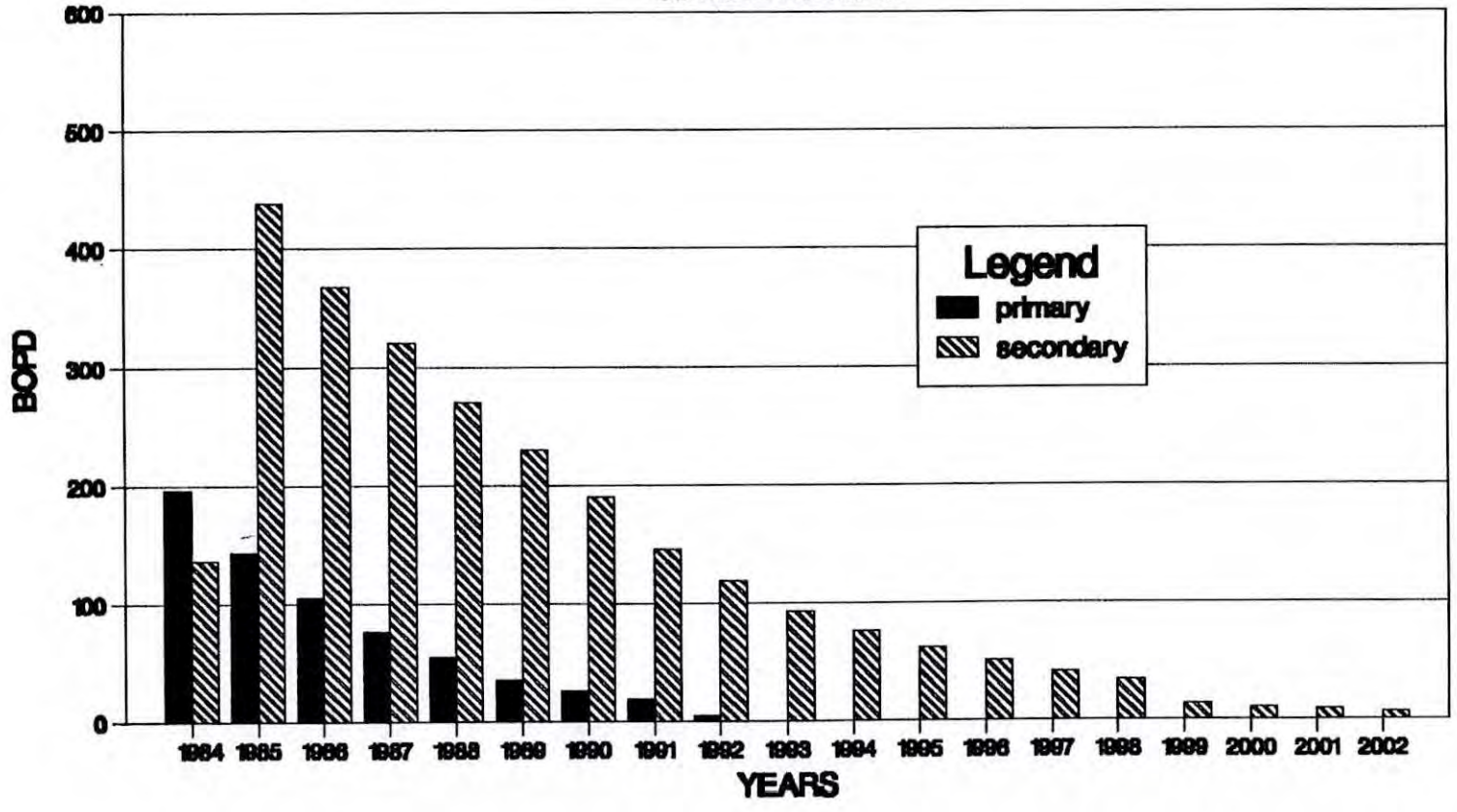


FIGURE 10

Atlantic Richfield Company
North American Producing Division
Permian District Midland Texas

SABRE (DELAWARE) FIELD
REEVES COUNTY, TEXAS
BECKHAM AND RANDOLPH
80 5-SPOT
Scale 1" = 000

FIGURE 12
BECKHAM AND RANDOLPH LEASES
NET PRIMARY VS SECONDARY
80 ACRE FIVE-SPOT



(46)

Unit Agreement Report

Within / RAL M-35430

▶ Return each W-1 with plat and $100.00 fee. Make a check or money order payable to the State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711
▶ File a copy of W-1 and plat in RRC District Office

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

Purpose of filing (mark appropriate boxes):
☐ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☒ Plug Back ☐ Re-Enter
☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-30902 Permit No. ▶ 324818 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Company
3. RRC Operator No.: 029340
4. RRC District No.: 8
5. County of Well Site: Reeves
2. Address (including city and zip code): P. O. Box 1610, Midland, Texas 79702
000858
6. Lease Name (32 spaces maximum): Sabre
7. RRC Lease/ID No.: NA
8. Well No.: 1 WS
9. Total Depth: 15733
10. Location: • Section 26 Block 57, TWP 2 T&P RR Co. ~~TWP 2~~ Abstract No. A-
• This well is to be located 2 miles in a SW direction from Orla which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 1320 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 660 (OUTLINE ON PLAT.)

13. FIELD NAME (Exactly as shown on RRC proration schedule. List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.)	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Sabre (Cherry Canyon) 79493400	3800	467/1200	40	40	No	3195	Oil	2	0

Application dated 12/30/86

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 1320 FNL & 1320 FWL
• Survey/Section 1320 FNL & 1320 FWL
If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes ☐ ▶ (Attach Form P-12 and certified plat.) No ☒
24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ ▶ (Attach Form W-1A) No ☒
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☒ ▶ If not filed, explain in Remarks.
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes ☒ No ☐
If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.

Remarks
This well currently on gas schedule as
Chapman, Deep (Wolfcamp)
Agnes-Beckman "26" #117836
Well No. 2

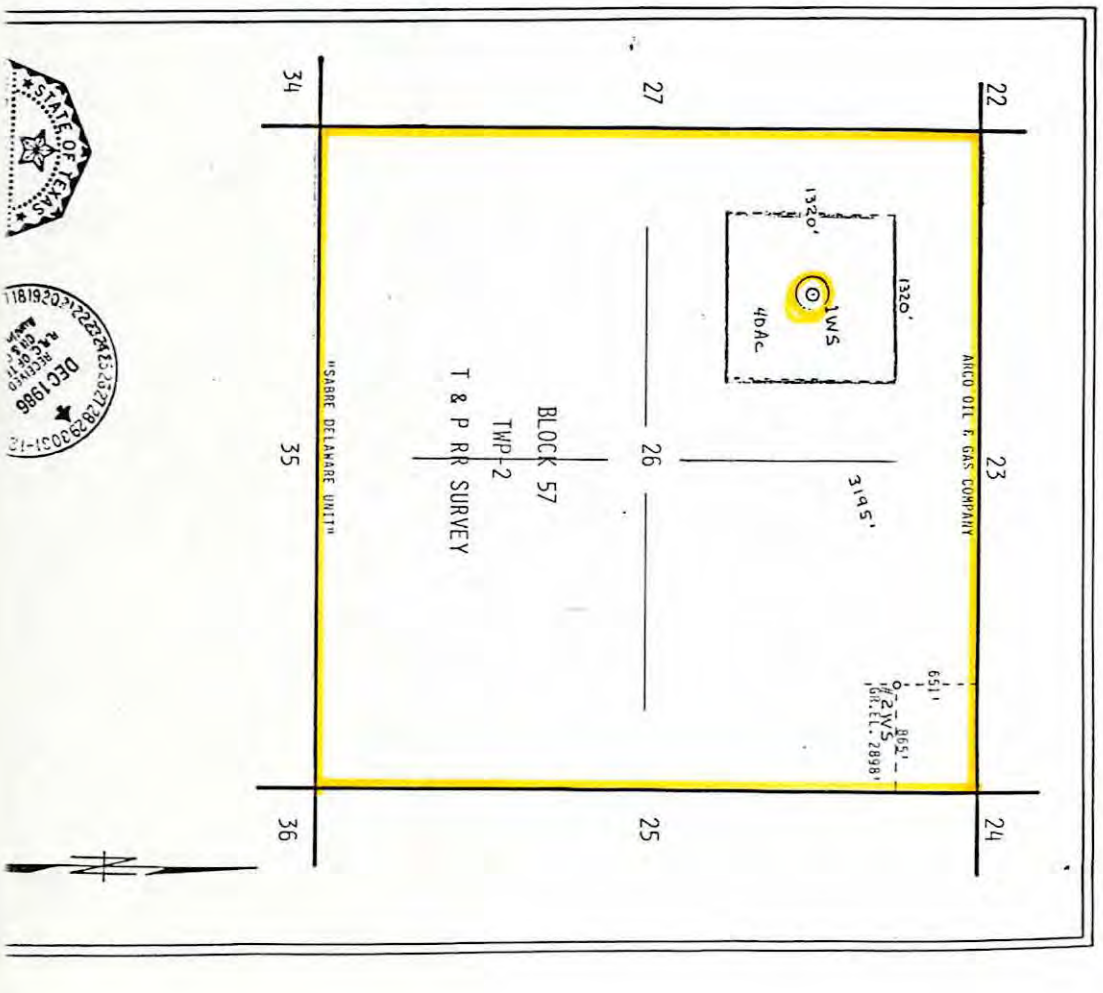
I certify that information stated in this application is true and complete, to the best of my knowledge.
Signature: Ken W. Gosnell
Name and title of operator's representative: Ken W. Gosnell Engr. Tech. Spec.
Date: 12 23 86 Tel.: Area Code 915-688-5672 Number

• RRC Use Only •
206956 DEC 2986
324818

Statewide PLAT SERVICE P O DRAWER 1067, AUSTIN, TEXAS 78767

AA 2-9-87

1-7-87



SCALE OF MAP
1 inch = 500 feet
1 inch = 4,000 feet
1 inch = 3,000 feet
1 inch = 2,000 feet
1 inch = 1,000 feet

m-35430 wk (47)

App to drill 2-987
#165
Filed 8-18-75

m-35430

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Type or print only

Form W-2
Rev. 4/1/83
483-048

API No. 42-389-30902

7. RRC District No. 8

Oil Well Potential Test, Completion or Recompletion Report, and Log

8. RRC Lease No. NA

1. FIELD NAME (as per RRC Records or Wildcat): Sabre (Cherry Canyon)

2. LEASE NAME: Sabre

9. Well No. 1WS

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Co.

RRC Operator No. 029340

10. County of well site: Reeves

4. ADDRESS: P. O. Box 1610, Midland, TX 79702

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (explain in Remarks) [ ]

5. If Operator has changed within last 60 days, name former operator

6a. Location (Section, Block, and Survey): Sec 26, Blk 57, T-2, T&P

6b. Distance and direction to nearest town in this county: 2 miles SW from Orla

12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil - O Gas - G	WELL NO.
Chapman, Deep (Wolfcamp)	117836	G	2

13. Type of electric or other log run

14. Completion or recompletion date: 5-9-87

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping—Size & Type of pump)			18. Choke size
5-23-87	24	Flowing			None
19. Production during Test Period ▶	Oil - BBLS: 110	Gas — MCF: 450	Water - BBLS: 2954	Gas - Oil Ratio: 4091	Flowing Tubing Pressure: 150 PSI
20. Calculated 24-Hour Rate ▶	Oil - BBLS	Gas — MCF	Water — BBLS	Oil Gravity—API—60°: 31.9	Casing Pressure PSI

21. Was swab used during this test? Yes [ ] No [X]

22. Oil produced prior to test (New & Reworked wells): 400

23. Injection Gas—Oil Ratio

REMARKS:
Please remove the Chapman, Deep (Wolfcamp) Field, Agnes Beckham "26" Well No. 2, RRC #117836 from the gas proration schedule.

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester — ARCO Oil and Gas Company (Name of Company) — RRC Representative

OPERATOR'S CERTIFICATION
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Elizabeth A. Casbeer
Typed or printed name of operator's representative

Sr. Engr. Tech.
Title of person

915 688-5570
Telephone: Area Code Number

Date: 5 / 27 / 87 (mo. / day / year)

Elizabeth A. Casbeer
Signature

SECTION II — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

24 Type of Completion: New Well ☐ Deepening ☐ Plug Back ☒ Other ☐

25. Permit to Drill, Plug Back or Deepen — DATE 12-30-86 — PERMIT NO 324818
Rule 37 Exception — CASE NO
Water Injection Permit — PERMIT NO
Salt Water Disposal Permit — PERMIT NO
Other — PERMIT NO

26 Notice of Intention to Drill this well was filed in Name of
ARCO Oil and Gas Co.

27. Number of producing wells on this lease in this field (reservoir) including this well: 1

28. Total number of acres in this lease: 660

29 Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 1-28-87; Completed 5-9-87

30. Distance to nearest well, Same Lease & Reservoir: 3195

31 Location of well, relative to nearest lease boundaries of lease on which this well is located: 1320 Feet From North Line and 1320 Feet from West Line of the Sabre Lease

32 Elevation (DF, RKB, RT, GR, ETC.): 2951' GR

33. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No

34 Top of Pay	35. Total Depth	36. P. B. Depth	37. Surface Casing Determined by:
3162	15,733	4980	Field Rules ☐ / Recommendation of T.D.W.R. ☐ / Railroad Commission (Special) ☐

Dt. of Letter
Dt. of Letter

38 Is well multiple completion? No

39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

40. Intervals Drilled by: Rotary Tools: Cable Tools:

41. Name of Drilling Contractor

42. Is Cementing Affidavit Attached? ☒ Yes ☐ No

43. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13-3/8	68	3098		4416		Circ	
9-5/8	47	10555		3365		1485 - TS	

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen
7-3/4	10248	15474	TOC @ TOL	
5	15174	15733	TOC @ TOL	

45. TUBING RECORD

Size	Depth Set	Packer Set
2-7/8	3018	3018

46. Producing Interval (this completion) Indicate depth of perforation or open hole

From	3162	To	4282
From		To	
From		To	
From		To	

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC

Depth Interval	Amount and Kind of Material Used
10,755 - 11,987	CIBP set @ 10,580 w/45' cmt on top
	75 sx "H" f/10,350-10,191
	CIBP set @ 5000' w/20' cmt on top
3,162 - 4,282	A w/6300 gals 15% NEFE
	F w/80,000 gals XL 2% KCl & 170,000# 20/40, 12/20 sd

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth

REMARKS H_2S - Sweet
Wolfcamp zone P&A'd set CIBP @ 10,580 w/ 45' cmt.
Please remove the Chapman, Deep (Wolfcamp), Agnes Beckham "26" #2 from the gas proration schedule.

Comp. Eff. 5-20-87

101

ARCO Oil and Gas Company
Central District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 688 5200

June 14, 1991

TO: Surface Owners
Offset Operators
County Clerk

RE: Application to Inject Fluid - **AMEND**
Sabre (Delaware) Unit
Well Nos. 107 and 202
RRC No. 30820
Sabre (Delaware) Field
Reeves Co., TX

Gentlemen:

ARCO Oil and Gas Company has applied with the Railroad Commission for approval of an "H-1" entitled "Application to Inject Fluid into a Reservoir Productive of Oil or Gas" and an "H-1A" entitled "Injection Well Data" on the Sabre (Delaware) Unit Well Nos. 107 and 202, RRC No. 30820 in the Sabre (Delaware) Field. This is a revised filing for an existing injection well. The attachments are for your records.

If you have any questions, please do not hesitate to contact me at 915/688-5570.

Yours very truly,

Elizabeth A. Casbeer
Regulatory Analyst

Attachments

cc: R/C File

RECEIVED
JUN 18 91
ENERGY RESOURCES

ARCO Oil and Gas Company
Sabre Delaware Unit, Sabre (Delaware) Field
Reeves County, Texas

Surface Owners:

Lee Caldwell, Trustee
Mildred C. Touchstone
2225 South Danville, Suite 3
Abilene, TX 79605

A.C. & L.H. Beckham
Box 739
Abilene, TX 79604

Guy & Jeannette Caldwell
2225 South Danville, Suite 3
Abilene, TX 79605

Commissioner of General Land Office
State of Texas, Gas Only
1700 N. Congress Ave
Austin, TX 76701

Interfirst Bank Dallas
Agent for Methodest Home
Box 84738
Dallas, TX 75284

Thomas H. Ball, Jr.
5607 Meadow Lake
Houston, TX 77056

Katherine Ball Broussard
211 Buena Vista
Lafayette, LA 70503

Dr. James H. Zinck
6630 Avenue A
New Orleans, LA 70124

Huntsville Memorial Hospital
Box 72
Huntsville, TX 77340

Juanita Glasgow Lamkin
375 Dentation Drive
Baton Rouge, LA 70808

A.K. Randolph
1177 Roaring Springs
Fort Worth, TX 76114

Alma Regnier
1128 Fountain View Drive
Houston, TX 77057

Lorraine B. Saunders
4621 Kingfisher
Houston, TX 77035

Lawrence Stevenson, Jr.
1616 Saxony Lane
Houston, TX 77058

A.R. and W.T. Stone
Box 165
Center Harbor, NH 03226

Sandra S. Tomasek
1818 Tobin Trail
Garland, TX 75043

ARCO Oil and Gas Company
Sabre Delaware Unit, Sabre (Delaware) Field
Reeves County, Texas

Offset Operators:

BTA Oil Producers
104 South Pecos
Midland, TX 79701

Bill J. Grahm Oil and Gas
P. O. Box 7037
Midland, TX 79708

Paul N. Gray
26064 46th Street
Snyder, TX 79549

Rapid Transport Inc
P. O. Box 23
Orla, TX 79770

Orla Peteo Inc
One Marienfeld Place, Suite 155
Midland, TX 79701

Exxon Co. U.S.A.
Box 1600
Midland, TX 79702

Fox and Ransdell
711 Citizens National Bank Bldg.
Abilene, TX 79601

Delaware Basin Joint Venture
520 Citizens National Bank Bldg.
Abilene, TX 79601

Ford Chapman
Box 2376
Midland, TX 79702

Steve F. Armstrong
111 West 6th
Pecos, TX 79772

John Macquire
1209 Thunderbird Drive
El Paso, TX 79912

Chevron USA Inc.
Box 1150
Midland, TX 79702

Texaco Inc
Box 3109
Midland, TX 79702

County Clerk:

Pecos County Clerk
Box 867
Pecos, TX 79772

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form H - 1
(Rev. 4-82)

APPLICATION TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS

1. Field Name (as per current proration schedule - including reservoir, if applicable.): Sabre (Delaware)
2. RRC District: 8
3. Operator: ARCO Oil and Gas Company
   Address: P. O. Box 1610, Midland, TX 79702
4. County: Reeves
5. Lease Name(s) and RRC Lease Number(s): Sabre (Delaware) Unit 30820
6. Reservoir Discovery Date: 6-5-58

7. Have any injection permits been granted previously to any operator in this reservoir? [X] Yes [ ] No
If answer to this question is "NO", ALL OPERATORS IN THE RESERVOIR MUST BE NOTIFIED of this application, and copies of notification attached hereto.

8. Check the Appropriate Block(s):
[ ] New Project or [ ] Expansion of Previous Authority to Add Either: [ ] New Lease(s) or [ ] Additional Well(s) on Same Lease(s)
Revise Permits
Initial Authority Dated 4-15-68 by [ ] Administrative Action or [ ] Hearing, Special Order No. 20-52,413

RESERVOIR AND FLUID DATA ON ENTIRE RESERVOIR

9. Name of Reservoir: Delaware	10. Estimated Productive Area of Entire Reservoir (acres): 2160
11. Composition (sand, limestone, dolomite, etc.): Sand	12. Type of Structure (Include cross-section and structural maps.): Monocline
13. Subsea Depth of Oil-Water Contact (ft.): -120 est.	14. Subsea Depth of Gas-Oil Contact (ft.): N/A
15. Original Bottom Hole Pressure (psig): 1513	16. Current Bottom Hole Pressure (psig): 600 est.
17. Was a Gas Cap Present Originally? No	18. Is a Gas Cap Present Now? No
19. Ratio of Gas Cap Volume to Oil Zone Volume: N/A	20. Saturation Pressure (psig): 1513
21. Formation Volume Factor Original: 1.183 Current: 1.1	22. Type Drive During Primary Production: Solution Gas

RESERVOIR AND FLUID DATA

23. Number of Productive Acres in Lease(s) within Project Area: 2040	24. Average Depth to Top of Pay (ft.): 2950'	25. Average Effective Pay Thickness (ft.): 10.6
26. Average Horizontal Permeability (mds.): 34.2	27. Range of Horizontal Permeability (mds.): 11.9 - 140	28. Connate Water Saturation (% of pore space): 34.3
29. Average Porosity (%): 20.5	30. Gravity of Oil (deg. API): 35	31. Viscosity (cps. @ ° F): 2.8 @ 88

PRODUCTION HISTORY OF RESERVOIR

32. Date First Well Completed on Lease(s): 7-1-58	33. Stage of Primary Depletion of Project Area: Late
34. Current Average Gas-Oil Ratio (SCF/bbl.): 160	35. Current Water Production (% of total fluid production or bbls./day): 88.2%
36. Current Number of Producing Wells on Each Lease in Project Area: 15	37. Current Average Daily Oil Production per Well (bbls./day/well): 12.9
38. Cumulative Oil Production to Date from Lease(s) (bbls.): 4,621,731 to 3/1/91	39. SUBMIT ATTACHED SHEET(S) GIVING THE OIL, GAS, & WATER PRODUCTION BY YEARS SINCE DISCOVERY & TOTALS. FOR THE LAST 3 YEARS, GIVE THESE FIGURES BY MONTHS.

TYPE OF INJECTION PROJECT AND RESULTS EXPECTED

40. Type of Injection Project (Check the appropriate block(s):)
[X] Waterflood, [ ] Miscible Displacement, [ ] Thermal Recovery, [ ] Pressure Maintenance, [ ] Other _____ (specify)

41. Current Estimated Oil Saturation (% of pore space): 46.3	42. Estimated Residual Oil Saturation at Abandonment (% of pore space): 31
43. Estimated Original Oil-In-Place (bbls.): 19.1 MM STB	44. Estimated Ultimate Additional Oil that will be Recovered as a Direct Result of Injection (bbls.): 4.8 MM

INJECTION DATA

45. Type of Injection Fluid (Check the appropriate block(s):)
[X] Salt Water, [ ] Brackish Water, [ ] Fresh Water, [ ] Gas, [ ] Air, [ ] LPG, [ ] Other _____ (specify)

46. Source of Injected Fluid(s) (formation(s) and depth(s) in ft.): Cherry Canyon 3800', Delaware 2950'	47. Injection Pattern and Spacing: 5 spot, 80 acre
48. Total Number of Injection Wells to be Approved in this Application: 2	49. Estimated Maximum Daily Rate of Injection per Well (bbls./day/well): 2000
50. Total Estimated Maximum Daily Rate of Injection for All Wells in this Application. (bbls./day): 4000	51. Maximum Injection Pressure to be Used. (psig): 1450

52. LIST COMPLETE INJECTION WELL DATA ON FORM H-1A AND ATTACH.

DATA ON PROPOSED PROJECT AREA

APPLICANT MUST COMPLY WITH THE INSTRUCTIONS AND SIGN CERTIFICATION ON REVERSE SIDE

INSTRUCTIONS (H-1)

1. File the original application, including all attachments, with the Director of Underground Injection Control, Railroad Commission of Texas, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711. File one copy of the application and its attachments with the appropriate District Office.

2. Attach complete electrical log or similar well log of one of the proposed injection wells. Attach any other logging and testing data available for the well such as cement bond logs.

3. (a) For a new project, attach a map with surveys marked showing the location and depth of all wells of public record within a one-quarter (¼) mile radius of the project area.

   (b) For an expansion of a previous authority, attach a map with surveys marked showing the location and depth of all wells of public record within one-quarter (¼) mile radius of the additional wells, unless such data previously has been submitted for the project.

   (c) For those wells in 3(a) or 3(b) that penetrate the top of the injection interval, attach a table of wells showing the dates drilled and their present status. Identify any abandoned well which available data indicate is unplugged or improperly plugged. The Director of Underground Injection Control may adjust or waive this data requirement in accordance with provision of the "Area of Review" section of Statewide Rule 46.

4. Attach a letter from the Texas Department of Water Resources for a well within the project area stating the depth to which usable quality ground water occurs.

5. Attach Form H-1A showing each injection well to be used in the project. Up to three wells can be listed on each H-1A Form.

6. Attach Form H-7, Fresh Water Data Form, for a new injection project that includes the use of fresh water. An updated H-7 must be attached to Form H-1 for an expansion of a previously authorized fresh water injection project unless the fresh water is purchased from a commercial supplier, public entity, or from another operator.

7. (a) Attach a plat of lease(s) showing producing wells, injection wells, offset wells, and identifying ownership of all surrounding leases.

   (b)(1)Send a copy of the application to the surface owner, the offset operators, and to the county and city clerk of the county and city in which the well is located. If this is the initial application for fluid injection authority for this reservoir, send copies of the application to all operators in the reservoir. Attach a signed statement indicating the date the copies of the application were mailed or delivered and the names and addresses of the persons to whom copies were sent.

   (2) Attach an affidavit of publication signed by the publisher that notice of the application has been published in a newspaper of general circulation in the county where the wells will be located. Notice instructions and forms may be obtained from the Commission's Austin Office or the District Offices.

   (c) No public hearing will be held on this application unless an affected person or local government requests a public hearing. Any such request for a public hearing shall be in writing and contain: (1) the name, mailing address, and phone number of the person making the request; and (2) a brief description of how the protestant would be adversely affected by the granting of the application. If the Commission determines that a valid protest has been received, or that a public hearing would be in the public interest, a hearing will be held after the issuance of proper and timely notice of the hearing by the Commission. If no protest is received within fifteen (15) days of publication or receipt in Austin of the application, the application may be processed administratively.

CERTIFICATE

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Elizabeth A. Casbeer
Signature

Elizabeth A. Casbeer — Regulatory Analyst
Name of Person (type or print) — Title

Telephone 915/688-5570 Date June 14, 1991
Area Code Number

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name	2. Lease Name	3. RRC Lease/ID No.
ARCO Oil and Gas Company	Sabre Delaware Unit	30820

4. Field Name	5. RRC Field No.	6. Depth to Base of Deepest Fresh Water Zone
Sabre (Delaware)	79423500	800'

7a. Location (Sec.-Twp. or Block and Survey)	7b. County	8. This lease is located 1 miles SW direction from Orla, (nearest post office or town.)
Sec 33, Blk 57, TWP 2, T&P Svy	Reeves	

9. WELL NO. 107	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.	7-5/8	614'	200	Surface	Circ.	9-7/8	20#
11. Intermediate							
12. Long String	4-1/2	3040				5-1/4	9.5#

13. Tubing (Size and Depth): 2-3/8 @ 2830'
14. Name, Model and Depth of Tubing Packer: Baker Lok-Set @ 2830'
15. Total Depth of Well: 3050'
16. Date Well Drilled: 1-63
17. API No.: 42-389-10056
18. Ground Surface Elevation: 3007'
19. Perforation or Open Hole: [x]
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement: 2991-95' & 2918-20' w/460 SX
21. Injection Interval: Top 2900' Bottom 2960'
22. Name of Reservoir: Delaware
23. Injection System Open or Closed: [ ] [x]
24. Anticipated Daily Injection Volume (Bbls): Average 1500 Maximum 2000
25. Injection Pressure (Psi): Average 900 Maximum 1450
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [x] Yes [ ] No

9. WELL NO.	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer
15. Total Depth of Well
16. Date Well Drilled
17. API No.
18. Ground Surface Elevation
19. Perforation or Open Hole
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21. Injection Interval: Top Bottom
22. Name of Reservoir
23. Injection System Open or Closed: [ ] [ ]
24. Anticipated Daily Injection Volume (Bbls): Average Maximum
25. Injection Pressure (Psi): Average Maximum
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

9. WELL NO.	WELL CASING AND TUBING						
	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer
15. Total Depth of Well
16. Date Well Drilled
17. API No.
18. Ground Surface Elevation
19. Perforation or Open Hole
20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement
21. Injection Interval: Top Bottom
22. Name of Reservoir
23. Injection System Open or Closed
24. Anticipated Daily Injection Volume (Bbls): Average Maximum
25. Injection Pressure (Psi): Average Maximum
26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone? [ ] Yes [ ] No

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-1A
4-82
INJECTION WELL DATA
(Attach to Form H-1)

1. Operator Name	2. Lease Name	3. RRC Lease/ID No.
ARCO Oil and Gas Company	Sabre Delaware Unit	30820

4. Field Name	5. RRC Field No.	6. Depth to Base of Deepest Fresh Water Zone
Sabre (Delaware)	79423500	750

7a. Location (Sec.-Twp. or Block and Survey): Sec 27, Blk 57, TWP 2, T&P Svy
7b. County: Reeves
8. This lease is located 1 miles SW direction from Orla, (nearest post office or town.)

9. WELL NO. 202

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.	8-5/8	620'	400	Surface	Circ	12-1/4	24#
11. Intermediate							
12. Long String	5-1/2	3070'	300	1675'	Calc	7-7/8	14#

13. Tubing (Size and Depth): 2-3/8 @ 2954'
14. Name, Model and Depth of Tubing Packer: Baker Lok-Set @ 2954'

15. Total Depth of Well	16. Date Well Drilled	17. API No.	18. Ground Surface Elevation	19. Perforation or Open Hole
3070'	4-59	42-389-00539	3013	[x]

20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:

21. Injection Interval	22. Name of Reservoir	23. Injection System Open or Closed
Top 2990 Bottom 3000	Delaware	[ ] [x]

24. Anticipated Daily Injection Volume (Bbls)		25. Injection Pressure (Psi)		26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone?
Average 1500	Maximum 2000	Average 900	Maximum 1450	[x] Yes [ ] No

9. WELL NO.

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.							
11. Intermediate							
12. Long String							

13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer

15. Total Depth of Well	16. Date Well Drilled	17. API No.	18. Ground Surface Elevation	19. Perforation or Open Hole

20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:

21. Injection Interval	22. Name of Reservoir	23. Injection System Open or Closed
Top Bottom		[ ] [ ]

24. Anticipated Daily Injection Volume (Bbls)		25. Injection Pressure (Psi)		26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone?
Average	Maximum	Average	Maximum	[ ] Yes [ ] No

9. WELL NO.

WELL CASING AND TUBING

	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY	HOLE SIZE	CASING WEIGHT
10. Surface Casing.							
11. Intermediate							
12. Long String							

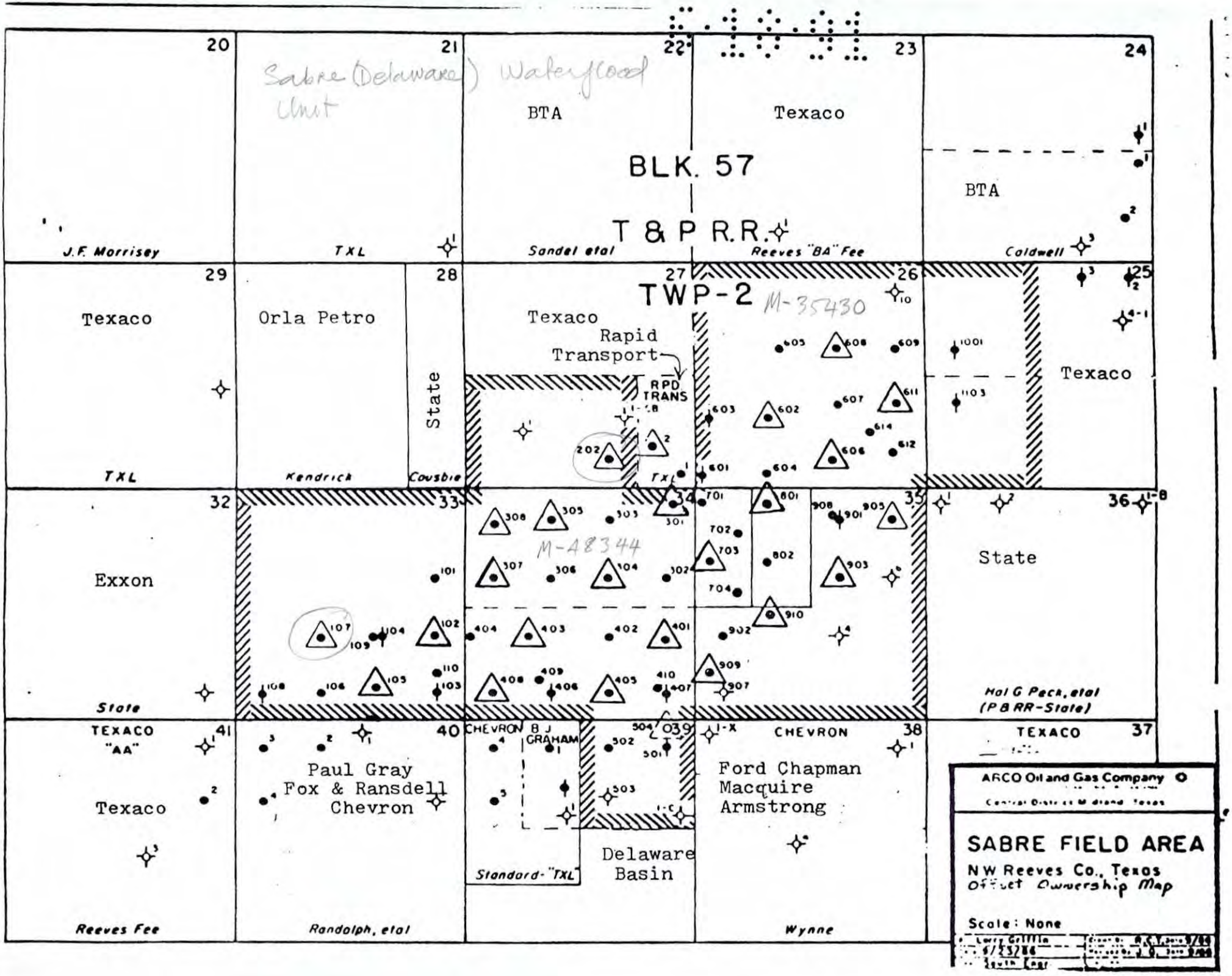
13. Tubing (Size and Depth)
14. Name, Model and Depth of Tubing Packer

15. Total Depth of Well	16. Date Well Drilled	17. API No.	18. Ground Surface Elevation	19. Perforation or Open Hole

20. List All Cement Squeeze Operations, Giving Interval and Sacks of Cement:

21. Injection Interval	22. Name of Reservoir	23. Injection System Open or Closed
Top Bottom		

24. Anticipated Daily Injection Volume (Bbls)		25. Injection Pressure (Psi)		26. Is this well so cased and completed that water can enter no other formation than the above set out injection zone?
Average	Maximum	Average	Maximum	[ ] Yes [ ] No


20
21
22
23
24
Sabre (Delaware) Waterflood Unit
BTA
Texaco
BLK. 57
T & P R.R.
BTA
J.F. Morrisey
TXL
Sandel etal
Reeves "BA" Fee
Coldwell
29
28
27
26
25
TWP-2
M-35430
Texaco
Orla Petro
State
Texaco
Rapid Transport
RPD TRANS
Texaco
TXL
Kendrick
Cousbie
TXL
32
33
34
35
36
M-48344
Exxon
State
Hal G Peck, etal (P B RR-State)
TEXACO "AA"
41
40
CHEVRON
B J GRAHAM
CHEVRON
38
TEXACO
37
Texaco
Paul Gray
Fox & Ransdell
Chevron
Ford Chapman
Macquire
Armstrong
Delaware Basin
Standard-"TXL"
Reeves Fee
Randolph, etal
Wynne
ARCO Oil and Gas Company
SABRE FIELD AREA
NW Reeves Co., Texas
Offset Ownership Map
Scale: None
Lowry Griffin
6/23/86

(49) M-35430

Application to Inject Fluid.
6-14-91

Within RAL M-35430

Each W-1 with plat and $100.00 fee, check or money order payable to the Treasurer of Texas. Address to: Railroad Commission of Texas, Oil and Gas Division, Drilling Permits, P. O. Drawer 12967, Capitol Station, Austin, Texas 78711. File a copy of W-1 and plat in RRC District Office.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

▶ Read Instructions on Back

Form W-1
Rev. 9/1/83
483-060

Purpose of filing (mark appropriate boxes):
[X] Drill [ ] Deepen (below casing) [ ] Deepen (within casing) [ ] Plug Back [ ] Re-Enter
[ ] Directional Well [ ] Sidetrack [ ] Amended Permit (enter permit no. at right & explain fully in Remarks)

Enter here, if assigned: API No. ▶ 42-389-31769 Permit No. ▶ 323409 Rule 37 Case No. ▶

1. Operator's Name (exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Company
3. RRC Operator No.: 029340
4. RRC District No.: 8
5. County of Well Site: Reeves

2. Address (including city and zip code): P. O. Box 1610, Midland, Texas 79702
000858

6. Lease Name (32 spaces maximum): Sabre
7. RRC Lease/ID No.: NA
8. Well No.: 2WS
9. Total Depth: 4500

10. Location
• Section 26 Block 57-2 Survey T&P RR Co. TWP-2 Abstract No. A
• This well is to be located 1.1 miles in a SW direction from Orla, Texas which is the nearest town in the county of the well site.

11. Distance from proposed location to nearest lease or unit line: 651 ft.
12. Number of contiguous acres in lease, pooled unit, or unitized tract: 660 (OUTLINE ON PLAT.)

13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.	14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL	GAS
Sabre (Cherry Canyon) 79423 400	4400	467/1200	40	40	NO	NA	Oil	1	0

22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit 651 FNL & 865 FEL
• Survey/Section 651 FNL & 865 FEL

If a directional well, show also projected bottom-hole location:
• Lease/Unit
• Survey/Section

23. Is this a pooled unit? Yes [ ] ▶ (Attach Form P-12 and certified plat.) No [X]

24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes [ ] ▶ (Attach Form W-1A) No [X]

25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes [ ] No [X]
If subject to Rule 36, is Form H-9 filed? Yes [ ] No [ ] ▶ If not filed, explain in Remarks.

26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes [X] No [ ]
If not, and if the well requires a Rule 37 or 38 exception, see instructions for Rule 37.

Remarks

I certify that information stated in this application is true and complete, to the best of my knowledge.

Ken W Gosnell — Ken W. Gosnell Engr. Tech. Spec.
Signature — Name and title of operator's representative

Date: 11-18-86 (mo. day yr.) Tel.: 915-688-5672 (Area Code Number)

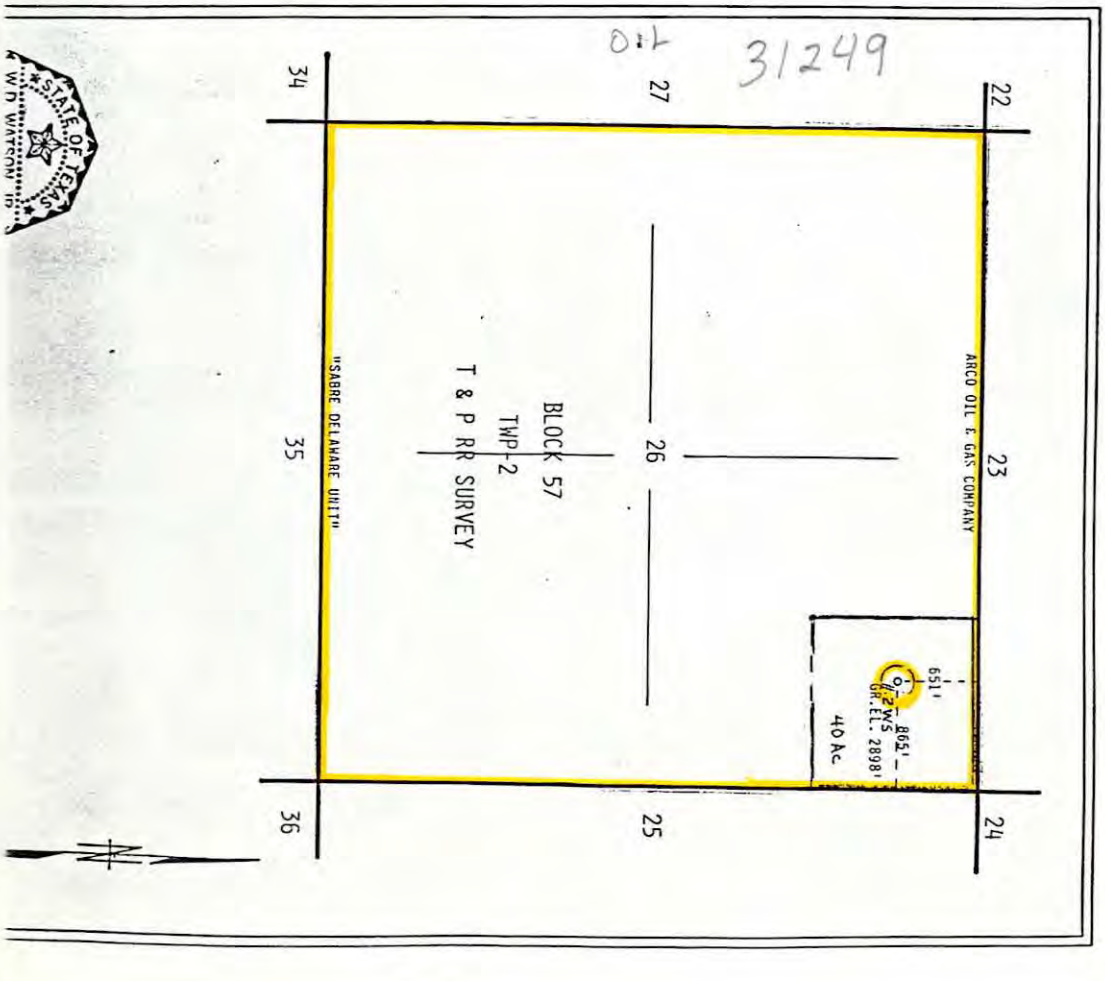
• RRC Use Only •
3050017701.2180 323409

Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

AA 2-9-87

12-3-86

86



SCALE OF MAP
1 inch = 1,000 feet
1 inch = 2,000 feet
1 inch = 3,000 feet
1 inch = 4,000 feet
1 inch = 500 feet

Property of:

M-35430

(50)

App to drill well SWD

2-9-87

Garry Mauro
Commissioner
General Land Office

August 18, 1988

Arco Oil & Gas Co.
P. O. Box 1610
Midland, Tx. 79702

RE: State Lease M-35430
Tract Name: Sabre
Well Nos. 2WS
Reeves Co., Texas

Dear Gentlemen:

We note the completion of the captioned wells, however, we have not received the following reports or surveys, as required by your oil and gas lease.

___ Form W-1 Application to Drill
_X_ Form W-2 Oil Well Potential Test/Completion Report
___ Form W-3 Plugging Record
___ Form G-1 Gas Well Pressure Test and Completion Report
___ Form G-5 Gas Well Classification Report
___ Form G-10 Gas Well Status Report
_X_ Form W-12 Inclination Report
_X_ Form W-15 Cementing Report
_X_ Electrical Log (full suite of 5 inch logs plus a 1-inch correlation electrical log. L-1 not acceptable as log.)
___ Directional Survey

Electrical Logs are required, even if run prior to September 1, 1985.
Your cooperation will be appreciated.

Sincerely yours,

Tim Pittman

Tim Pittman, Geologist
Texas General Land Office
Petroleum & Minerals Division
(512) 463-5022

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701
(512) 463-5256

WATER BOARD LETTER DATED 11/17/86

Depth 758' ft.

Type or print only

Surface Csg. 9⅝ @ 800' ft.

D.V. @ ft.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-2
Rev. 4/1/83
483-046

API No. 42-389-31769

7. RRC District No. 8

8. RRC Lease No. 31249

9. Well No. 2WS

~~Oil Well Potential Test, Completion~~ or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat): Sabre (Cherry Canyon)

2. LEASE NAME: Sabre

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report): ARCO Oil and Gas Co.

RRC Operator No.: 029340

10. County of well site: Reeves

4. ADDRESS: P. O. Box 1610, Midland, TX 79702

11. Purpose of filing
- Initial Potential [X]
- Retest [ ]
- Reclass [ ]
- Well record only (explain in Remarks) [ ]

5. If Operator has changed within last 60 days, name former operator

6a. Location (Section, Block, and Survey): Sec. 26, Blk 57, TWP 2

6b. Distance and direction to nearest town in this county.: 1.1 miles SW from Orla

12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no.
FIELD & RESERVOIR: RECORD CODIFICATION
GAS ID or OIL LEASE #:
Oil - O Gas - G:
WELL NO.:

13. Type of electric or other log run: GR-CNL-CDL-Cal GR-Cal GR-CCL JUL 14 1987

14. Completion or recompletion date: 6-4-87

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping—Size & Type of pump)	18. Choke size
6-20-87	24	Flowing	32/64"

	Oil - BBLS	Gas — MCF	Water - BBLS	Gas - Oil Ratio	Flowing Tubing Pressure
19. Production during Test Period ▶	43	850	1851	19,767	225 PSI
20. Calculated 24-Hour Rate ▶	Oil - BBLS	Gas — MCF	Water — BBLS	Oil Gravity—API—60° 32.1	Casing Pressure PSI

21. Was swab used during this test? Yes [ ] No [X]

22. Oil produced prior to test (New & Reworked wells): 430

23. Injection Gas—Oil Ratio

REMARKS:

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

JUN 26 1987

WELL TESTER'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester — ARCO Oil and Gas Company (Name of Company) — RRC Representative

OPERATOR'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Elizabeth A. Casbeer — Typed or printed name of operator's representative

Sr. Engr. Tech. — Title of Person

915 688-5570 — Telephone: Area Code Number

Date: 6 / 23 / 87 (mo. / day / year)

Signature: Elizabeth A Casbeer

JUN 30 1987

SECTION II — DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

24. Type of Completion: New Well [X] Deepening [ ] Plug Back [ ] Other [ ]

25. Permit to Drill, Plug Back or Deepen — DATE 11-24-86 — PERMIT NO 323409
Rule 37 Exception — CASE NO
Water Injection Permit — PERMIT NO
Salt Water Disposal Permit — PERMIT NO
Other — PERMIT NO

26. Notice of Intention to Drill this well was filed in Name of
ARCO Oil and Gas Co.

27. Number of producing wells on this lease in this field (reservoir) including this well: 2

28. Total number of acres in this lease: 660

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 1-19-87; Completed 2-1-87

30. Distance to nearest well, Same Lease & Reservoir: 651

31. Location of well, relative to nearest lease boundaries of lease on which this well is located: 657 Feet From North Line and 865 Feet from East Line of the Sec 26, Blk 57, TWP 2 Lease

32. Elevation (DF, RKB, RT, GR, ETC.): 2898' GR

33. Was directional survey made other than inclination (Form W-12)? [ ] Yes [X] No

34. Top of Pay: 3160 — 35. Total Depth: 4400 — 36. P. B. Depth: 4358

37. Surface Casing Determined by: Field Rules [ ] — Recommendation of T.D.W.R. [X] — Dt. of Letter 11-17-86 — Railroad Commission (Special) [ ] — Dt. of Letter

38. Is well multiple completion? No

39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.

FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil—O Gas—G	WELL #

40. Intervals Drilled by: Rotary Tools Yes; Cable Tools

41. Name of Drilling Contractor: Artesia Fishing Tool

42. Is Cementing Affidavit Attached? [X] Yes [ ] No

43. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
9-5/8	36	800		550 sx "C"	12¼	Surface	726
7	26	4400		1300 sx "C"	8-5/8	716 (TS)	2175

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set
2-7/8	4358	4358

46. Producing Interval (this completion) Indicate depth of perforation or open hole
From 3160 To 4310
From To
From To
From To

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
3160 - 4310	A w/7920 gals 15% NEFE
	F w/85,000 gals 30# GW, X-L 2% KCl, 170,000# 20/40 & 12/20 sd.

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Delaware	2905		
Ramsey	2960		
Cherry Canyon	3828		

REMARKS
H_2S - Sweet

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)

INCLINATION REPORT
(One Copy Must Be Filed With Each Completion Report.)

6. RRC District: 8
7. RRC Lease Number. (Oil completions only): 31249
8. Well Number: 2WS
9. RRC Identification Number (Gas completions only):
10. County: Reeves

1. FIELD NAME (as per RRC Records or Wildcat): Sabre
2. LEASE NAME: Sabre (Cherry Canyon)
3. OPERATOR: ARCO Oil and Gas Co.
4. ADDRESS: PO Box 1610 Midland, TX 79702
5. LOCATION (Section, Block, and Survey): Sec. 26, Blk 57, TWP 2

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
449'	4.49	1/2°	0.87	3.9	3.9
800'	3.51	1/2°	0.87	3.1	7.0
1214'	4.14	3/4°	1.31	5.4	12.4
1714'	5.00	1 1/2°	2.62	13.1	25.5
1964'	2.50	1 1/2°	2.62	6.6	32.1
2339'	3.75	3/4°	1.31	4.9	37.0
2774'	4.35	1 1/2°	2.62	11.4	48.4
3216'	4.42	3/4°	1.31	5.8	54.2
3625'	4.09	1/2°	0.87	3.6	57.8
4168'	5.43	1/4°	0.44	2.4	60.2
4400'	2.32	1°	1.75	4.1	64.3

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☐ yes ☒ no
18. Accumulative total displacement of well bore at total depth of 4400 feet = 64.3 feet.
*19. Inclination measurements were made in – ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line 651 feet.
21. Minimum distance to lease line as prescribed by field rules 467 feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? no
(If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

C. E. LaRue
Signature of Authorized Representative
C. E. LaRue President
Name of Person and Title (type or print)
Artesia Fishing Tool Co., Inc.
Name of Company
Telephone: 505 746-6651
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

Elizabeth A. Casbeer
Signature of Authorized Representative
Elizabeth A. Casbeer, Sr. Engr. Tech.
Name of Person and Title (type or print)
ARCO Oil & Gas Co.
Operator
Telephone: 915 688-5570
Area Code

Railroad Commission Use Only:

Approved By: Gary Young Title: Geo. Asst I Date: 6-26-87

* Designates items certified by company that conducted the inclination surveys.

RECORD OF INCLINATION (Continued from reverse side)

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
Arco Oil & Gas Co.	029340	8	Reeves
5. Field Name (Wildcat or exactly as shown on RRC records)	**6. API No.**	**7. Drilling Permit No.**	
Sabre (Cherry Canyon)	42- 389-31769	323409	
8. Lease Name	**9. Rule 37 Case No.**	**10. Oil Lease/Gas ID No.**	**11. Well No.**
Sabre		31249	2WS

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		1-20-87		2-1-87			
13. •Drilled hole size		12¼		8-3/4			
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)		9-5/8		7			
15. Top of liner (ft.)							
16. Setting depth (ft.)		800		4400			
17. Number of centralizers used		6		6			
18. Hrs. waiting on cement before drill-out		8		24			
1st Slurry	19. API cement used: No. of sacks ▶	550		1100			
	Class ▶	C		35/65 poz/c			
	Additives ▶	2% $CaCl_2$ & ¼ CF		6% D20 ¼# D29			
2nd Slurry	No. of sacks ▶			200			
	Class ▶			C.			
	Additives ▶			Neet			
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶	726		1911			
	Height (ft.) ▶	Surface		12708			
2nd	Volume (cu. ft.) ▶			264			
	Height (ft.) ▶			1756			
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	726		2175			
	Height (ft.) ▶	Surface		14,464			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		Yes		No			

22. Remarks

OVER ▶

M-35430

NTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
cementing date								
Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Hank Horton SS — Name and title of cementer's representative
Dowell Schlumberger — Cementing Company
Hank Horton — Signature

P.O. Box 287 — Address
Monahans, TX 79756 — City, State, Zip Code
915-943-4308 — Tel.: Area Code Number
2-4-87 — Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Elizabeth A. Casbeer — Typed or printed name of operator's representative
Sr. Engr. Tech. — Title
Elizabeth A. Casbeer — Signature

P. O. Box 1610, — Address
Midland, TX 79702 — City, State, Zip Code
915/688-5570 — Tel.: Area Code Number
2-5-87 — Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For **offshore** operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

330 FNL & 1650 FNL

M-35430

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-3A
Rev. 1/1/83
483-024

161

Type or print only

Notice of Intention to Plug and Abandon

Operators must comply with RRC plugging procedures as outlined on the reverse side.

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report)
ARCO Oil and Gas Company
P.O. Box 1610
Midland, Texas 79702

RECEIVED
R.R.C. OF TEXAS
MAR - 6 1991
OIL & GAS DIV.
MIDLAND, TEXAS

2. RRC Operator Number 029340

3. RRC District No. 08

4. County of Well Site Reeves

5. API No. 42- 3890064900

6. Drilling Permit No.

7. Rule 37 Case No.

8. Oil Lease No. or Gas Well ID No. 13168

9. Well No. 802

10. Field Name (Exactly as shown on RRC records) Sabre (Delaware)

11. Lease Name TXL - B

12. Location
• Section No. 35 Block No. 57 Survey T&P RR Survey No. Abstract No. A-
• Distance (in miles) and direction from a nearby town in this county (name the town). 4 miles west of Orla

13. Type of well
1 - oil 3 - disposal 5 - other (specify)
2 - gas 4 - injection Enter appropriate no. in box ▶ [1]

14. Type of completion
Single [X] Multiple [ ]

15. Total depth 3035

16. Usable-quality water strata (as determined by Texas Dept. of Water Resources) occur to a depth of 800 feet and in deeper strata from ____ to ____ feet; and from ____ to ____ feet

17. • If there are wells in this area which are producing from or have produced from a shallower zone, state depth of zone No
• If there are wells into which salt water is being or has been disposed of into a shallower zone, state depth of zone No

18. Casing record (list all casing in well)

Size	Depth		Cement (sacks)	Drilled hole size	Top of cement (feet)	Top of cement determined by: Temper. Survey	Calculated	Cement bond log	Anticipated casing recovery (feet)
8 5/8 set •	388	w/	125	12 1/4	Surface	[ ]	[X]	[ ]	0
4 1/2 set •	3030	w/	225	7 7/8	1750	[ ]	[X]	[ ]	0
____ set •	____	w/	____	____	____	[ ]	[ ]	[ ]	____
____ set •	____	w/	____	____	____	[ ]	[ ]	[ ]	____
____ set •	____	w/	____	____	____	[ ]	[ ]	[ ]	____

19. Has notice of intent to plug been filed previously for this well?
[ ] Yes ____ / ____ / ____ (mo. day yr.) [X] No

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)

	No. of sacks	Depth in feet (top & bottom)
1.	250 sx	850 - 0, P & S
2.	CIBP	900
3.	Pkr @ 800'	
4.	then fill inside 4½ to 800	
5.	to surf	
6.		
7.		
8.		

21. Record of perforated intervals or open hole

Perforations	Open	Plugged	Plugging method
2978' - 2992'	[ ]	[X]	CIBP 2850 + 20 cmt
	[ ]	[ ]	
Open Hole	[ ]	[ ]	
	[ ]	[ ]	

22. Name and address of cementing company or contractor
Halliburton
P.O. Box 3746
Odessa, Texas 79760

23. Anticipated plugging date for this well is: 3 / ____ / 91 (mo. day yr.)

Lynnette Schillo
Typed or printed name of operator's representative

Production Supervisor
Title of person

(915) 334-4410
Telephone: Area Code Number

Date: 3 / 5 / 91 (mo. day year)

Signature: Lynnette S. Schillo

W-3A APPROVAL EXPIRES

RRC District Office Action

▶ Expiration date ____ / ____ / ____ (mo. day year)

for District Director Thomas W. Jones

SEP 6 1991
Date

RRC-DIST. 08
MIDLAND, TX

(53) m - 35430
PLUG WELL #802
2-4-97