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Archives and Records Staff

MF056068

PSA# 00776

Lease Type
RAL

Control

07-109185

Basefile

129650

County

REEVES

Survey

T & P Ry Co

Block

56

Block Name

Township

3-S

Section/Tract

6

Land Part

Acres

Net: 120.000000 Gross: 120.000000

Depth Below

Depth Above

Depth Other

Allow All
Depths

Name

RICKER, R PAUL

Lease Date

11/13/1963

Primary Term

5 years

Bonus

\$600.00

Lease Royalty

0.06250000

Paid Up

NA

Leasing: _____

Maps: JS

GIS: ML

Scanlab: _____

F21285

RICKER, R PAUL

07-10918-5

RELINQUISHMENT ACT LEASE

COUNTY: REEVES
TRACT : Section 6, Block 56, TSP. 3, T&P RY
PART : W/2 of the SE/4 and SE/4 of the SE/4
ACRES : 120

LESSEE : R. Paul Ricker
DATE : November 13, 1963
TERM : 5 years
BONUS : \$600.00
RENTAL: 50¢ per acre ~~60.00~~ 12.00
FILE : 129650



I

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4. Assignment	1-21-64 hb	37. " " "	1-14-70 sis
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17. Ltr. West of Oil Reports	8-18-65	50. Ltr. fr. Custer Oil	12-14-73
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✓ 19. RENTAL PAYMENT	OCT 13 1966	52. " " " 3-1-75	31461
✓ 20. ✓ ✓	10-14-67	53. RENTAL PAYMENT	10-25-76
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26. Ltr to " " " " " 12-30-68	dp	see Assignment in M-31461	12-10-76
27. Ltr. ✓ ✓ ✓	12-4-68	see Name Change in M-31461	12-10-76
28. Ltr. ✓ ✓ ✓	1-4-69	see Assignment in M-31461	12-10-76
29. Ltr to Bethol Corp.	3-14-69	see Assignment in M-31461	12-10-76
30. " " " " " 3-19-69	sis	58. Assignment	9-30-76 d
31. Letter to Bethol Corp	9-29-69 sis	9-29-76	
32. Letter to Bethol Corp	10-10-69 sis	See Letter Dated _____ in M 31461	12-10-76
✓ 33. RENTAL PAYMENT	10-20-69	See Letter Dated _____ in M 31461	12-30-76
		See Letter Dated _____ in M 31461	

(over)

(59) Rental Payment 10-13-76

60. Ltr. fr. Custer 9-1-76g

61. Rental Payment 10-14-77

62. ^{ltr 79} Sledge Oil + Gas, Inc. 11-2-77

63. Rental Payment 10-5-78

See Letter Dated 9-13-79 M-31461 1sg

64. Rental Payment 10-24-79

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65. Ltr. to Custer Oil 12-16-80g

66. Rental Payment 12-19-80

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~~68. Rental Payment~~

68 Rental Payment 9-25-82

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70 Rental Payment 10-3-84

71. Rental Payment 9-13-85

72. See # 17 M-31461 for ltr Reg

73. Rental Payment 10-11-86

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Scanned 1w 3.6.2014

76. Ltr. From BHP 11/18/15

77. Pooling Agmt. Packet # 7506 11/24/15

State Willie Vee 56-TD-6 Unit

78. Ltr. to BHP 11/24/15

79 Ltr from BHP Broker Penny 1-12-16

80. email from BHP Broker 1-12-16

81. Assn from Rick to OK Oil 1-12-16

82. Assn from OK Oil to Petroil 1-12-16

83 Assn from Bethel to Kortex 1-12-16

84 Affidavit Name Δ Kortex to Pro Chemco 1-12-16

85 Assn from Prochemco to Petro Search 1-12-16

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87 Assn from Custer to Marcell Sledge 1-12-16

88 Assn from Custer to Marcell Sledge 1-12-16

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90. Assn from Petroil to Sledge Bros 1-12-16

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**Relinquishment Land
Lease Consideration Comparison**

Leaving + root of
County Recess
Area Sec. 6, Blk. 56,

T-3, T+P.

M. #.	Acres	Lease Date	Term	Total Bonus	B/Ac	Rental	Comparison
NEW	120.	11-13-63	5 yrs.	\$1200. ⁰⁰	\$10. ⁰⁰	\$1. ⁰⁰	
54066	160.	1-26-62	10 yrs.	\$1600. ⁰⁰	\$10. ⁰⁰	\$1. ⁰⁰	O.K.
51882	320.	7-28-60	5 yrs.	\$4800. ⁰⁰	\$15. ⁰⁰	\$1. ⁰⁰	O.K.
51881	320.	7-28-60	5 yrs.	\$4800. ⁰⁰	\$15. ⁰⁰	\$1. ⁰⁰	O.K.
54128	320.	2-3-62	5 yrs.	\$2560. ⁰⁰	\$8. ⁰⁰	\$1. ⁰⁰	O.K.

Remarks

RL

Consideration

Approved ☒

Disapproved ☐

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 13th day of November, 19 63,
by and between Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth
Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.
of ~~Boyd, Texas~~ Azle, Texas (Give Permanent Address)
individually and as agent for the State of Texas, party of the first part, herein referred to as the owner of the soil (whether
one or more) and R. Paul Ricker
of Midland, Texas (Give Permanent Address)
party of the second part, hereinafter called Lessee.

WITNESSETH: That the owner of the soil in the capacities aforesaid, for and in consideration of \$ 600.00

SIX 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 lands situated in Reeves County,
State of Texas, to-wit:

All of the West Half (W/2) of the Southeast Quarter (SE/4)
and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4)
of Section 6, Block 56, Township Three, T & P Ry. Co. Survey,
Abstract Number 4161

containing 120 acres, more or less.

Subject to the other provisions herein contained, this lease shall remain in force for a term of five 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, the value of
One Sixteenth (1/16th)----- of the gross production of oil and gas produced from said
leased premises free of cost to the State, as required by Article 5368 of the Revised Civil Statutes of Texas, 1925.

2. To deliver to the credit of the owner of the soil, free of cost, in the tanks or pipe lines to which wells may be con-
nected an additional equal 1/16th part of all oil and gas produced and saved from said leased premises or
at the option of owner of the soil 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 13th day of November, 19 64,
this lease shall terminate as to both parties, unless the Lessee on or before that date shall pay or tender to the owner of the
soil or to his credit in the Continental State Bank, at Boyd, Texas

or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of
Fifty Cents per acre 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 the owner of the soil may be made by check or draft of Lessee, or any assignee
hereof and delivered on or before the rental paying date. If said bank (or any successor bank) should cease to exist, sus-
pend 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 the owner of the soil
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 opera-
tions 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 comple-
tion 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 or subsequent successive wells drilled on the above described land be a dry hole or dry holes,
this lease shall terminate as to both parties, unless, on or before the rental paying date next ensuing after sixty days from
the date of completion of such dry hole, the Lessee commences the drilling of another well or resumes payment of annual
delay rental in the same manner as provided in paragraph numbered three of this lease; and it is further provided that a
sworn log of any such dry hole drilled to completion shall be filed in the General Land Office forthwith after such completion
and no later than the rental paying date next ensuing after the date of such completion.

8. However, it is understood and agreed that notwithstanding the fact that development may be in progress or produc-
tion 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 (10¢) 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 or gas 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 government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply 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 or gas 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 or gas.

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

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 the owner of the soil 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 the owner of the soil, 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 owner of the soil.

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 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 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 assignments 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 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, unless the assignor or assignee shall fail to file a certified copy of such assignment in the General Land Office prior to the next rental paying date, in which event the entire lease shall terminate for failure to pay the entire rental due as provided in paragraph Numbered Three hereof.

18. Lessee may, at any time, and from time to time, execute and deliver to the owner of the soil 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 subsequent obligations as to 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 accompanied by filing fee of one dollar (\$1.00) thereon.

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 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 the owner of the soil by payments, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by the owner of the soil, and be subrogated to the rights of the holder thereof, to the extent that Lessee may apply any rental or royalty due the owner of the soil from Lessee until any obligation thus incurred by the owner of the soil is discharged.

23. This lease is issued under provisions of Subdivision E, 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.

24. If, at the expiration of the primary term or at any time thereafter, there is located on the leased premises a well or wells capable of producing gas in paying quantities and such gas is not otherwise produced for lack of a suitable market and this lease is not otherwise being maintained in force and effect, the lessee may pay as royalty a sum of money equal to double the annual rental provided for in this lease but in no event to be less than \$1,200.00 per annum for each well capable of producing gas in paying quantities; such payment shall be made one-half to the Commissioner of the General Land Office and one-half to the owner of the soil, and shall be made prior to the expiration of the primary term of this lease or if the primary term has expired within sixty (60) days after the lessee shuts in such well or ceases to produce gas therefrom or within sixty (60) days after this lease ceases to be otherwise maintained in force and effect; and if such payment is made, this lease shall be considered to be a producing lease and such shut-in gas well royalty payment shall extend the term of this lease for a period of one (1) year from the end of the primary term or, if after the primary term, from the first day of the month next succeeding the month in which such well was shut in or production ceased or this lease ceased to be otherwise maintained in force and effect; and thereafter, if no suitable market for such gas exists, the lessee may extend this lease for four (4) additional and successive periods of one (1) year each by the payment of a like sum of money each year as above provided, on or before the expiration of the extended term. Provided, however, that if, while this lease is being maintained in force and effect by payment of such shut-in gas well royalty, gas should be sold and delivered in paying quantities from a well situated within 1,000 feet of the leased premises and completed in the same producing reservoir, or in any case where drainage is occurring, the right to further extend this lease by such shut in gas well royalty payments shall cease but this lease shall remain in force

and effect for the remainder of the current one-year period for which the shut in gas well royalty has been paid and for an additional period not to exceed five (5) years from the expiration of the primary term by payment by the lessee of compensatory royalty at the royalty rate provided for herein, of the value at the well of production from the well completed in the same producing reservoir from which gas is being sold and delivered and which is situated within 1,000 feet of or draining the leased premises on which such shut in gas well is situated, such compensatory royalty to be paid monthly one-half to the Commissioner of the General Land Office and one-half to the owner of the soil, beginning on or before the 20th day of the month next succeeding the month in which such gas is sold and delivered from the well situated within 1,000 feet of or draining the leased premises and completed in the same producing reservoir; provided further that in the event such compensatory royalties paid in any twelve-month period are in an amount less than the annual shut in gas well royalties provided for herein, lessee shall pay an additional sum of money equal to the difference between such compensatory royalties paid and such shut in gas well royalties within thirty (30) days from the end of such twelve-month period; provided further that nothing herein shall relieve the lessee of the obligation of reasonable development, nor of the obligation to drill off-set wells as required by Article 5369, Revised Civil Statutes, 1925.

* Willa Louise Pierce
Individually and as agent for the State of Texas

* Earl E. Call, Jr.
Individually and as agent for the State of Texas

* Laura Jean Pierce Call
Individually and as agent for the State of Texas

* William Milner Pierce
Individually and as agent for the State of Texas

* John Kentworth Pierce
Individually and as agent for the State of Texas

NOTE: Section 4a, House Bill No. 9, Act of June 19, 1939, provides that leases 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 leases shall not be binding upon the State unless they recite the actual and true consideration paid or promised therefor.

NOTE: If this lease be executed by the owner of an undivided interest in the entire surface estate, and should production be secured while an undivided interest only in the above described land is covered by lease, the royalty to be paid to the State under this lease shall be at the royalty rate specified in Paragraph numbered 1 hereof of the interest covered by this lease plus the value of the whole production allocable to all of the undivided interest not covered by lease, less the proportionate development and production costs allocable to such undivided interest, but in no event shall the State receive as royalty on the gross production allocable to the undivided interest not leased an amount less than the value of 1/16 of such gross production.

DOUBLE ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared _____

Earl E. Call, Jr. and Laura Jean Pierce Call 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, 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 the seal of office, this the 30th day of November, A. D. 19 63



Betty Day
Notary Public in and for
Harris County, Texas

SINGLE ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared Willa Louise Pierce, a

feme sole, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she 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 5th day of December, A. D. 19 63



Mrs Beatrix Carter
Notary Public in and for
Tarrant County, Texas

SINGLE ACKNOWLEDGMENT

STATE OF NEVADA
COUNTY OF LINCOLN

Before me, the undersigned authority, on this day personally appeared _____

William Milner Pierce, 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 in the capacity therein stated.

Given under my hand and seal of office, this the 27th day of November, A. D. 19 63

Seal EVAN H. Edwards



Evan H. Edwards
Notary Public in and for

LINCOLN County, NEVADA

MY COMMISSION EXPIRES
MAY 9, 1967

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally

appeared JOHN WENTWORTH PIERCE, 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 in the capacity therein stated.

Given under my hand and seal of office this the 19th day of NOVEMBER, A. D. 19 63

Louise M. Noword
Notary Public in and for DALLAS County, Texas.

No. 256 Pound Printing & Stationery Co., Houston, Texas

Filed for record on the 2nd day of January, A.D. 1964 at 2:00 o'clock P.M. Duly Recorded this the 7th day of January, A.D. 1964 at 4:30 o'clock P.M.

By: Billie Jo Freeman, Deputy.

ESTELLE CLINTON, County Clerk
Reeves County, Texas.

THE STATE OF TEXAS

COUNTY OF REEVES

I, ESTELLE CLINTON, Clerk of the County Court of Reeves County, Texas, do hereby certify that the above and foregoing is a true and correct copy of Oil and Gas Lease from Willa Louise Pierce, et al to R. Paul Ricker, as the same appears of record in the

DEED Records of Reeves County, Vol. 236 Page s 313-316

TO CERTIFY WHICH WITNESS my hand and seal of office, at office in Pecos, Texas, this the 13th day of January, A.D. 1964.

ESTELLE CLINTON, Clerk of the County Court, Reeves County, Texas.

By Billie Jo Freeman Deputy

1
M-

56068

Lease
File Dated

1-21-64

JERRY SADLER, COMMISSIONER

RECEIVED AS STATED

\$600.00

DATE

1-21-64

Reg. No.

44325

GENERAL LAND OFFICE

RECEIVED AS STATED

\$5.00

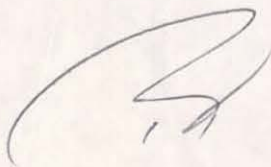
DATE

1-21-64

Reg. No.

44326

GENERAL LAND OFFICE



PLEASE ADDRESS
ALL MAIL:
P. O. BOX 244

R. PAUL RICKER
MIDLAND, TEXAS

January 20, 1964

OFFICE:
601 MIDLAND NATIONAL BANK BUILDING
TELEPHONE: MUTUAL 2-8314

Mr. Jerry Sadler
Commissioner
General Land Office
Austin, Texas

Dear Mr. Sadler:

Please find attached the following listed items for your inspection and approval:

1. Certified copy of an oil and gas lease from Willa Louise Pierce, et al, individually and as agents for the State of Texas, to R. Paul Ricker.
2. Certified copy of the assignment of this lease from myself to OK Oil Company.
3. Midland National Bank Money Order No. B122238 in the amount of \$600, and being the State's portion of the bonus due on this lease.
4. My check in the amount of \$6.00, being \$5.00 for filing the lease copy in your office and \$1.00 for filing the assignment in your office.

If you find these papers to be in proper order, please forward the receipts and approval for my files.

Yours very truly,



R. Paul Ricker

RPR:sh

Attachments (4)

Bo 600.00

44325

OK 6.00

44326

RECEIVED

JAN 21 1964

General Land Office

4

2

M. F. 56068

CORRESPONDENCE FILE

To L. Paul Riker
From

Dated 1-20-64



RECEIVED
JAN 21 1964
FBI - NEW YORK

February 10, 1964

Mr. R. Paul Ricker
Midland, Texas

RE: W/2 of the SE/4 and the
SE/4 of the SE/4 of Section 6,
Block 56, Tsp. 3, T&P RY CO.
Survey, File-129650, Reeves
County, Texas

Dear Mr. Ricker:

Please be advised that the certified copy of an Oil & Gas Lease which you submitted to this office in connection with the captioned tract has been filed in our records and given lease number M-56068.

We have applied your remittance in the amount of \$600.00 representing the State's portion of the bonus due by the terms of the lease and \$5.00 of your \$6.00 remittance has been used to cover the statutory \$5.00 filing fee for filing the certified copy of the lease.

Since the statutes now require a \$3.00 filing fee for all Assignments filed in the General Land Office, it will be necessary for you to submit an additional \$2.00 before the certified copy of the Assignment of this lease can be filed in the mineral file which we have set up in this office. We will hold the Assignment and your remaining \$1.00 in our Suspense File and when the additional money is received, we should be in a position to file the Assignment and advise you accordingly.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:
Richard H. Keahey, Director of
Sales and Leasing

RHK/hb

(3)

(3)

M. F. 56068

CORRESPONDENCE FILE

To R. Paul Kicker
From

Dated 2-10-64

[Signature]

Assignment of Oil and Gas Lease

WHEREAS, on the 13th day of November 19 63, a certain oil and gas mining lease was made and entered into by and between Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.; individually and as agent for the State of Texas, Lessor
and R. Paul Ricker, Lessee
covering the following described land in the County of _____ and State of Texas, to-wit:

All of the West Half (W/2) of the Southeast Quarter (SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township Three, T&P RR Co. Survey, Abstract Number 4161,

containing 120 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 R. Paul Ricker, whose marital status has not changed since acquiring this interest.

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~~

together with all personal property used or obtained in connection therewith to OK Oil Company, a corporation, and its heirs, successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, do es covenant with the said assignee its heirs, successors, or assigns, that R. Paul Ricker

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 ha signed this instrument this 12th day of December, 19 63

R. Paul Ricker

SINGLE ACKNOWLEDGMENT

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 R. PAUL RICKER 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 12th day of December A.D. 19 63

(L.S.)

Notary Public in and for

Midland

County, Texas

Filed for record on the 2nd day of January, A.D. 1964 at 2:00 o'clock P.M. Duly recorded this the 7th day of January, A.D. 1964 at 4:30 o'clock P.M.

By: Billie Jo Freeman, Deputy.

ESTELLE CLINTON, County Clerk
Reeves County, Texas.

M- 56068
Assignment
File Dated 1-21-64
ERRY CADLER, COMMISSIONER

RECEIVED AS STATED

\$2.00

DATE 2-19-64
Reg. No. 48726

RECEIVED AS STATED

\$1.00

DATE 1-21-64
Reg. No. 44326

GENERAL LAND OFFICE

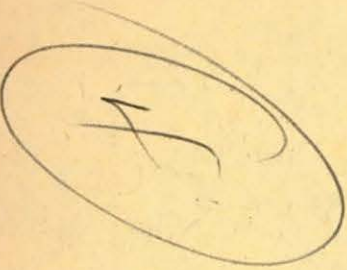
GENERAL LAND OFFICE

THE STATE OF TEXAS
COUNTY OF REEVES I, ESTELLE CLINTON, Clerk of the County Court of
Reeves County, Texas, do hereby certify that the above and foregoing is a true
and correct copy of Assign. of Oil & Gas Lease from R. Paul Ricker
to OK Oil Company, as the same appears of record in the
DEED Records of Reeves County, Vol. 236 Pages 316-317

TO CERTIFY WHICH WITNESS my hand and seal of office, at office in
Pecos, Texas, this the 13th day of January, A.D. 1964.

ESTELLE CLINTON, Clerk of the County
Court, Reeves County, Texas.

By Billie Jo Freeman Deputy



February 10, 1964

Mr. R. Paul Ricker
Midland, Texas

RE: W/2 of the SE/4 and the
SE/4 of the SE/4 of Section 6,
Block 56, Tsp. 3, T&P RY CO.
Survey, File-129650, Reeves
County, Texas

Dear Mr. Ricker:

Please be advised that the certified copy of an Oil & Gas Lease which you submitted to this office in connection with the captioned tract has been filed in our records and given lease number M-56068.

We have applied your remittance in the amount of \$600.00 representing the State's portion of the bonus due by the terms of the lease and \$5.00 of your \$6.00 remittance has been used to cover the statutory \$5.00 filing fee for filing the certified copy of the lease.

Since the statutes now require a \$3.00 filing fee for all Assignments filed in the General Land Office, it will be necessary for you to submit an additional \$2.00 before the certified copy of the Assignment of this lease can be filed in the mineral file which we have set up in this office. We will hold the Assignment and your remaining \$1.00 in our Suspense File and when the additional money is received, we should be in a position to file the Assignment and advise you accordingly.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:
Richard H. Keahey, Director of
Sales and Leasing

RHK/hb

5

5

M. F. 56068

CORRESPONDENCE FILE

To L. Paul Ricker

From

Dated 2-10-60

[Signature]

PLEASE ADDRESS
ALL MAIL:
P. O. BOX 244

R. PAUL RICKER
MIDLAND, TEXAS

February 17, 1964

OFFICE:
601 MIDLAND NATIONAL BANK BUILDING
TELEPHONE: MUTUAL 2-8314

Mr. Jerry Sadler
Commissioner
General Land Office
Austin, Texas

Attention: Mr. Richard H. Keahey

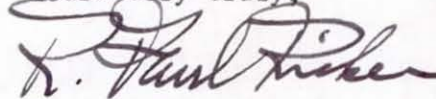
Re: State Lease No. M-56068 -
Pierce - File No. 129650,
Reeves County, Texas

Dear Mr. Keahey:

Complying with your instructions of February 10 pertaining to the above mentioned lease, please find attached my check in the amount of \$2.00, being the amount still due the State for filing the assignment of this lease.

After the assignment has been filed I will appreciate your advising me and also sending my receipt for the bonus money paid to the State on this lease.

Yours very truly,


R. Paul Ricker



RPR:sh

Attachment

OK 200 48726

RECEIVED
FEB 19 1964
General Land Office

6

M. F. 56068

CORRESPONDENCE FILE

To R. Paul Ricker
From

Dated 2-17-64

[Handwritten signature]

February 27, 1964

Mr. R. Paul Ricker
P. O. Box 244
Midland, Texas

RE: State Lease M-56068
Reeves County, Texas

Dear Sir:

The certified copy of the Oil & Gas Lease Assignment affecting the above captioned Lease, enclosed with your letter of February 17, 1964, has been filed in our records.

Your \$3.00 remittance has been applied as the filing fee due thereon.

In all future correspondence relating to this Oil & Gas Lease, please refer to the State Mineral File number above.

Sincerely yours,

JERRY SADLER, COMMISSIONER

JS/rhk

(1)

(5)

M. F. 56068

CORRESPONDENCE FILE

To R. Paul Licker

From

Dated 2-27-64

[Signature]

July 2, 1964

M- 56068
m- 31441

Mr. Fred W. Shields
O K Oil Company
1442 Milam Bldg.
San Antonio, Texas

Dear Mr. Shields:

Pursuant to your request pertaining to the drilling of an off set well on Relinquishment Act leases on the E/2 of Section 6, T & P RR Co. Survey, Block 56, Reeves County, and the N/2 of Section 10, Block 56, T & P RR Co. Survey, Reeves County, please be advised that I am granting you a 90 day extension in which to comply with the off set requirements in the Relinquishment Act leases which have been approved and filed of record in the General Land Office.

Sincerely yours,

JERRY SADLER, Commissioner

JS/jg

(8)

56068

M. F.

CORRESPONDENCE IN "B" FILE

Ltr to Fred M. Shields

FILED 7-6-1964

JERRY SADLER, COMMISSIONER

FILED BY *gs*

(8)

ASSIGNMENT OF OIL AND GAS LEASE

WHEREAS, on the 13th day of November, 1963, a certain oil and gas mining lease was made and entered into by and between Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.; individually and as agent for the State of Texas, Lessor, and R. Paul Ricker, Lessee, covering the following described land in the County of Reeves and State of Texas, to-wit:

All of the West Half (W/2) of the Southeast Quarter (SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township Three, T&P RR Co. Survey, Abstract Number 4161, containing 120 acres, more or less.

Said lease being recorded in the office of the County Clerk in and for said County in book 236, pages 316-317, and Whereas, The said lease and all rights thereunder or incident thereto are now owned by OK Oil Company, a corporation.

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 an undivided one-fourth (1/4) interest in and to said lease and rights thereunder to Patoil Corporation and its successors and assigns.

And for the same consideration, the undersigned for itself and its successors and representatives, does covenant with the said assignee its successors, or assigns, that OK Oil Company, a corporation, 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 th 5 day of May, 1964.

OK Oil Company, a corporation

ATTEST: L. B. Buckner
Secretary

by: Donald M. Oliver
Donald M. Oliver, President

RECEIVED

JUL 3 1964

General Land Office

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 Donald M. Oliver, President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said OK Oil Company, a corporation and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of May, A.D. 1964.

(Seal)

Velma Flannery (Velma Flannery)
Notary Public in and for Midland County, Texas

Filed for Record on the 28th day of May, A.D. 1964 at 8:30 o'clock
A.M. Duly Recorded this the 2nd day of June, A.D. 1964 at 11:30 o'clock
A.M.

By Billie Jo Freeman, Deputy.

ESTELLE CLINTON, County Clerk
Reeves County, Texas.

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 Assignment of Oil and Gas Lease From OK Oil Company To Patoil Corporation, as the same appears of record in my office in Vol. 238, Pages 532-533, Deed Records, Reeves County, Texas.

Given under my Hand and Seal of said Court, at my office in Pecos, Texas, this 3rd day of June, A.D. 1964.

By: Billie Jo Freeman, DEPUTY.

ESTELLE CLINTON, County Clerk
Reeves County, Texas.

RECEIVED

JUL 3 1964

General Land Office

9

9

M- 56068
Assignment
File Dated 7-3-64
JERRY SADLER, COMMISSIONER

RECEIVED AS STATED

\$3.00

DATE 7-3-64

Reg. No. 90887

GENERAL LAND OFFICE

[Signature]

PLEASE REPLY TO:
605 MIDLAND NATIONAL BANK BUILDING
MIDLAND, TEXAS

FRED W. SHIELD
MILAM BUILDING
SAN ANTONIO, TEXAS

July 1, 1964

General Land Office
Austin, Texas

Attention: Mr. Jerry Sadler, Commissioner

Gentlemen:

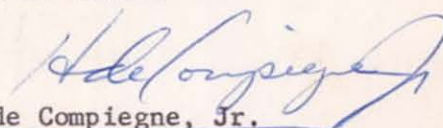
Re: State Lease M-56068

Please find enclosed a certified copy of an Assignment of Oil and Gas Lease from OK Oil Company to Patoil Corporation affecting the above described State Lease. The Lease, from Willa Louise Pierce, et al, to R. Paul Ricker, and an Assignment from R. Paul Ricker to OK Oil Company, have previously been filed with your office.

Also enclosed is a check for \$3.00 to cover the filing fee for this assignment.

Yours very truly,

FRED W. SHIELD


H. de Compiegne, Jr.
Division Manager

4
RECEIVED
JUL 3 1964
General Land Office

HdeC, Jr./db
w/encls. (2)

OB 3.00

90887

10

10

M. F. 56068

CORRESPONDENCE FILE

To Frederic W. Shier
From

Dated 7-1-64

[Handwritten signature]

[Faint, illegible text]

[Faint, illegible text]

[Faint, illegible text]

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[Faint, illegible text]

[Faint, illegible text]

July 6, 1964

Fred W. Shield
605 Midland National Bank Building
Midland, Texas

Attention: Mr. H. de Compiegne Jr.

RE: State Lease M-56068
Reeves County, Texas

Gentlemen:

The certified copy of Assignment of Oil & Gas Lease affecting the above captioned lease has been filed in our records.

Your \$3.00 remittance has been applied as the filing fee due thereon.

In all future correspondence concerning this lease, please refer to the State Mineral File number above.

Sincerely yours,

JERRY SADLER, COMMISSIONER

JS/vrd

RECEIVED
JUL 10 1964
STATE OF TEXAS
COMMISSIONER OF LAND

11

M. F. 56068

CORRESPONDENCE FILE

To

Fred W. Shuler

From

Dated 7-6-64

[Signature]

INVOICE NO.

AMOUNT

INVOICE NO.

AMOUNT

INVOICE NO.

AMOUNT

State Lease No. M-56068

Lease Rental from November 13, 1964, to November 13, 1965, covering W/2 of SE/4 and SE/4 of SE/4 of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Abstract No. 4161, Reeves County, Texas

6224

\$60.00

RECEIVED

OCT 14 1964 ✓

General Land Office

12

GROSS _____

DISCOUNT _____

NET _____

OK OIL COMPANY, MIDLAND, TEXAS

12

N.F. 56068

Rental Payment

Filed OCT 14 1964 19

JERRY SADLER, COMMISSIONER

He

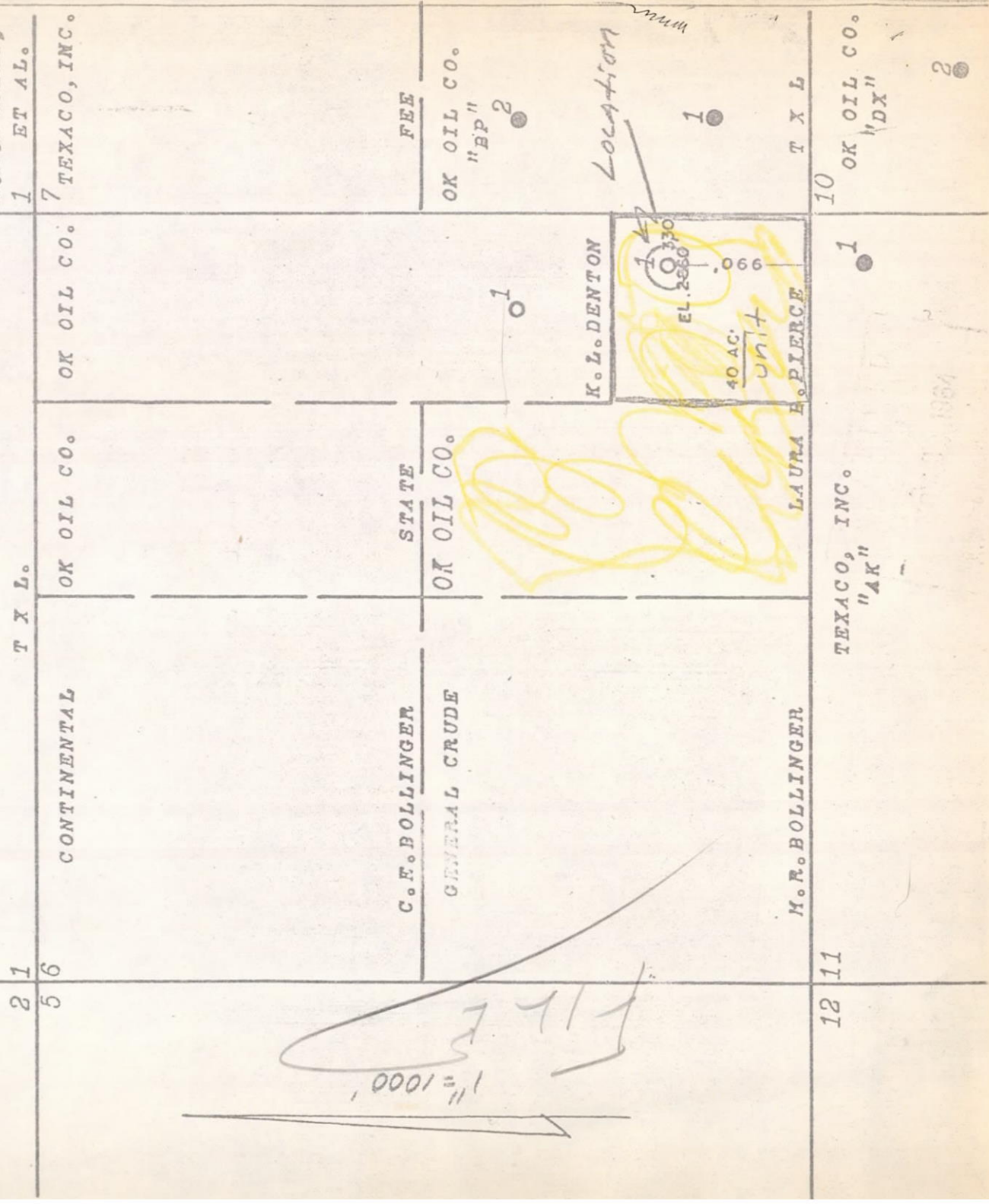
Clerk



BOX 20244 AUSTIN, TEXAS 78211

8
M. 56068 WR
ON R.R.L.
November 23, 1964
Name of company or operator
OK Oil Company
Address
Box 1755
Midland, Texas
City
Description of farm or lease:
Name of Lease
Pierce
Number of Acres
120
Well No.
1
First Well
Elevation
2860 Est. GL Section No. 6 Block No. 56
(Ft. above sea level)
TSP RR
Tsp. 3
Zone or Reservoir
Delaware Sand
To be Located in
Ken Reagan (Delaware)
(If Wildcat state above, also state Distance and Direction from nearest Survey Lines.)
Cov
8
Miles
Southeast
direction
nearest post office or town
Orla
Rotary or Cable Tools
Rotary
Date work will start drilling
November 30, 1964
Depth to which you propose to drill
3450
Date work will start deepening
IF LEASE PURCHASED WITH ONE OR MORE WELLS DRILL FROM WHOM PURCHASED?
Name
Address

31	56	96	21
CONTINENTAL		OK OIL CO.	OK OIL CO.
C.F. BOLLINGER GENERAL CRUDE		STATE OK OIL CO.	FEE OK OIL CO. "Bp"
M.R. BOLLINGER		K.L. DENTON	
TEXACO, INC. "AK"		OK OIL CO. "DX"	
12	11	T X L	



INSPECTOR'S WELL STATUS REPORT

OPERATOR O.K.Oil Company

LEASE Pierce

WELL NO. 1 FIELD Ken Reagan Delaware

COUNTY Reeves

SPUD DATE Unkown DRILLING DEPTH _____

CORE DEPTH _____ LOGS (DEPTH) _____

COMPLETION DATE _____ PERFS _____

POTENTIAL _____ T. D. 3382-feet

IS THIS THE FIRST REPORT ON THIS WELL? Yes

REMARKS They were just hooking this flowing well up today and
were fixing to see if it would flow oil this date. I do not
have a Form #1 on this location but they gave me a log of this
well and I will mail it in today with my report.

JA/bs

3-21-60

James Weatherly
INSPECTOR
DATE Dec 8, 1964

INSPECTOR'S WELL STATUS REPORT

OPERATOR O.K.Oil Company

LEASE Pierce

WELL NO. 1 FIELD Ken Reagan Delaware

COUNTY Reeves

SPUD DATE Unkown DRILLING DEPTH _____

CORE DEPTH _____ LOGS (DEPTH) _____

COMPLETION DATE _____ PERFS Unkown

POTENTIAL Yes-Unkown T. D. 3382-feet

IS THIS THE FIRST REPORT ON THIS WELL? 2nd visit

REMARKS I talked to the lease man Mr.J.H.Forrester,Orla,Texas
and did not know how much this well made on potential test as
as he was off during Christmas but the well is on pump and is
making: 15-20-bbbls of oil per day and 80-90-bbbls of water.

JA/bs

3-21-60

James Weatherly
INSPECTOR

DATE Dec 29, 1964

13-

M.F. 56068
APPLICATION TO DRILL

13

WELL # 1

FILED 19

JERRY SADLER, COMMISSIONER

Jmc

Clerk



THE PERMIAN CORPORATION

1509 W. WALL

P. O. BOX 3119

MIDLAND, TEXAS, 79704

MU 3-4711

January 15, 1965

Re: No. 326060 - O K Oil Company - Pierce

Commissioner of the General Land Office
State of Texas
Austin 14, Texas

Dear Sir:

Please find enclosed two counterparts of our division order covering the captioned lease.

If your interest is correctly set forth, please approve one copy and return it to this office.

We appreciate your cooperation in this matter.

Yours very truly,

THE PERMIAN CORPORATION

George W. Trevett, Jr.

George W. Trevett, Jr.

nm
encls.
cc: OK Oil Company
Box 1755
Midland, Texas

RECEIVED

JAN 20 1965

General Land Office

(14)

M. F. 56068

CORRESPONDENCE FILE

~~To~~
The Permian Corp.

From

Dated 1-15-65



GENERAL LAND OFFICE

AUSTIN, TEXAS
January 21, 1965

-B

JERRY SADLER
COMMISSIONER

The Permian Corporation
P. O. Box 3119
Midland, Texas

RE: O K OIL COMPANY — *Pierce*
W/2 of SE/4 and SE/4 of
Section 6, Block 56, Twp. 3,
T & P Ry. Co. Survey,
Reeves County, Texas

Gentlemen:

Our Lease No. M-56068

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 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 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.

Sincerely yours,

JERRY SADLER, Commissioner

JS/oj

Enclosure

The Permian Corporation's Lease No. 426060.

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 426060

January 15, 1965

TO THE PERMIAN CORPORATION, P. O. BOX 3119, MIDLAND, TEXAS

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all oil produced from all wells on the

O K Oil Company - Pierce

farm or lease, located in Reeves County, State of Texas, more particularly described as follows:

W/2 of SE/4 and SE/4 of SE/4 of Section 6, Block 56,
Township 3, Abstract 4161, T & P Ry. Co. Survey,
containing 120 acres, more or less, Reeves County,
Texas

and commencing at 7 A.M., the day of first runs, 19, and until further written notice either from you or us you are authorized to receive oil therefrom, purchase it and pay for it as follows:

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
<u>ROYALTY INTEREST</u>		
State of Texas	1/16 R.I. (.0625000)	
Willa Louise Pierce, a feme sole	1/64 R.I. (.0156250)	
William Milner Pierce	1/64 R.I. (.0156250)	
John Wentworth Pierce	1/64 R.I. (.0156250)	
Laura Jean Pierce Call, whose husband is Earl E. Call, Jr.	1/64 R.I. (.0156250)	
<u>WORKING INTEREST</u>		
O K Oil Company, a corporation	3/4 of 7/8 W.I. (.6562500)	
Patoil Corporation	1/4 of 7/8 W.I. (.2187500)	

RECEIVED

JAN 20 1965

General Land Office

EIGHTH: Working interest owners and operators who sign this division order, and each of them, guarantee and warrant for your benefit and that of any pipe line or other carrier designated by you to run or transport said oil, that all oil tendered hereunder has been and will be produced and handled in compliance with the Fair Labor Standards Act of 1938, and any amendments thereto, and all other federal, state and municipal laws, rules and regulations.

OWNERS SIGN BELOW

In accordance with Federal law please indicate your Social Security or Identification number below:

To	
From	
Dated	

M. F.
 CORRESPONDENCE FILE
 To
 From
 Dated
 YOUR CORRECT ADDRESS IS SHOWN

BE SURE YOUR SIGNATURE IS WITNESSED AND YOUR CORRECT ADDRESS IS SHOWN

INSTRUCTIONS FOR EXECUTION OF DIVISION ORDERS

1. Division orders for corporations must be executed by an authorized officer, attested by the secretary and the corporate seal affixed thereto. A certified copy of authority of executing officer must be submitted if not previously furnished to our company.
2. Division orders for partnerships must be executed by all partners or by an authorized partner. If signed by an authorized partner, we must be furnished a certified copy of his authority if not previously furnished.
3. All married women must be joined by their husbands in executing a division order. Any other woman executing must indicate after her name whether she is a "feme sole" or a "widow".
4. All signatures other than those for corporations must be witnessed by at least one person not related to the party signing.
5. Please sign your name as shown on the division order.
6. Please be sure that your correct mailing address is shown in order that you will be assured of receiving checks addressed to you.

Thank you.

RECEIVED

JAN 20 1965

General Land Office

(15)

M. F. 56068

CORRESPONDENCE FILE

To

Division Order

From

Dated 1-21-65

August 17, 1965

OK Oil Company
Box 1755
Midland, Texas

Re: State Lease M-56068
Pierce Lease
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

Our records indicate that production was secured from the subject lease during February, 1965.

As the State owns an interest in the above lease, various reports concerning the lease's production and sales should be filed with this office each month.

To aid you in filing these reports, we are enclosing a pamphlet entitled Reporting Oil and Gas Production, a supply of Oil or Gas Distillate Reports (Form MA-2), several Gas Reports (Form MA-2) and a blank for reorder when this supply is exhausted.

Reports which should be submitted by the 20th of the month following the month of production are listed on page 2 of the enclosed pamphlet.

In addition to daily gauge reports and run tickets, copies of tank tables for all tanks servicing the subject lease should be furnished, and current copies sent as new tanks are connected or old tanks restrapped.

Please file the necessary reports from the date of first production to date and monthly thereafter.

Thank you for your cooperation in this matter.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/dw

Enclosure

76.

M. F. 56068

CORRESPONDENCE FILE

To

OK Oil Co

From

Dated 8-17-65

pb

RAILROAD COMMISSION REPORTS PREPARED
PROPERTY MANAGEMENT
LEASE APPRAISALS
EVALUATIONS

COMPLETE ENGINEERING SERVICE
BOTTOM HOLE PRESSURES
GAS-OIL RATIOS
WELL COMPLETIONS

WEST TEXAS OIL REPORTS
AND ENGINEERING SERVICE

TELEPHONE MU 4-6381 - P. O. BOX 953
401 WILKINSON-FOSTER BUILDING

EVERETT L. SMITH
REGISTERED PROFESSIONAL ENGINEER

MIDLAND, TEXAS

LAMAR ESCHBERGER
REGISTERED PROFESSIONAL ENGINEER

August 18, 1965

General Land Office
Land Office Building
Austin, Texas

Attention: Mr. C. F. Niebuhr, Director
Finance, Audit and Investment

Dear Sir:

Re: State Lease M-56068 - 13.
Pierce Lease
Ken Regan (Delaware) Field
Reeves County, Texas

The OK Oil Company has referred your letter of August 17, 1965
with reference to the above captioned lease to us.

We are, this date, forwarding to you the following:
MA-1, December through July, 1965
MA-2, December through July, 1965
Daily gauge reports and run tickets, December through
July, 1965
Run statements from The Permian Corporation, December
through July, 1965.

You will note on the run tickets that the oil is paid for on
the basis of truck gauges, therefore, there are no tank tables
available on this lease.

Yours truly,



Everett L. Smith
Petroleum Engineer

/lj
Enc.

cc: OK Oil Company

RECEIVED

AUG 20 1965

General Land Office

17

M. F. \$6068

CORRESPONDENCE FILE

To Westley Oil Reports

From

Dated 8-18-65

INVOICE NO.

AMOUNT

INVOICE NO.

AMOUNT

INVOICE NO.

AMOUNT

~~STATE LEASE NO. M 56068~~

STATE LEASE NO. M 56068

All of the W/2 of the SE/4 and the SE/4 of the
SE/4 of Section 6, Block 56, Township 3, T&P Ry
Co., Survey, Abstract No. 4161, Reeves County,
Texas. Annual rental - 10¢ per acre for period
November 13, 1965 to November 13, 1966

7591

12.00

RECEIVED

OCT 6 1965

General Land Office

GROSS _____

DISCOUNT _____

NET _____

OK OIL COMPANY, MIDLAND, TEXAS

8
M.F.

56068

Rental Payment

Filed OCT 6 1965

JERRY SALLER, COMM. CLERK

Done

Clerk

(8/1)

RECEIVED
OCT 13 1966
General Land Office

(19)

M.F.

56668

Rental Payment

Filed

10-15 1966

JERRY SADLER, COMMISSIONER

[Signature]

Clerk

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	AMOUNT	DEDUCTIONS	NET
		Annual Delay Rentals covering All of the W/2 of the SE/4 and the SE/4 of the SE/4 of Section 6, Block 56, T-3, T & P RR Survey, Abstrict No. 4161 covering a period from November 13, 1967 to November 13, 1968. 12 M-56068			\$12.00
				9948	
				RECEIVED OCT 14 1967 General Land Office	

20

M.P. 56068

Rental Payment
Filed 10-14 1967

MERRY SADLER, COMMISSIONER
G.W.A.

Clerk

20

April 16, 1968

O. K. Oil Company
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56058
Pierce
Ken Ragan (Delware)
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:

Oil Purchase Statements for October, 1966 through June, 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: hg

(21)

M. F. 56068

CORRESPONDENCE FILE

To OK Oil Co.

From

Dated 4-16-68

April 26, 1968

1/5
10-11-68
10-11-68
10-11-68
10-11-68

O. K. Oil Company
2415 First National Bank Bldg.
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Ragan (Delware)
Reeves County, Texas

Gentlemen:

Please refer to our letter of April 16, 1968, requesting Oil Purchase Statements for subject lease for October, 1966 through June, 1967.

With your letter of April 17, 1968, we received Oil or Gas Distillate Reports (Form MA-1) and not the Oil Purchase Statements requested. We are returning your Form MA-1s.

Please send the Oil Purchase Statements for the months requested 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/hg
Enclosure

22

M. F. 56068

CORRESPONDENCE FILE

To

O.K. a/c

From

Dated 4-26-68

dp



GENERAL LAND OFFICE

AUSTIN, TEXAS

78701

April 26, 1968

JERRY SADLER
COMMISSIONER

O. K. Oil Company
2415 First National Bank Bldg.
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Ragan (Delware)
Reeves County, Texas

Gentlemen:

Please refer to our letter of April 16, 1968, requesting Oil Purchase Statements for subject lease for October, 1966 through June, 1967.

With your letter of April 17, 1968, we received Oil or Gas Distillate Reports (Form MA-1) and not the Oil Purchase Statements requested. We are returning your Form MA-1s.

Please send the Oil Purchase Statements for the months requested 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/hg
Enclosure

See attached

4-30-68

RECEIVED

MAY 2 1968

General Land Office

M. F. 56468

CORRESPONDENCE FILE

To 24. B. K. WilcoDated 4-26-68

GENERAL LAND OFFICE LEASE NUMBER See Below

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
W/2, NW/4	26	58, T-2	K.M. Regan	80	Culberson

Name of Operator Hiram W. Keith Name of Field Screwbeam Delaware

Address Box 844, Kermit, Texas 79745 Name of Lease Ken Regan

Report For April 19 69

OIL OR GAS DISTILLATE REPORT

Note area descriptions not same as on assignment

GENERAL LAND OFFICE LEASE NUMBER M-56068 ✓ 5

Description of Area from which following production secured:

PART OR AREA	SECTION OR TRACT	BLOCK	GRANTEE	ACRES	COUNTY
W/2 NW/4	26	58-T-2	T & P	80	Culberson

Name of Operator Bethol Corporation ✓ Name of Field Screwbeam (Delaware)

Address 2415 First National Bank Bldg. Name of Lease Ken Regan

Dallas, Texas 75202 ✓ 12 Report For August 19 68

OIL OR GAS DISTILLATE REPORT

Production is from 3 Oil Wells (with an allowable of 279 bbl's.) and from _____
Gas Wells. The production was sold to Standard Oil Company of Texas and delivered by
pipeline (pipe line, truck, etc.).

Stock beginning of month (7 AM on 1st)
Gross production as shown by daily tank gauges
Net sales as shown by pipe line run tickets, truck tenders, etc.
Other Disposition (itemize)
Correction — BS & W and Temperature
Stock close of month (7 AM on 1st)

G.L.O. USE

BARRELS
421.00
194.00
373.00

242.00

SALES

GRAVITY	NET BARRELS	PRICE	GROSS VALUE
31.3 °	373.00		
°			
°			
°			

File No. 56068 (23A)
Distillate Report

Date Filed: 8-19-68
Jerry E. Patterson, Commissioner

By _____

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	AMOUNT	DEDUCTIONS	NET
		<i>12</i> Annual delay rentals on All of the W/2 of the SE/4 and the SE/4 of the SE/4 of Section 6, Block 56, T-3 T&P RR Survey Abstract #4161, Reeves County, Texas covering a period from 11-13-68 to 11-13-69.			9346 \$12.00
RECEIVED OCT 9 1968 ✓ General Land Office		M-56068			

(24)

M.F.

56068

RECEIVED PAYMENT

FILED

10-9-68

JERRY M. JONES, DIRECTOR

[Signature]
Clerk

(50)

December 3, 1968

O. R. Oil Company
2415 First National Bank Building
Dallas, Texas 75206

RE: State Lease M-56068
Pierce Lease
Ken Regan (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:

The Permian Corporation Oil Purchase Statements for October, 1967 to date.

Permian Lease Number 426060.

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: hf

25

M. F. 56068

CORRESPONDENCE FILE

To

O.K. O'Co.

From

Dated 12-3-68

dp

December 30, 1968

O. K. Oil Company
2415 First National Bank Building
Dallas, Texas 75221

RE: State Lease M-56068
Ken Regan Lease
Screwbean Delaware Field
Culberson 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:

Standard Oil Company of Texas Oil Purchase Statements for
May through December, 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: lee

(26)

M. F. 56068

CORRESPONDENCE FILE

To

O.K. Depo.

From

Dated 12-30-68

dp



GENERAL LAND OFFICE

AUSTIN, TEXAS

78701
December 3, 1968

JERRY SADLER
COMMISSIONER

O. K. Oil Company
2415 First National Bank Building
Dallas, Texas 75206

RE: State Lease M-56068
Pierce Lease
Ken Regan (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:

The Permian Corporation Oil Purchase Statements for October, 1967 to date.

Permian Lease Number 426060.

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: hf

12-4-68
Please note change of producer name May, 1968.

Shirley Lewis
Bethal Corp.

Bethal Corporation ✓
104 ✓
-B Dallas
(15)

Thru OCT 68

(27)

M. F. 56068

CORRESPONDENCE FILE

To

O. H. Oil Company

From

Dated 12-4-68

A handwritten signature in blue ink, appearing to be a stylized 'J' or 'G' followed by a horizontal line.



GENERAL LAND OFFICE

AUSTIN, TEXAS

78701

December 30, 1968

JERRY SADLER
COMMISSIONER

15
O. K. Oil Company
2415 First National Bank Building
Dallas, Texas 75221

RE: State Lease M-56068 *B-file*
Ken Regan Lease
Screwbean Delaware Field
Culberson 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:

Standard Oil Company of Texas Oil Purchase Statements for May through December, 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

RECEIVED

JAN 4 1969

General Land Office

28

M. F. 56068

CORRESPONDENCE FILE

To

O.K. Oil Company

From

Dated 1-4-69



March 14, 1969

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-36068
Ken Regan Lease
Screwbean (Delaware) Field
Culberson 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:

Standard Oil Company of Texas Oil Purchase Statements for
January, March, April, and June, 1968.

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

(29)

(29)

M. F. 56068

CORRESPONDENCE FILE

To Bethol Corp.

From

Dated 3-14-69



GENERAL LAND OFFICE

AUSTIN, TEXAS

78701

JERRY SADLER
COMMISSIONER

March 14, 1969

Bethol Corporation ✓
2415 First National Bank Building
Dallas, Texas 75202 ✓
15

RE: State Lease M-56068 *B file*
Ken Regan Lease
Screwbean (Delaware) Field
Culberson 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:

Standard Oil Company of Texas Oil Purchase Statements for January, March, April, and June, 1968. - *Feb. 1969*

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

3-18-69

Enclosed

RECEIVED
MAR 19 1969
General Land Office

30

M. F. 56068

CORRESPONDENCE FILE

To

From Bethel Corp

Dated 3-19-69

SS



September 29, 1969

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56058
Ken Reagan Lease
Screwbean (Delaware) Field
Culberson 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:

Standard Oil Company of Texas Oil Purchase Statements
for August, September and December, 1968 and February, 1969.

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

(31)

M. F. 56068

CORRESPONDENCE FILE

To Bethel Corpor

From

Dated 9-29-69

SLS

(31)

October 10, 1969

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Regan Delaware Field
Reeves County, Texas

Gentlemen:

Your Oil or Gas Distillate Report and purchase statement for January, 1969 indicates a credit was taken of 105.00 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 the credit.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

(32)

M. F. 56068

CORRESPONDENCE FILE

To Bethel Corp.
From

Dated 10-10-69

SLS

(32)

RENTAL PAYMENT

CHECK NO.

4052

DATE

October 17, 1969**Bethol Corporation
Texas**has this day tendered to **General Land Office, Austin,**
the sum of \$ **Twelve and no/100-****(\$12.00)**

----- Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of **Texas, County**
of Reeves for the period from **November 13** 19 **69** to **November 13** 19 **70**
covering land described as:

**W/2 SE/4 and SE/4 SE/4 of Section 6, Block 56, T-3, T&P Railway Company
Survey**

13043

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
36	General Land Office Austin, Texas State Lease No. 56068			\$12.00


RECEIVED**OCT 17 1969**

General Land Office

PLEASE SIGN, DATE AND RETURN WHITE COPY AS RECEIPT OF PAYMENT

This copy is to be retained by the
Depository Bank or forwarded to Land Owner.

**Bethol Corporation
2415 First National Bank Bldg.
Dallas, Texas 75202**

(33)

M.F.

56068

Rental Payment

Filed

10-20-1969

JERRY SADLER, COMMISSIONER

Jm

Clerk

(33)

December 9, 1969

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Willa L. Pierce Lease
Ken Regas 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:

Oil or Gas Distillate Reports (Form MA-1) for July, 1968 to date.

Oil Purchase Statements for July, 1968 to date.

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: hf

(34)

M. F. 56068
CORRESPONDENCE FILE

To
Bethol Corp.
From

Dated 12-9-69

SLS

BETHOL CORPORATION ✓

SUITE 2415
FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202 ✓
214 RIVERSIDE 2-1681

December 11, 1969

RE: State Lease M-56068
Willa L. Pierce Lease
Ken Regan Field
Reeves County, Texas

General Land Office
Austin, Texas 78701

Attention: Mr. C. F. Niebuhr, Director
Finance, Audit and Investment

Gentlemen:

We are in receipt of your letter of December 10, 1969, regarding the MA-1 form filed under our captioned lease. We would appreciate your rechecking your files before we make copies of each MA-1 filed since July, 1968. Our records indicate this form was filed each month, the last having been mailed to you on November 17, 1969, for the month of October 1969.

In addition, it is our understanding that The Permian Corporation forwards a copy of the Oil Purchase Statements to your office each month.

We will do nothing further regarding the above until we have heard from you. Thank you for your cooperation in this matter.

Yours very truly,

BETHOL CORPORATION

Lorene Chancey
Lorene Chancey

RECEIVED

DEC 12 1969

General Land Office

Permian STAT
Dec 68
Feb 69
Mar
Apr
May
Jul
Aug

35

M. F. 56068

CORRESPONDENCE FILE

To

From Bethol

Dated 12-12-69

DS

December 17, 1969

Bethol Corporation
Suite 2415
First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Willa L. Pierce Lease
Ken Regan Field
Reeves County, Texas

Gentlemen:

This refers to your letter dated December 11, 1969 concerning filing of reports with this office.

We have located The Oil or Gas Distillate Reports for the above lease however our files do not indicate we are receiving The Permian Corporation's Oil Purchase Statements.

Please arrange to have these Purchase Statements filed with this office in the future.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

C. F. Niebuhr, Director
Finance, Audit and Investment

CFN/hf

(36)

M. F. 56068
CORRESPONDENCE FILE

To Bethel Corp.
From

Dated 12-17-69

SLS

January 14, 1970

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Regan (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:

The Permian Corporation's Oil Purchase Statements for February, 1969 to date.

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: hf

(37)

M. F. 56068

CORRESPONDENCE FILE

To Bethol

From

Dated 1-14-70

SLS

BETHOL CORPORATION

SUITE 2415
FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

214 RIVERSIDE 2-1681

September 30, 1969

RE: State Lease M-56068 *B file*
Ken Reagan Lease
Screwbean (Delaware) Field
Culberson County, Texas

General Land Office
Austin, Texas 78701

Attention: Mr. C. F. Niebuhr

Gentlemen:

As requested in your letter of September 29, 1969, I am enclosing xerox copies of the Standard Oil Company of Texas Purchase Statements for August, September and December, 1968 and February, 1969.

If we may furnish you with any additional information, please advise.

Yours very truly,

BETHOL CORPORATION

Lorene Chancey
Lorene Chancey

c
Enclosures

RECEIVED

OCT 1 1969

General Land Office

(34) 56068

~~49509~~

W. F.

CORRESPONDENCE FILE

To

From Bethel

Dated 10-1-69

SLS

SLS

10-1-69

From Bethel Corporation

CORRESPONDENCE FILE

49509

(61)

✓
BETHOL CORPORATION

SUITE 2415
FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

214 RIVERSIDE 2-1681

October 27, 1969

15
Mr. C. F. Neibuhr, Director
Finance, Audit and Investment
General Land Office
Austin, Texas
78701

Re: State Lease M-56068
Pierce Lease, Ken Regan
Delaware Field
Reeves County, Texas

Dear Mr. Neibuhr:

In reference to your letter of October 10, the oil credited on the January, 1969 Oil or Gas Distillate Report was loaned out as frac oil to an offset operator and then debited back into the lease on our April, 1969 Report.

We hope this is sufficient for your records, however, if more information is required, please let us know.

Yours very truly,

BETHOL CORPORATION

Shirley Sims
(Mrs) Shirley Sims

S

hF

RECEIVED
OCT 28 1969
General Land Office

39

M. F.

56068

CORRESPONDENCE FILE

To

From

Bethol

Dated

10-28-69

SLS

December 10, 1969

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75221

RE: State Lease M-56068
Willa L. Pierce Lease
Ken Regan 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:

Oil or Gas Distillate Reports (Form MA-1) for July, 1968 to date.

Oil Purchase Statements for July, 1968 to date.

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: hf



(40)

M. F. 56068

CORRESPONDENCE FILE

To Bethel

From

Dated 12-10-69

SLS

BETHOL CORPORATION

SUITE 2415
FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

214 RIVERSIDE 2-1681

January 15, 1970

RE: State Lease M-56068
Pierce Lease
Ken Regan (Delaware) Field
Reeves County, Texas

C. F. Niebuhr, Director
Finance, Audit and Investment
General Land Office
Austin, Texas 78701

RECEIVED

JAN 16 1970

General Land Office

Gentlemen:

In compliance with your request in your letter of January 14, 1970, please find enclosed Xerox copies of The Permian Corporation's oil purchase statements from February through December, 1969, on the above captioned lease.

Very truly yours,

BETHOL CORPORATION

Linda Cockerham

(Mrs.) Linda Cockerham

/lc
Enclosures



(41)

M. F. 56068

CORRESPONDENCE FILE

To

From Bethel

Dated 1-16-70

SLS

August 11, 1970

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

The subject State lease requires that the State must be paid royalty on all production regardless of how used or disposed of.

Your Gas Reports (Form MA-2), on file, indicate that gas has been flared for which no royalty has been paid.

Based on the price paid for gas in the general area, please compute the value of all gas flared, and forward your check for the royalty due. This check should include interest on the royalty due, computed at the rate of 6% per annum, from the various statutory due dates to date of payment. Please specify the amount of interest included in your remittance.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

Melvin Eckhoff
Assistant Director
Finance, Audit and Investment

ME/hcs

(42)

M. F. 56068

CORRESPONDENCE FILE

To Bethol Corp.

From

Dated 8-11-70

SL

RENTAL PAYMENT

CHECK NO.

17319

DATE

September 29, 1970

ProChemco Oil and Gas, Inc.

Texas, Austin, Texas

has this day tendered to

General Land Office, State of

the sum of \$ Twelve and no/100-

-----(\$12.00)

Dollars, to be deposited for the credit of persons named below

in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of Texas

County of Reeves

for the period from November 13 1970 to November 13 1971

covering land described as:

W/2 SE/4 and SE/4 SE/4 of Section 6, Blk. 56, T-3, T&P Ry. Company
Survey, A-4161

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
-----------	---------------	-------	--------	--------

36

General Land Office

State of Texas

Austin, Texas

(State of Texas #56068)

\$ 12.00

RECEIVED ✓

3696

SEP 30 1970

General Land Office

PLEASE SIGN, DATE AND RETURN WHITE COPY AS RECEIPT OF PAYMENT

This copy is to be retained by the
Depository Bank or forwarded to Land Owner.

ProChemco Oil and Gas, Inc.
2415 First National Bank Building
Dallas, Texas 75202

(43)

M, F 56068

Rental Payment

Filed 9-30-70

JERRY SADLER, COMMISSIONER

9 rework

(43)



ProChemco Oil and Gas, Inc.

A SUBSIDIARY OF ProChemco, Inc.

September 18, 1970

General Land Office
Austin, Texas 78701

Re: State Lease M-56068
Pierce Lease - Ken Reagan (Delaware)
Field, Reeves County, Texas

Attention: Mr. Melvin Eckhoff, Ass't. Dir.
Finance, Audit & Investment

Gentlemen:

In reply to your letter of August 11, 1970, (enclosed) we have itemized quantities of gas flared since date of first production and computed the value and interest thereon.

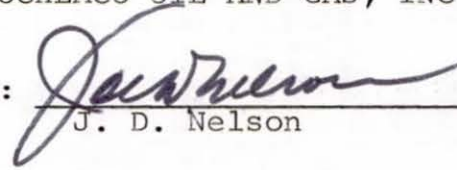
Enclosed is our check in the amount of \$135.62 in payment of royalty and interest.

On March 31, 1970 Bethol Corporation was purchased by ProChemco, Inc. of Amarillo, Texas and is now its subsidiary operating as ProChemco Oil and Gas, Inc.

Yours very truly,

PROCHEMCO OIL AND GAS, INC.

By:


J. D. Nelson

JDN/mlt
Enclosure



116.91

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SEP 30 1970
General Land Office



GENERAL LAND OFFICE

AUSTIN, TEXAS

78701

August 11, 1970



JERRY SADLER
COMMISSIONER

Bethol Corporation
2415 First National Bank Building
Dallas, Texas 75202

RE: State Lease M-56068
Pierce Lease
Ken Reagan (Delaware) Field
Reeves County, Texas

Gentlemen:

The subject State lease requires that the State must be paid royalty on all production regardless of how used or disposed of.

Your Gas Reports (Form MA-2), on file, indicate that gas has been flared for which no royalty has been paid.

Based on the price paid for gas in the general area, please compute the value of all gas flared, and forward your check for the royalty due. This check should include interest on the royalty due, computed at the rate of 6% per annum, from the various statutory due dates to date of payment. Please specify the amount of interest included in your remittance.

Thank you for your cooperation.

Sincerely yours,

JERRY SADLER, COMMISSIONER

BY:

Melvin Eckhoff
Melvin Eckhoff
Assistant Director
Finance, Audit and Investment

ME/hcs

RECEIVED

SEP 30 1970

General Land Office

ROYALTY PAYABLE TO GENERAL LANDS DIVISION
STATE LEASE M-56063 PIERCE LEASE

DATE	MCF	PLACED	VALUE @ .084/MCF	INTEREST RATE @ 6%	INTEREST AMOUNT
------	-----	--------	------------------	--------------------	-----------------

FIRST PROD. DEC 1964	149	1192	1192	33 3/4	402
JAN 1965	174	1392	1392	33 3/4	463
FEB	139	1112	1112	32 3/4	364
MAR	41	328	328	32 1/2	106
APR	91	728	728	31 3/4	231
MAY	72	576	576	31 1/2	180
JUN	67	552	552	30 3/4	170
JUL	71	568	568	30 1/2	172
AUG	31	242	242	29 3/4	74
SEP	91	728	728	29 1/2	213
OCT	81	648	648	28 3/4	186
NOV	74	592	592	28 1/2	167
DEC	74	592	592	27 3/4	164
JAN 1966	75	600	600	27 1/2	164
FEB	367	2936	2936	26 3/4	785
MAR	634	5072	5072	26 1/2	1331
APR	577	4616	4616	25 3/4	1189
MAY	605	4920	4920	25 1/2	1222
JUN	554	4432	4432	24 3/4	1097
JUL	602	4716	4716	24 1/2	1168
AUG	551	4408	4408	23 3/4	1047
SEP	542	4326	4326	23 1/2	1008
OCT	551	4408	4408	22 3/4	1003
NOV	502	4016	4016	22 1/2	894
DEC	465	3720	3720	21 3/4	869
JAN 1967	546	4368	4368	21 1/2	928
FEB	388	3104	3104	20 3/4	644
MAR	537	4296	4296	20 1/2	870
APR	436	3488	3488	19 3/4	689
MAY	528	4224	4224	19 1/2	813
JUN	528	4224	4224	19 3/4	792
JUL	528	4224	4224	18 3/4	625
AUG	442	3536	3536	17 3/4	628
SEP	436	3488	3488	17 1/2	602
OCT	430	3440	3440	16 1/2	559
NOV	395	2200	2200	15 3/4	347
JAN 1968	531	4224	4224	15 1/2	679
FEB	412	3364	3364	14 3/4	487
MAR	427	3416	3416	14 1/2	487
APR	422	3376	3376	13 3/4	452
MAY	407	3236	3236	13 1/2	431
JUN	416	3216	3216	12 3/4	424
JUL	416	3216	3216	12 1/2	424
AUG	416	3216	3216	11 3/4	424
SEP	416	3216	3216	11 1/2	424
OCT	416	3216	3216	10 3/4	424
NOV	416	3216	3216	10 1/2	424
DEC	416	3216	3216	9 3/4	424
JAN 1969	416	3216	3216	9 1/2	424
FEB	416	3216	3216	8 3/4	424
MAR	416	3216	3216	8 1/2	424
APR	416	3216	3216	7 3/4	424
MAY	416	3216	3216	7 1/2	424
JUN	416	3216	3216	6 3/4	424
JUL	416	3216	3216	6 1/2	424
AUG	416	3216	3216	5 3/4	424
SEP	416	3216	3216	5 1/2	424
OCT	416	3216	3216	4 3/4	424
NOV	416	3216	3216	4 1/2	424
DEC	416	3216	3216	3 3/4	424
JAN 1970	416	3216	3216	3 1/2	424
FEB	416	3216	3216	2 3/4	424
MAR	416	3216	3216	2 1/2	424
APR	416	3216	3216	1 3/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1971	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1972	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1973	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1974	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1975	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1976	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1977	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1978	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1979	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1980	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1981	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	416	3216	3216	1 1/2	424
DEC	416	3216	3216	1 1/4	424
JAN 1982	416	3216	3216	1 1/2	424
FEB	416	3216	3216	1 1/4	424
MAR	416	3216	3216	1 1/2	424
APR	416	3216	3216	1 1/4	424
MAY	416	3216	3216	1 1/2	424
JUN	416	3216	3216	1 1/4	424
JUL	416	3216	3216	1 1/2	424
AUG	416	3216	3216	1 1/4	424
SEP	416	3216	3216	1 1/2	424
OCT	416	3216	3216	1 1/4	424
NOV	41				

RECEIVED

SEP 21 1970

PROCHEMCO, INC.
AMARILLO, TEXAS

STATE LEASE M-56068 PIERCE LEASE

RECEIVED

RECEIVED

SEP 21 1970

SEP 30 1970

PROCHEMCO, INC.
AMARILLO, TEXAS

General Land Office

M. F. 56068

CORRESPONDENCE FILE

To Prochemco

From

Dated 9-18-70

Kag

RENTAL PAYMENT

CHECK NO.

46151

DATE

9-30-71

6997

ProChemco Oil and Gas, Inc.
Texas, Austin, Texas

has this day tendered to General Land Office, State of
the sum of \$ Twelve and no/100-

-----(\$12.00) Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of ~~XXXX~~ RENTAL under oil and gas lease of lands in the state of Texas,
County of Reeves for the period from November 13 19 71 to November 13 19 72
covering land described as:

120 acres, being W/2 SE/4 and SE/4 SE/4 of Section 6, Block 56, Township 3,
T&P Ry. Company Survey,

RECEIVED

OCT 2 1971

General Land Office

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
-----------	---------------	-------	--------	--------

General Land Office
State of Texas
Austin, Texas

\$ 12.00

State of Texas Lease #56068

PLEASE SIGN, DATE AND RETURN WHITE COPY AS RECEIPT OF PAYMENT

This copy is to be retained by the
Depository Bank or forwarded to Land Owner.

ProChemco Oil and Gas, Inc.
P. O. Box 9197
Amarillo, Texas 79105

(45)

M.F.

56068

Rental Payment

Filed 10/2/1971
BOB ARMSTRONG, COMMISSIONER

Cle

IT-30-AI

49721

RENTAL PAYMENT

CHECK NO.

1952

DATE

September 21, 1972

ProChemco Oil and Gas, Inc.
Texas

has this day tendered to General Land Office, Austin,
the sum of \$ Twelve and no/100

-----(\$12.00) Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of Texas,
County of Reeves for the period from November 13 19 72 to November 13 19 73
covering land described as:

120 acres, being W/2 SE/4 and SE/4 SE/4 of Section 6, Block 56, T-3, T&P Ry.
Company Survey

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
-----------	---------------	-------	--------	--------

General Land Office
State of Texas
Austin, Texas

\$ 12.00

State of Texas Lease #56068

RECEIVED

SEP 28 1972

3607

General Land Office

PLEASE SIGN, DATE AND RETURN WHITE COPY AS RECEIPT OF PAYMENT

This copy is to be retained by the
Depository Bank or forwarded to Land Owner.

ProChemco Oil and Gas, Inc.
P. O. Box 9197
Amarillo, Texas 79105

(46)

General Land Office, Austin,
Twelve and no/00

November 13 73
November 13 73
Texas,

120 acres, being W/2 SE/4 and SE/4 of Section 6, Block 56, T-3, R-17.
Company Survey

\$ 12.00

State of Texas Lease 456068

Prochemco Oil and Gas, Inc.
P. O. Box 9197
Amarillo, Texas 79105

(46) M.F. 56068
Prochemco Oil and Gas, Inc.
Rental Payment
Filed 9-28 1972
BOB ARMSTRONG, COMMISSIONER
Clerk

CUSTER OIL COMPANY ✓

AUSTIN, TEXAS 78746 ✓

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

(Box 953 - Midland, Texas)

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
6/3/73		11-13-73 11-13-74 Rental due 6/3/73 to 6/3/74 on: W/2 SE/4 and SE/4 SE/4 Sec. 6, Blk. 56, T-3, T & P Ry. Co. Survey, Reeves County, Texas. 89096 State of Texas Lease #56068	89096			*12.00 \$32.00
12	RECEIVED JUN 1 1973 General Land Office	Note: Talked with Mr. Oliver on 12-18-73 and advised him we could apply this payment as the rental due 11-13-74. This was agreeable with him. Check was in the amount of \$12.00 instead of \$32.00 89095-32				

④

④ M.F. 56068

Rental Payment

Filed 6-1 1977
BOB ARMSTRONG, COMMISSIONER

MS
Clerk

CUSTER OIL COMPANY
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
10/22/73	12	State of Texas #56068 120 acres, W/2 SE/4, SE/4 SE/4, Sec. 6, Blk. 56, T-3, T&P Survey, Reeves County, Texas 11-13-74 Rental due 11/13/73 to 11/13/74 11-13-75	\$12.00		15074 ✓ RECEIVED OCT 23 1973	\$12.00

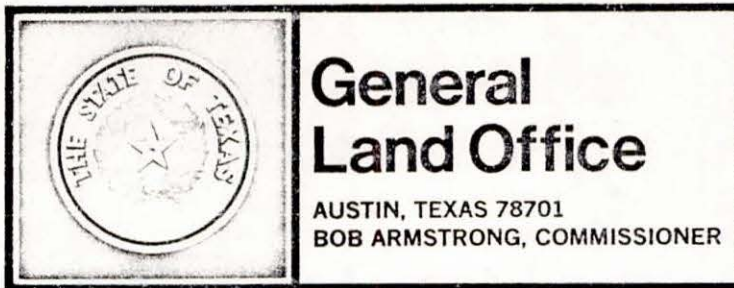
General Land Office

40
④ M.F. 56068

Rental Payment

Filed 10-23 1973
BOB ARMSTRONG, COMMISSIONER

BA
Clerk



November 29, 1973

Custer Oil Company
Box 953
Midland, Texas 79701

RE: State Lease M-56068
W/2 SE/4 and SE/4 SE/4
Sec. 6, Blk. 56, T & P Ry. Co. Survey
Reeves County, Texas

Gentlemen:

Your remittance in the amount of ^{\$12.00} \$32.00 was received in this office on June 1, 1973 as rental due June 3, 1973 to June 3, 1974 for the above described lease.

A review of the records for this lease reveals that the anniversary date is November 13 instead of June 3 and the rental due is \$12.00 instead of \$32.00. The 1973 rental for this lease was received from you on October 23, 1973.

Please review your records and advise the reason for the ^{\$12.00} \$32.00 payment. Your check for this payment should be stamped with our register 89096.

Thank you for your cooperation.

Sincerely yours,

Bob Armstrong

A handwritten signature in cursive script that reads "A. J. Wallis".

BY: A. J. Wallis, Supervisor
Finance, Audit and Investment
Telephone No. 512-475-2859
AJW/glc

(49)

M. F. 56068

CORRESPONDENCE FILE

To Custer Oil Co.

From

Dated 11-29-73 gc

Phone 261-5434

CUSTER OIL COMPANY

307 COMET DRIVE
AUSTIN, TEXAS 78746

DONALD M. OLIVER - PRESIDENT

December 13, 1973

RECEIVED

DEC 14 1973

General Land Office

Mr. A. J. Wallis, Supervisor
Finance, Audit and Investment
General Land Office
Austin, Texas 78701

Re: State Lease M-56068
W/2 SE/4 and SE/4 SE/4
Sec. 6, Blk. 6, T&P Ry. Co. Sur.
Reeves County, Texas

Dear Mr. Wallis:

Your letter of November 29 related to the above captioned lease reached me here in Austin today. 12

Please be advised our payment on May 31st by check #174 in the amount of \$12.00 for annual rental on Lease No. M-56068 was in error. You will note on the same date you were sent our check #173 in the amount of \$32.00 for payment of Lease No. 31461 being the annual rental from June 3, 1973 to June 3, 1974. The rental on Lease No. M-56068 is due November 13 and you were duly paid on October 22 by our check #319. It seems we paid the annual rental twice on the above captioned lease and will await your advice.

Thank you for calling the matter to our attention.

Yours very truly,

Donald M. Oliver

Donald M. Oliver, President

(50) M-56068
Ltr. Ft. Custer Oil
12-14 R

CUSTER OIL COMPANY

307 COMET DRIVE

AUSTIN, TEXAS 78746

DONALD M. OLIVER - PRESIDENT

March 1, 1975

56911

Commissioner
General Land Office
Austin, Texas 78701

Re: State Lease M-56068
W/2 SE/4 and SE/4 SE/4
Sec. 6, Blk. 56, T-3,
T & P Survey,
Reeves County, Texas

Gentlemen:

It has been called to my attention that the annual rental on the above lease was paid to you in advance on November 29, 1973, for the years 1974 and 1975. In addition you were paid an annual rental on December 13, 1973, for the period June 3, 1973, to June 3, 1974.

Our records are confused on this issue but in order to keep the lease in good standing we are enclosing our check No. 1093 for \$12.00 payment for the period June 3, 1974, to June 3, 1975. We will again tender timely payment for the period June 3, 1975, to June 3, 1976. I hope this will not only clear our record but will again allow us to continue on a regular basis.

Please receipt the rental payment on the attached copy and return to us for our records.

Yours very truly,

RECEIVED

MAR 4 1975

General Land Office

Donald M. Oliver

Donald M. Oliver, President

Note: I talked with Mr. Oliver this date (3-10-75) and explained that the rental for M-56068 is paid thru 11-13-75. The rental for M-31461 will become due 6-3-75 in the amount of \$32.00. Advised him we would refund his \$12.00 payment which is not due M-56068 at this time. M-31461 has 6-3-47 ann date but covers Sec. 10, Blk 56 and rental is \$32.00

afal 3-10-75

File No. 56068
1tr & Pmt fr Custer
Oil Co.

Date Filed: 3.4.1975

Jerry E. Patterson, Commissioner

By _____

51

51

CUSTER OIL COMPANY
AUSTIN, TEXAS

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

121

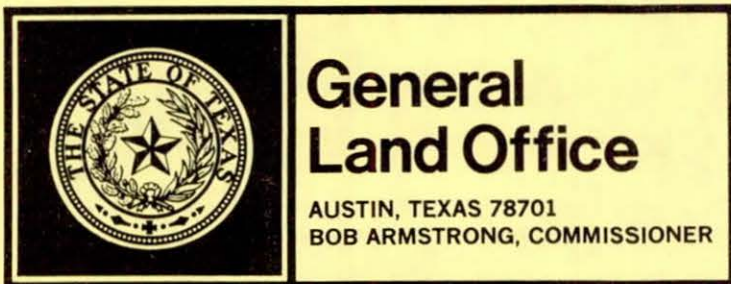
INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
10/23/75		Annual rental: State of Texas No. 56068, 120 acres, W/2 SE/4, SE/4 SE/4, Sec. 6, Blk. 56, T-3, T&P Survey, Reeves County, Texas November 13, 1975 to November 13, 1976			17511	
				RECEIVED OCT 25 1975 General Land Office		\$12.00

⑤3 M.F. 56068

Rental Payment

Filed, 10-25 1975
BOB ARMSTRONG, COMMISSIONER

748
Clerk



March 19, 1976

Custer Oil Company
P. O. Box 1123
Kermit, Texas 79745

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-56068
Pierce Lease
Ken Regan 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 Report (Form MA-2) for October, 1975.

Please file these records at the earliest possible time.

In order to expedite the handling of your correspondence, please direct your reply to the undersigned Supervisor.

Sincerely yours,

Charles F. Whitsel , Supervisor
Resource Accounting
Telephone No. 512-475-2858
LAB/glc

54

M. F. 56068

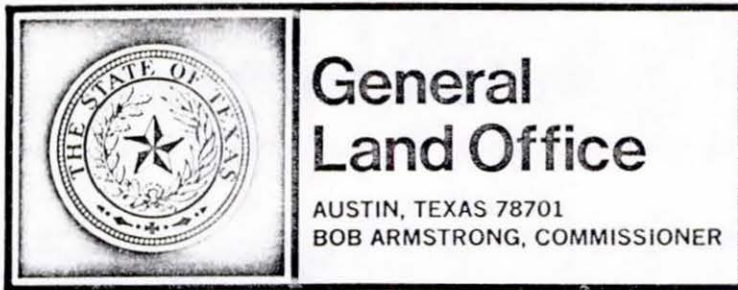
CORRESPONDENCE FILE

To

Custer Oil

From

Dated 3-19-76 gc



July 15, 1976

Custer Oil Company
Box 1123
Kermit, Texas 79745

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-56068
Pierce Lease
Ken Regan Field
Reeves County, Texas

Gentlemen:

An audit of the subject lease reveals that the State's gas royalty was underpaid for the month of June, 1975. \$3.98 was due, while \$2.53 was paid.

Please forward your check for \$1.52 to cover the additional royalty due of \$1.45 and legal interest of \$.07.

Sincerely yours,

Charles F. Whitsel, Supervisor
Resource Accounting
Telephone No. 512-475-2858
LAB/glc

55

M. F. 56068

CORRESPONDENCE FILE

To Custer Oil

From

Dated 7-15-76gc

STATE LEASE m-56068

OPERATOR

COLUMN WRITE ®	1	2	3	4	5	6
	MONTH	GROSS VALUE	ROYALTY DUE %	ROYALTY PAID	ADDITIONAL ROYALTY DUE	INTEREST DUE 6%/ANNUM
1						
2	8-74	143237	8952	8818	134	01
3	9-74	0	0	0	0	01
4	10-74	160253	10016	9879	137	01
5	11-74	165845	10365	10225	140	02
6	12-74	507001	31687	31257	430	04
7	1-75	712729	44546	44546	0	04
8	2-75	172506	10782	10782	0	04
9	3-75	530456	33154	33154	0	04
10	4-75	355179	22199	22199	0	04
11	5-75	551845	34490	34490	0	04
12	6-75	366991	22937	22937	0	04
13	7-75	395646	24728	24728	0	04
14		4061688	253856	253015	841	37
15						
16						
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49						
50						

6% INTEREST ON \$841 CHARGED
FROM OCT 1, 1974 THROUGH JULY 31, 1976 42
TOTAL INTEREST DUE 79

August 6, 1976

Custer Oil Company
Box 1123
Kermit, Texas 79745

ATTENTION: Accounting Manager

RE: State Lease M-56068
Pierce Lease
Ken Regan Field
Reeves County, Texas

Gentlemen:

An examination of our records on the subject lease reveals marketing deductions have been taken against the State's royalty for the production month of August, 1974 through December, 1974. As stated in our letter to you dated November 11, 1974, the State's royalty must be based on gross value beginning with the production month of August, 1974.

Please forward your check for \$9.20 to pay the \$8.41 additional royalty and legal interest of \$.79 (schedule enclosed). Legal interest is calculated from October 1, 1974 through July 31, 1976.

Sincerely yours,

Billy R. Lancaster, Supervisor
Resource Accounting
Telephone No. 512-475-4524

JJD/bh
Enclosure

(56)

M. F. M-56068

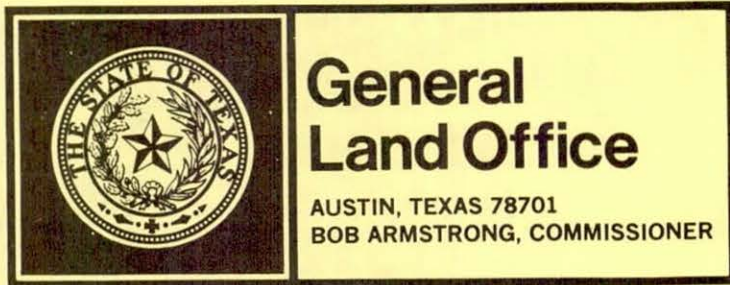
CORRESPONDENCE FILE

(To)

Custer Oil

From

Dated 8-6-26



August 19, 1976

Custer Oil Company
Box 1123
Kermit, Texas 79745

SECOND REQUEST

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-56068
Pierce Lease
Ken Regan Field
Reeves County, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated **July 15, 1976** 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 F. Whitset, Supervisor
Resource Accounting
Telephone No. 512-475-2858
Enclosure
LAB/glc

57

M. F. 56068
CORRESPONDENCE FILE

To Custer Oil

From

Dated 8-19-76 gc



Assignment of Oil and Gas Lease

WHEREAS, on the 13th day of November 1963, a certain oil and gas mining lease was made and entered into by and between

Willa Louise Pierce et al

, Lessor

and R. Paul Ricker

, Lessee

covering the following described land in the County of Reeves and State of Texas, to-wit:

West 1/2 Southeast 1/4 and Southeast 1/4 Southeast 1/4
Section 6, Block 56, T-3, T&P Ry. Co. Survey.

M-56068

45

Said lease being recorded in the office of the County Clerk in and for said County in book 236
page 313, and

Whereas, The said lease and all rights thereunder or incident thereto are now owned by

CUSTER OIL COMPANY, a corporation.

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, do es 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

an undivided 1/8 of 3/4 interest in said land and lease,

a like undivided interest in
together with All personal property used or obtained in connection therewith to

Marcell Sledge and his heirs, successors and assigns.

And for the same consideration, the undersigned for itself and its heirs successors and representatives, do es covenant with the said assignee his heirs, successors, or assigns, that it is

the lawful owner of the said lease and rights and interest 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 20 day of September, 1976, effective
1 October 1976 at 7:00 A.M.

ATTEST:

Phyllis Oliver
Secretary

CUSTER OIL COMPANY

By *Donald M. Oliver*
Donald M. Oliver, President

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,

COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the day of A. D. 19

(L. S.)

Notary Public in and for

County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,

COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the day of A. D. 19

(L. S.)

Notary Public in and for

County, Texas

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,

COUNTY OF TRAVIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

DONALD M. OLIVER, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said CUSTER OIL COMPANY a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,

this the 10th day of Sept. A. D. 19 76

(L. S.)

Notary Public in and for

Travis

County, Texas

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 86963

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 ASSIGNMENT OF OIL & GAS LEASE FROM CUSTER OIL COMPANY TO MARCELL SLEDGE, as Filed on September 23, 1976 at 1:25 o'clock P. M., Under File No. 3511 to be recorded in the Lease Records of Reeves County, Texas.

as the same appears of record in my office in book XXXXXXXXXXXXXXX page XXXXXXXXXXXXXXX

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

this 23rd day of September 19 76

CATHERINE ASHLEY

Clerk,

By

Deputy.

(68)

M 56068
Assignment
File Dated 9-30-76
Bob Armstrong, Commissioner

RECEIVED AS STATED

\$5.00

DATE 12-30-76

Reg. No. FF-1166

GENERAL LAND OFFICE

8.30.10

CUSTER OIL COMPANY
AUSTIN, TEXAS

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-3 V-4

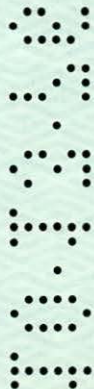
INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
		Annual rental: State of Texas No. 56068, 120 acres, W/2 SE/4, SE/4 SE/4, Sec. 6, BLK 56, T-2 T&P Survey, Reeves County, Texas November 13, 1976 to November 13, 1977	12.00			
			121		8436	

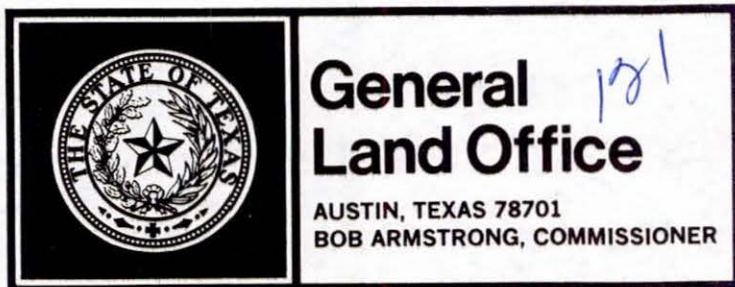
159

(59) m-56068

Rental Payment

10-13-76





RECEIVED

SEP 1 1976

General Land Office

August 19, 1976

Custer Oil Company
Box 1123
Kermit, Texas 79745

SECOND REQUEST

ATTENTION: ACCOUNTING MANAGER

RE: State Lease M-56068 *B file*
Pierce Lease
Ken Regan Field
Reeves County, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated July 15, 1976 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 F. Whitsel
Charles F. Whitsel, Supervisor
Resource Accounting
Telephone No. 512-475-2858
Enclosure
LAB/glc

*Our office has been
Closed for vacation and
we are slow catching up.
I'm very sorry,
Jo Sledge*

60

M. F. 56068

CORRESPONDENCE FILE

46

Custer Oil

From

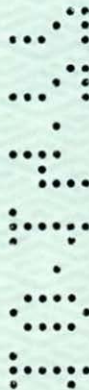
Dated 9-1-76 g

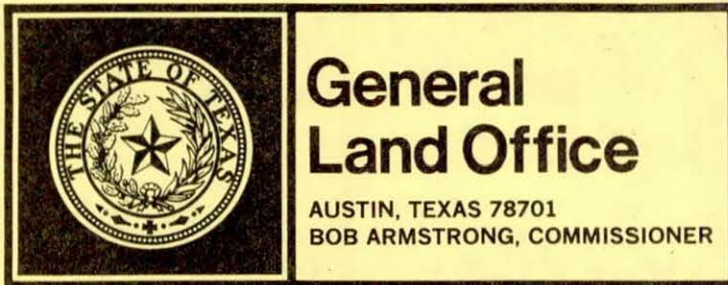


121

61

61 M-56068
Rental Payment
10-14-77





November 2, 1977

Sledge Oil And Gas, Incorporated
Box 1123
Kermit, Texas 79745

RE: State Lease M-56068
Pierce
Ken Regan Field
Reeves County, Texas

Gentlemen:

In accordance with the provisions set forth in our Oil or Gas Lease Form and/or the statutes, we ask that you furnish this office with a copy of the Contract covering gas sales from the above lease.

The Contract is needed by this office in order to conduct an audit of your gas royalty reports and payments.

In addition to furnishing us with a copy of the Contract under which the gas is sold or processed please complete the attached "Gas Contract Brief".

If this Gas Contract covers more than one lease and/or mineral file number, one brief and copy of the contract will be sufficient, but the specific General Land Office lease and/or mineral file number must be noted in the appropriate spaces provided in the Contract Brief.

This information is needed by this office at your earliest convenience.

Sincerely yours,

A handwritten signature in dark ink, which appears to read "Harry T. Finnell". The signature is written in a cursive style with a large, prominent initial "H".

Harry T. Finnell, Supervisor Gas Contracts
Resource Accounting
Telephone No. 512-475-4541
HF/glc
Enclosure

(62)

M. F. 56068

CORRESPONDENCE FILE

To *Sledge Oil & Gas*

From

Dated 11-2-77

CUSTER OIL COMPANY

AUSTIN, TEXAS

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-3 V-4

INVOICE

DATE

NO.

DESCRIPTION

TOTAL
AMOUNT

DEDUCTIONS

DISCOUNT

FREIGHT

NET
AMOUNT

Annual rental November 13, 1978,
to November 13, 1979, on:

State of Texas No. 56068
120 acres, W/2 SE/4,
Se/4 SE/4, Sec. 6, Blk. 56,
T-3, T&P Ry. Co. Survey,
Reeves County, Texas

ck \$12.00

8975

~~122~~
121

③

⑥③ M-56068

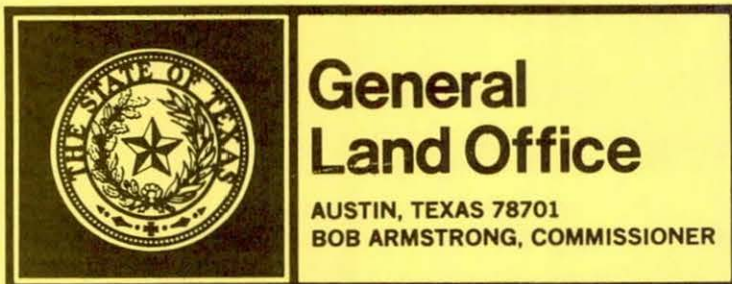
Rental Payment

10-5-78

(59)

(64) M-56068
Rental Payment
10-24-79





December 16, 1980

Custer Oil Company
307 Comet Drive
Austin, Texas 78746

RE: State Lease M-56068
Pt. Sec. 6, Blk. 56 T-3
T & P Survey
Reeves County, Texas

Gentlemen:

Our records show the statutory 10¢ per acre rental in the amount of \$12.00 on the subject lease was due on November 13, 1980.

This minimum rental is due the State although the lease is producing.

At an early date, please forward your check in the amount of \$12.00 to pay the minimum rental due on the subject lease.

Sincerely yours,

A. J. Wallis, Supervisor
Resource Accounting
Telephone No. 512-475-3599

RW/glc

65

M-56068

⑩ Custer Oil

12-16-80 gr

CUSTER OIL COMPANY
AUSTIN, TEXAS

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-3 V-4

INVOICE		DESCRIPTION	TOTAL AMOUNT	DEDUCTIONS		NET AMOUNT
DATE	NO.			DISCOUNT	FREIGHT	
12/18/80		Rental 11/13/80 to 11/13/81 on State of Texas No. 56068 on W/2 SE/4, SE/4 SE/4, Sec. 6, Blk. 56, T-3, T&P Sur., Reeves Co., Texas	\$12.00			

12.00

42048

121

000101

66M-56068

Rental Payment
12-19-80

99

RENTAL RECEIPT

Commissioner, General Land Office
State of Texas
Austin, Tx 78701

Kermit, Texas Oct. 22 19 81
File No. Pierce Lse. M 56068
Check No. #3184

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum
of \$ 12.00

in full payment of the rental, for the period from November 13, 1981 to

November 13, 1982 due under that certain oil and gas lease executed on
, by

in favor of in so far as said lease

covers the following described acreage in the County of Reeves,

State of Texas, to-wit: State of Texas No. 56068
120 Acres, W/2 SE/4, SE/4 SE/4
Sec. 6, Blk. 56, T-3, T&P Survey,
Reeves County, Texas

17294

and recorded in Volume, page,

Records of said county,

This letter is sent to you in triplicate. Kindly execute and return the
original and duplicate to us for our receipt and retain the triplicate for
your files.

Very truly yours, Sledge Oil & Gas, Inc.

By (Mrs.) Jo Sledge

The above described check has this day been received and deposited by
us as above requested.

TO BE RETURNED TO

By Title or position

Date

ORIGINAL

①
6

⑥7 M-56068
Rental Payment
10-24-81

10-24-81

SLEDGE

OIL AND GAS INC.

P.O. Box 1123 Kermit, Texas 79745

Commissioner
General Land Office
Austin, TX 78701



20 42 8

P A Y E E : DETACH THIS STATEMENT BEFORE DEPOSITING

✓ SLEDGE OIL & GAS, INC., KERMIT, TEXAS 79745

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
9/22/1982		Pierce Lse. Rental State Of Texas No. M56068 120 Acres, W/2 SE/4, SE/4 SE/4 Sec. 6, Blk. 56, T-3, T&P Survey, Reeves County, TX Nov. 13, 1982 - Nov. 13, 1983	12.00	09310	12.00

EMPLOYEE'S NAME

✓ SLEDGE OIL & GAS, INC., ✓ KERMIT, TEXAS 79745

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	F.I.C.A.	FED. WITH TAX	STATE WITH TAX	NET EARNINGS PAID
	REG. T. O.T.			121			12.00

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD

RENTAL RECEIPT

Commissioner, General Land Office
State of Texas
Austin, Texas 78701

Kermit, Texas Sept. 22 19 82
File No. Pierce Lse, M 56068
Check No. #3826

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00

in full payment of the rental; for the period from November 13, 1982 to November 13, 1983 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease covers the following described acreage in the County of Reeves,

State of Texas, to-wit: State of Texas No. M 56068
120 Acres, W/2 SE/4, SE/4 SE/4
Sec. 6, Blk. 56, T-3, T&P Survey,
Reeves County, Texas

and recorded in Volume _____, page _____,
Records of said county,

This letter is sent to you in triplicate. Kindly execute and return the original and duplicate to us for our receipt and retain the triplicate for your files.

09310

Very truly yours, Sledge Oil & Gas, Inc.
By (Mrs.) Jo Sledge

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO

By _____
Title or position
Date _____

ORIGINAL

(68) M-56068
Rental Payment
9-25-82



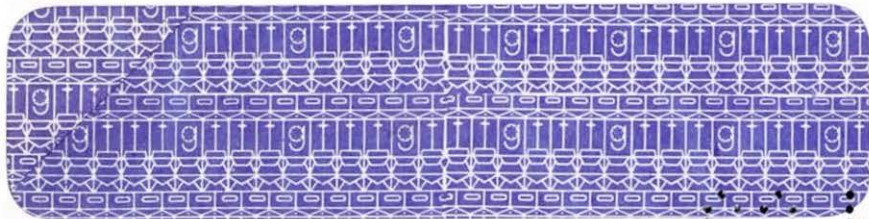
SLEDGE

OIL AND GAS INC.

P.O. Box 1123

Kermit, Texas 79745

STAR RT, W. Hwy 302



254141

RENTAL RECEIPT

Commissioner, General Land Office
State of Texas
Austin, Texas 78701

Kermit, Texas Oct. 10 19 83
 File No. Pierce Lse. M 56068
 Check No. 44372

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00

in full payment of the rental, for the period from November 13, 1983 to November 13, 1984 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease

covers the following described acreage in the County of Reeves,

State of Texas, to-wit: State of Texas No. M 56068
120 Acres, W/2 SE/4, SE/4 SE/4
Sec. 6, Blk. 56, T-3, T&P Survey,
Reeves County, Texas

13045

and recorded in Volume _____, page _____, _____
 Records of said county,

This letter is sent to you in triplicate. Kindly execute and return the original and duplicate to us for our receipt and retain the triplicate for your files.

Very truly yours, Sledge Oil & Gas, Inc.

By (Mrs.) Jo Sledge

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO

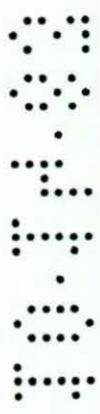
By _____ Title or position

Date _____

ORIGINAL

①69 M-56068
Rental Payment
10-14-83

77061



SLEDGE

OIL AND GAS INC.

Star Rt. W. Hwy. 302 Kermit, TX. 79745

TO: 304

Commissioner,
General Land Office
Austin, Texas 78701



P A Y E E DETACH THIS STATEMENT BEFORE DEPOSITING

SLEDGE OIL AND GAS INC.
KERMIT, TEXAS 79745

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
	#M 56068	Pierce Lse. Rental <i>12/1/62</i>	<i>X</i> 12.00	11453	12.00

EMPLOYEE'S NAME

SLEDGE OIL AND GAS INC.
KERMIT, TEXAS 79745

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	F.I.C.A.	FED. WITH TAX	STATE WITH TAX	NET EARNINGS PAID
	REG. T. O.T.						

DEDUCTIONS

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

RENTAL RECEIPT

Commissioner, General Land Office
State of Texas

Austin, Texas 78701

Kermit, Texas Oct. 1 19 84

File No. Pierce Lee, M 5606C

Check No. #004891

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00 **11453**

in full payment of the rental, for the period from November 13, 1984 to November 13, 1985 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease covers the following described acreage in the County of Reeves, State of Texas, to-wit:

State of Texas No. M 56068
 120 Acres, W/2 SE/4, SE/4 SE/4
 Sec. 6, Blk. 56, T-3, T&P Survey,
 Reeves County, Texas

and recorded in Volume _____, page _____, _____
 Records of said county,

This letter is sent to you in triplicate. Kindly execute and return the original and duplicate to us for our receipt and retain the triplicate for your files.

Very truly yours, Sledge Oil & Gas, Inc.

By Mary Ann Mason
Mary Ann Mason

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO

By _____ Title or position _____

Date _____

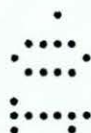
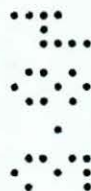
ORIGINAL

(70) M-56068

Rental Payment

10-3-84

11 11 11



RENTAL RECEIPT

Commissioner, General Land Office
State of Texas

SM Austin, Texas 78701

Kermit, Texas Sept. 9 19 85

File No. Pierce Lse. M 56068

Check No. #005302

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum
of \$ 12.00

in full payment of the rental, for the period from November 13, 1985 to

November 13, 1986 due under that certain oil and gas lease executed on

_____ , by _____

in favor of _____ in so far as said lease

covers the following described acreage in the County of Reeves,

State of Texas, to-wit:

State of Texas No. M 56068
120 Acres, W/2 SE/4, Se/4 SE/4
Sec. 6, Blk. 56, T-3, T&P Sur.
Reeves County, Texas

and recorded in Volume _____, page _____,

Records of said county,

This letter is sent to you in triplicate. Kindly execute and return the
original and duplicate to us for our receipt and retain the triplicate for
your files.

Very truly yours, Sledge Oil & Gas, Inc.

By Mary Ann Mason
Mary Ann Mason

The above described check has this day been received and deposited by
us as above requested.

TO BE RETURNED TO

Sledge Oil & Gas, Inc.
Star Rt. West Hwy. 302
Kermit, Texas 79745

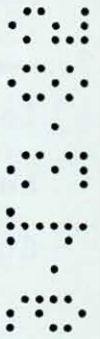
By _____
Title or position

Date _____

71) M-56068

Rental Payment

9-13-85



RENTAL RECEIPT

Commissioner, General Land Office
State Of Texas

Kermit, Texas Oct. 8, 1986

Austin, Texas 78701

File No. Pierce Lse. M 56068

Check No. #5754

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00.

in full payment of the rental, for the period from November 13, 1986 to November 13, 1987 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease covers the following described acreage in the County of Reeves,

State of Texas, to-wit:

State of Texas No. M 56068
120 Acres, W/2 SE/4, Se/4 SE/4
Sec. 6, Blk. 56, T-3, T&P Sur.
Reeves County, Texas

and recorded in Volume _____, page _____, of the Records of said county.

This letter is sent to you in duplicate. Kindly execute and return the original to us for our receipt and retain the duplicate for your files.

Very truly yours, Sledge Oil & Gas, Inc.

By

Mary Ann Mason

Mary Ann Mason

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO:

Sledge Oil & Gas, Inc.
Star Rt. West Hwy. 302
Kermit, Texas 79745

By _____

Title _____

Date _____

93 M-56068
Rental Payment
10-11-86



P A Y E E : DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

SLEDGE OIL AND GAS INC. ✓

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
		State Rental Lse. Pierce # M 56068 Nov. 89 thru Nov. 1990	12.00		
		121		X	90007324 12.00

EMPLOYEE'S NAME

SLEDGE OIL AND GAS INC.

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	F.I.C.A.	FED. WITH. TAX	STATE WITH. TAX				NET EARNINGS PAID
	REG. T. O. T.									

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

RENTAL RECEIPT

Commissioner, General Land Office
State Of Texas

Kermit, Texas Oct. 5, 1989

Austin, Texas 78701

File No Pierce Lse.# M 56068

Check No. 6789

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00 **90007324**

in full payment of the rental, for the period from November 13, 1989 to November 13, 1990 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease covers the

following described acreage in the County of Reeves,

State of Texas, to-wit: State of Texas No. M 56068
120 Acres, W/2 Se/4, Se/4 Se/4
Sec. 6, Blk 56, T-3, T&P Sur.
Reeves County, Texas

and recorded in Volume _____, page _____, of the Records of said county.

This letter is sent to you in duplicate. Kindly execute and return the original to us for our receipt and retain the duplicate for your files.

Very truly yours, Sledge Oil & Gas, Inc.

By

Mary Ann Mason

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO:

Sledge Oil & Gas, Inc.
Star Rt. ~~West Hwy 302~~ Box 286
Kermit, Texas 79745

By _____

Title _____

Date _____

74 111-56068
Rental Payment
10-13-89

P A Y E E : DETACH THIS STATEMENT BEFORE DEPOSITING CHECK

SLEDGE OIL and GAS INC.

1219

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
		Annual rental #M56068 RECEIVED JAN 17		X 92023739	12.00

EMPLOYEE'S NAME

SLEDGE OIL and GAS INC.

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	F.I.C.A.	FED. WITH. TAX	STATE WITH. TAX				NET EARNINGS PAID
	REG. T.									
	O. T.									

VPR

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

RENTAL RECEIPT

92023739

Commissioner, General Land Office
State Of Texas

Kermit, Texas 11/1/1991

Austin, Texas 78701

File No. Prime Lse #M-56068

Check No. 07272

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00.

in full payment of the rental, for the period from 11/13/91
to 11/13/92 due under that certain oil and gas lease executed
on _____, by _____
in favor of _____ in so far as said lease covers the
following described acreage in the County of Reeves,
State of Texas, to-wit:

and recorded in Volume _____, page _____, of the Records of said
county.

This letter is sent to you in duplicate. Kindly execute and re-
turn the original to us for our receipt and retain the duplicate for
your files.

Very truly yours, Sledge Oil & Gas, Inc.

By J. Sledge

The above described check has this day been received and deposited
by us as above requested.

TO BE RETURNED TO:

Sledge Oil & Gas, Inc.
Star Rt. West Hwy. 302
Kermit, Texas 79745

By _____
Title _____

Date _____

RENTAL RECEIPT

92023739

Commissioner, General Land Office
State Of Texas

Kermit, Texas 11/1/1991

Austin, Texas 78701

File No. Pine Lse #M-56068

Check No. 07272

GENTLEMEN:

We are attaching our above numbered check in your favor for the sum of \$ 12.00.

in full payment of the rental, for the period from 11/13/91 to 11/13/92 due under that certain oil and gas lease executed on _____, by _____

in favor of _____ in so far as said lease covers the following described acreage in the County of Reeves, State of Texas, to-wit:

and recorded in Volume _____, page _____, of the Records of said county.

This letter is sent to you in duplicate. Kindly execute and return the original to us for our receipt and retain the duplicate for your files.

Very truly yours, Sledge Oil & Gas, Inc.

By J. Sledge

The above described check has this day been received and deposited by us as above requested.

TO BE RETURNED TO:

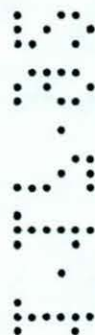
Sledge Oil & Gas, Inc.
Star Rt. West Hwy. 302
Kermit, Texas 79745

By _____

Title _____

Date _____

④ 13-56068
rental payment
08/18/92-17-92





North America Shale Production Division

November 17, 2015

Via FedEx (Trkg #7749 9139 5145)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Re: Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506,
Reeves County, Texas

Dear Mr. Morgan:

Enclosed you will find two (2) signed and notarized originals of Pooling Agreement, BHP Billiton Petroleum Properties (N.A.) LP, State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506, Reeves County, Texas for your further handling.

Please provide BHP Billiton with a fully executed original at your earliest. A return FedEx envelope is enclosed for your convenience. Should you need any additional information, please feel free to contact either John Thompson, Landman, telephone 713-961-8678 or email john.thompson@bhpbilliton.com or Alexis Nix, Landman, telephone 713-871-2232 or email alexis.nix@bhpbilliton.com.

Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosures

21011

76.

File No. M-56068

Ltr. From BHP, County

Date Filed: 11/18/15

George P. Bush, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA158826

Unit Number 7506
Operator Name Bhp Billiton Petroleum Properties (N.A.), LP
Customer ID C000081914
Unit Name State Willie Vee 56-T3-6
County 1 Reeves RRC District 1 08
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest 0.11724272
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 3500 TVD
To Depth 11343 100 feet below the base of the Wolfcamp formation TVD
Well
Formation TopBase of Wolfcamp
Participation Basis Surface Acreage
Effective Date
Unitized For Oil And Gas
Unit Term
Old Unit Number Inactive Status Date

If Excluions Apply: See Remarks

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF056068	1	119.880000	639.630000	0.24997393	0.06250000	0.01562337	No
MF056074	2	119.790000	639.630000	0.24978627	0.06250000	0.01561164	No

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF112678	3	159.990000	639.630000	0.33361136	0.12500000	0.04170142	No
MF112667	4	160.060000	639.630000	0.25023842	0.12500000	0.03127980	No
MF116159	5	79.910000	639.630000	0.16662844	0.25000000	0.04165711	No
API Number	N/A						

Remarks:

Prepared By:

Jim

Prepared Date:

07/14/2015

GLO Base Updated By:

Jim

GLO Base Date:

07/14/2015

RAM Approval By:

Jim

RAM Approval Date:

07/22/2015

GIS By:

Mc

GIS Date:

12-21-15

Well Inventory By:

cmh

WI Date:

7/14/15

Pooling Committee Report

To: School Land Board

UPA158826

Date of Board Meeting: 07/14/2015

Unit Number: 7506

Effective Date:

Unit Expiration Date:

Applicant: BHP Billiton Petroleum Properties (N. A.), LP

Attorney Rep:

Operator: Bhp Billiton Petroleum (TxLa Operating) Company, Houston

Unit Name: State Willie Vee 56-T3-6

Field Name: PHANTOM (WOLF CAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF056068	0.06250000	11/13/1968	5 years	120.000000	119.880000	0.01562337
RAL	MF056074	0.06250000	11/13/1968	5 years	120.000000	119.790000	0.01561164
RAL	MF112667	0.12500000	03/02/2016	5 years	480.000000	160.060000	0.03127980
RAL	MF112678	0.12500000	06/20/2016	5 years	160.000000	159.990000	0.04170142
U Fee	MF116159	0.25000000	01/07/2019	5 years	80.000000	79.910000	0.04165711

Private Acres:	0.000000
State Acres:	639.630000
Total Unit Acres:	639.630000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	11.72%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 4,820 foot lateral (FTP to LTP).

Working File Number: UPA158826

REMARKS:

- BHP Billiton Petroleum Properties (N.A.), LP is requesting permanent oil and gas pooling from 3,500 feet TVD to 11,343 feet TVD as seen on the BHPBTXLA State Tunstill 56-T2-6 #1H well log (42-389-34315) in order to test the Wolfcamp Formation.
- The applicant plans to spud the unit well on July 29, 2015, with a proposed TD of 15,300 feet MD. A 4,820 foot lateral is expected to be drilled.
- With approval of the unit the State's unit royalty participation will be 11.72%.
- The State will participate on a unitized basis from the date of first production.
- The applicant agrees to commence drilling operations on a total of four unit wells or the unit will decrease in size to 160 acres per unit well. The applicant is also requesting that the retained acreage clause in the lease be amended such that all depths terminate below the base of the pooled interval rather than 100 feet below the deepest depth drilled.

POOLING COMMITTEE RECOMMENDATION:

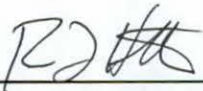
The Pooling Committee recommends Board approval of a permanent oil and gas unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

6/30/15

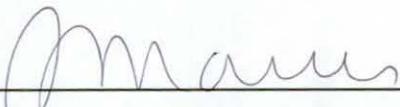
Date



Robert Hatter - General Land Office

6/30/15

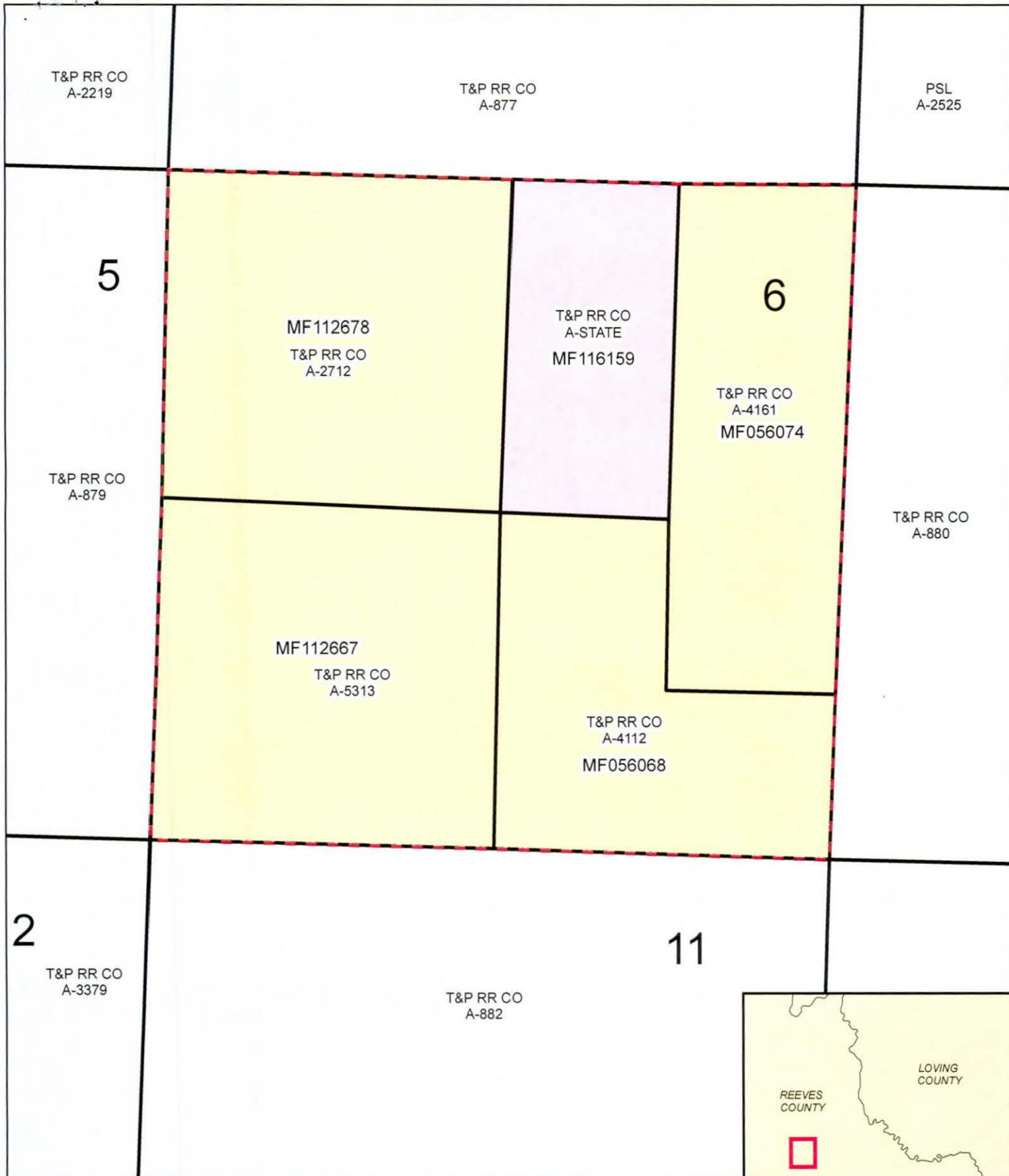
Date



Diane Morris - Office of the Governor

6-30-2015

Date



Unit # 7506
BHP Billiton Petroleum Properties (N.A.) LP.
State Willie Vee 56-T3-6
Phantom (Wolfcamp) field
Reeves County, Texas

1,000 500 0 1,000 Feet



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



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

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WILLIE VEE 56-T3-6 UNIT
GLO UNIT NO. 7506
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and BHP Billiton Petroleum Properties (N.A.), LP, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from 3,500 feet below the surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at 11,443 feet true vertical depth on the electric log of the BHPBTXLA, State Tunstill 56-T2-6 #1H well, API #42-389-34315 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.

- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons. This Paragraph is subject to the provisions of Addendum "A".
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

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

EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of July 14, 2015.

TERM:

9.

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

SPECIAL TERMS AND CONDITIONS:

10.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

STATE LAND:

11.

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

DISSOLUTION:

12.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

13.

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

COUNTERPARTS:

14.

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

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

Date Executed

11/23/15

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]

By:

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

Date Executed 11/16/15

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: Stephen L. Mahanay *AN*
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on 11/16, 2015, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.



Lynn Latilais
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 14th day of July, 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 23rd day of November, 2015.

Stephanie Crenshaw
Secretary of the School Land Board

Addendum "A"

To that certain Pooling Agreement for the STATE WILLIE VEE 56-T3-6 UNIT

The parties hereby agree that should any conflict exist between the terms and provisions in this Addendum, the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the state leases listed on the Exhibit "A" attached hereto, then the terms and provisions of this Addendum shall supersede and control.

1. Lessor grants lessee the right to hold down to 100 feet below the base of the Wolfcamp formation, which is seen at a subsurface depth of 12,757' TVD, such depth being 100 feet below the stratigraphic equivalent of the base of the deepest formation drilled, as seen on the Schlumberger Platform Express, Array Induction, Gamma Ray Wireline log of the Petrohawk Operating Company - State Protection 55-T2-2 #1V, API No. 42-301-31878
2. The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that, on or before March 2, 2016, (the "Trigger Date"), if Lessee has commenced actual drilling operations on one (1) unit well, then Lessee shall have the option to commence actual drilling operations on one (1) additional unit wells on or before March 2, 2019, Lessee shall enter into a sixty (60) day continuous drilling program from the spud of one well to the spud of another, for two (2) additional unit wells.

At such time as Lessee has drilled and completed four (4) unit wells, in accordance with the deadline above, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

Lessee's failure to timely comply with the deadline above shall result in the formation of a "Contracted Pooled Unit" in accordance with the following:

No. of Unit Wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 Unit Well	160 acres, more or less, comprised of the stand-up 160 acre quarter of the pooled unit containing the first unit well.
2 Unit Wells	320 Acres, comprised of a) the stand-up 320 acre half of the section containing the first Unit Well, or b) the two 160 acre stand-up quarters of the section containing each of the 2 Unit Wells, if said wells are not in the same half of the section.
3 Unit Wells	480 Acres, comprised of a) the stand-up 320 acre half of the section containing the first Unit Well and the adjacent stand-up 160 acre quarter of the section, or b) the stand-up 320 acre half of the section containing the first Unit Well and the non-adjacent stand-up 160 acre quarter of the section, if said non-adjacent quarter contains a wellbore c) the three 160 acre stand-up quarters of the section containing each of the 3 Unit Wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 160 acres, more or less, or one fourth of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".

End of Addendum "A"

Exhibit "A"

Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas

Leases In Unit

State Lease #: MF-056068

Lessor: State of Texas, by and through its agents, Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 313-316, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-056074A

Lessor: State of Texas, by and through its agents, K.L. Denton and wife, Leta Denton

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 507-509, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-056074B

Lessor: State of Texas, by and through its agents, Clella Denton Klapproth and husband, Chas. L. Klapproth

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 94-96, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-112678A

Lessor: State of Texas, by and through its agent, Willie Vee Bolinger, widow of William Maurice Bolinger and William Allison Bolinger, husband of Georgia Bolinger

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5569, Volume 894, Page 838, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678B

Lessor: State of Texas, by and through its agent, Alice Bolinger Harlow a/k/a Martea Bolinger Harlow

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5570, Volume 895, Page 01, Official Public Records, Reeves County, Texas

Royalty: 25.00%

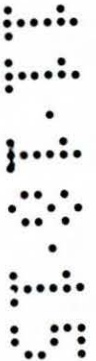


Exhibit "A" (Cont.)

Leases In Unit

State Lease #: MF-112678C

Lessor: State of Texas, by and through its agent, Ann Howard Lambert, wife of Clell Lambert

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5568, Volume 894, Page 827, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678D

Lessor: State of Texas, by and through its agent, Helen Kay Bolinger Aaron Children's Trust, represented herein by Emily Aaron Greene, Trustee

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5572, Volume 895, Page 23, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678E

Lessor: State of Texas, by and through its agent, Clarence W. Bolinger, Jr., husband of Camille Bolinger

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5571, Volume 895, Page 12, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-116159

Lessor: State of Texas

Lessee: BHP Billiton Petroleum Properties (N.A.), LP

Date: 01/07/2014

Recording Info: Recorded at File No. 14-02088, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112667A

Lessor: State of Texas, by and through its agent, B. Leroy Foster and Diane K. Foster, Co-Trustees of the B. Leroy Foster and Diane K. Foster Revocable Trust

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1771, Volume 872, Pages 323-332, Official Public Records, Reeves County, Texas

Royalty: 25.00%

Exhibit "A" (Cont.)

Leases In Unit

State Lease #: MF-112667B

Lessor: State of Texas, by and through its agent, Mary Beth Spellman, Trustee of the Alton B. Foster, Jr. Trust

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1772, Volume 872, Pages 333-342, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112667C

Lessor: State of Texas, by and through its agent, James B. Foster and wife, Helen M. Foster

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1773, Volume 872, Pages 343-352, Official Public Records, Reeves County, Texas

Royalty: 25.00%

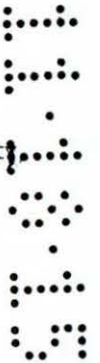


Exhibit "B"

Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas

Description of Lands included in the Pooling Agreement

Tract 1:

The Northwest Quarter (NW/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 2:

The West One-Half of the Northeast One-Quarter (W/2 of NE/4) of Section 6, Block 56, Township 3-S, T&P Ry. Co. Survey, Reeves County, Texas

Tract 3:

The East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 of SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 4:

The West Half of the Southeast Quarter (W/2 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 5:

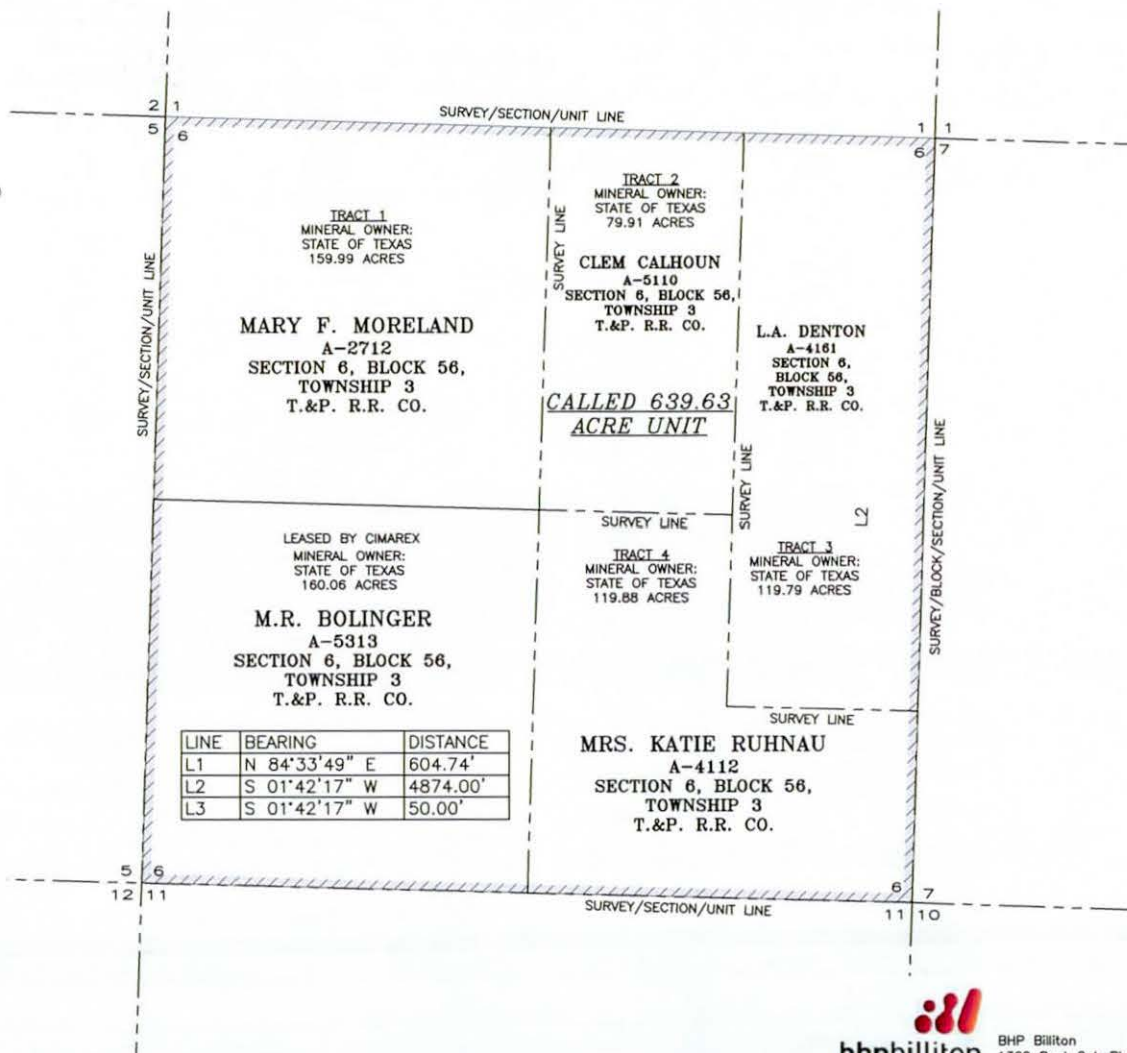
The Southwest Quarter (SW/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas



11.10.15



Exhibit "C"
Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas

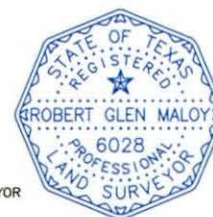


GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 (EPSG 32039) "TEXAS CENTRAL ZONE", AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
2. VERTICAL DATUM IS NAVD 88 (EPSG 5103)
3. COMBINED SCALE FACTOR = 0.999834350
4. GRID NORTH CONVERGENCE ANGLE IS -1°49'01.01856"
5. LATITUDE AND LONGITUDE ARE NAD 27 (EPSG 4267) AS SHOWN
6. AREA, DISTANCES, AND COORDINATES ARE "GRID"
7. UNITS ARE UNITED STATES SURVEY FOOT.
8. 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.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	05/01/15	RP	MAKE PRELIMINARY PLAT
B	05/07/15	RP	REVISE TITLE
C	06/24/15	RP	REVISE UNIT

PLAT OF:

A UNIT PLAT FOR:

BHP BILLITON PET (TXLA OP) CO.

STATE WILLIE VEE 56-T3-6

SITUATED IN THE L.A. DENTON SURVEY, ABSTRACT NO. 4161, SECTION 6, BLOCK 56 TOWNSHIP 3, AND THE MRS. KATIE RUHNAU SURVEY, ABSTRACT NO. 4112, SECTION 6, BLOCK 56, TOWNSHIP 3, IN THE T.&P. R.R. CO. LANDS, LOCATED APPROX. 5.8 MILES SOUTHEAST OF ORLA, IN REEVES COUNTY, TEXAS

bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

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

DATE: 05/07/15
DRAWN BY: RP
CHECKED BY: JK
FIELD CREW: RE/MR
PROJECT NO: 2015020229
SCALE: 1" = 1000'
SHEET: 1 OF 2
REVISION: 0

218111

File No.

M-56068

Pooling Agrmt. Packet # 7506

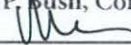
State Wildlife Veg 56-73-6 Unit

Date Filed:

11/24/15

George P. Bush, Commissioner

By



77.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 24, 2015

Ms. Lynn Latiolais, CPLTA
BHP Billiton Petroleum Properties (N.A.), LP
1360 Post Oak Blvd., Suite 2107A
Houston, Texas 77056-3020

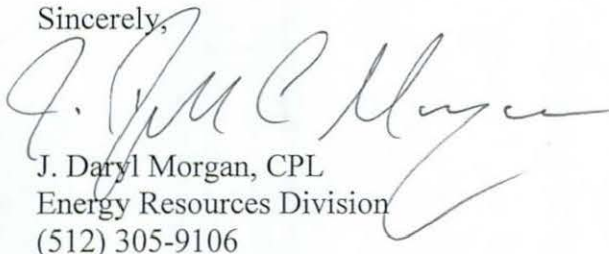
Re: Pooling Agreement
State Willie Vee 56-T3-6 Unit
GLO Unit No. 7506
Reeves County, Texas

Dear Ms. Latiolais:

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

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

Sincerely,



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

Enclosure

78

File No. M-56068

Ltr. to BHP County

Date Filed: 11/24/15

George P. Bush, Commissioner

By [Signature]

August 24, 2015

MF=056068
MF=056074

State of Texas
General Land Office
1700 N. Congress Ave.
Austin, TX 78701

Attn: Carl Bonn

RE: Mineral File #56068

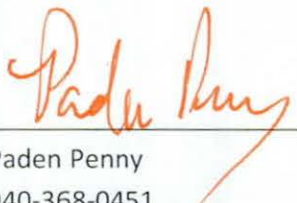
Mr. Bonn:

While BHP Billiton was searching the online scanned files for MF #56068, we noticed that several assignments were missing throughout the history of this file. Considering we have people located in Reeves County we thought we would go ahead and get certified copies of those documents to help shore up the GLO's files. We did find a copy of the base lease and the first two initial assignments with their appropriate Letter of Acceptance; however, we decided to include all the Assignments including those two.

Recently, BHP Billiton has been acquiring the deep rights in this location. Also included are three Assignment of OGLs and two Correction of Assignment of OGLs pertaining to this activity and the associated fees of \$250 (5 x \$50). Please return a Letter of Acceptance for those.

Please give me a call on my cell phone if you have any questions or concerns.

Thanks for the help,



Paden Penny
940-368-0451

Paden Penny
Po Box 533
Pecos, TX 79772

9380

129

TRANSPICOS BANKS
P.O. BOX 2037 • PECOS, TEXAS 79772 • (432) 445-9000

PERSONAL MONEY ORDER

15716396

ING

Aug 24, 2015

45786

\$250.00

Two Hundred Fifty Dollars And 00/100 *****

REMIT TO General Land Office of the State of Texas

MEMO:

MF # 56068



PURCHASER POWERHOUSE PETRO, LP

⑈045786⑈

[Redacted MICR line]

[Redacted MICR line]

File No. MF-056068

Ltr from BHP

Broker Penny

Date Filed: 1-12-16

George P. Bush, Commissioner

By 

12112300

12112300

0.00.12

MF=056068
MF=056074

From: Michael Elender <mrelender@gmail.com>
To: Carl Bonn <Carl.Bonn@glo.texas.gov>
Date: 8/11/2015 11:51 AM
Subject: Re: MF056068 & MF056074

Thanks Carl. We did pull the file from there and found only 6 of the 29 assignments that are of record and concerning the subject leases as having a Letter of Acceptance. We will get the rest of them to you as soon as possible.

On Tue, Aug 11, 2015 at 11:12 AM, Carl Bonn <Carl.Bonn@glo.texas.gov> wrote:

> Michael
> Both of the files are on our website under Land Grants for your review.
> Under Class: "Mineral File"
> Under file # "MF056068" etc
> Let me know if this works.
> Carl
>
> >>> Michael Elender <mrelender@gmail.com> 8/11/2015 10:36 AM >>>
> Thanks Carl. Looks like we will be sending a big check your way. We will
> organize the assignments according the MF# and send in a packet. Should it
> be addressed to you?
>
> On Tue, Aug 11, 2015 at 10:30 AM, Carl Bonn <Carl.Bonn@glo.texas.gov>
> wrote:
>
>> Hello Michael - Forgot to send the TAC rule for your reference.
>>
>> Carl Bonn, CPL
>> Energy Division
>> Texas General Land Office
>> 1700 Congress Austin TX 78701
>> POBox 12873 Austin, TX 78711
>> >Fax(512)475-1543 Off(512)463-5407
>>
>>
>> >>> Michael Elender <mrelender@gmail.com> 8/11/2015 9:37 AM >>>
>> Carl,
>>
>> We are working a curative job covering Section 6, Blk 56 T3, Reeves
>> County. BHP Billiton acquired working interest under the leases in the
>> subject mineral files. Based on the Mineral File available in the online
>> archive, we believe there are several (Approx. 20 or more) assignments that
>> did not get filed by previous owners. Are we required to file those and pay
>> the \$50 per lease fee?
>>
>> Can you tell me which assignments you do have record of being filed under
>> those MF numbers?
>>
>> Thank you for your help.
>>
>> --
>> *Michael R. Elender, CPL*
>> John L. Robertson, Inc. Oil & Gas <<http://johnrobertsoninc.com/>>
>> 500 Spring Hill Drive, Ste 130

>> Spring, Texas 77386
>> Cell: 409-549-2793
>> Fax: 281-719-8647
>> Email: MRElender@gmail.com

>>
>>
>> *THIS EMAIL TRANSMISSION IS INTENDED FOR THE EXCLUSIVE USE OF THE
>> INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED, AND MAY CONTAIN PRIVILEGED
>> AND CONFIDENTIAL INFORMATION THAT IS COVERED BY THE ELECTRONIC
>> COMMUNICATIONS PRIVACY ACT (18 USC §§ 2510-2521). IF YOU ARE NOT THE
>> INTENDED RECIPIENT OR AGENT RESPONSIBLE TO DELIVER THE MESSAGE TO THE
>> INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION,
>> DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF
>> YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR; PLEASE NOTIFY US IMMEDIATELY
>> BY TELEPHONE AND/OR EMAIL AND DELETE THE ORIGINAL MESSAGE. THANK YOU*

>>
>
>
>
> --

> *Michael R. Elender, CPL*
> John L. Robertson, Inc. Oil & Gas <<http://johnrobertsoninc.com/>>
> 500 Spring Hill Drive, Ste 130
> Spring, Texas 77386
> Cell: 409-549-2793
> Fax: 281-719-8647
> Email: MRElender@gmail.com

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> DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF
> YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR; PLEASE NOTIFY US IMMEDIATELY
> BY TELEPHONE AND/OR EMAIL AND DELETE THE ORIGINAL MESSAGE. THANK YOU*

>

--
Michael R. Elender, CPL
John L. Robertson, Inc. Oil & Gas <<http://johnrobertsoninc.com/>>
500 Spring Hill Drive, Ste 130
Spring, Texas 77386
Cell: 409-549-2793
Fax: 281-719-8647
Email: MRElender@gmail.com

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INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED, AND MAY CONTAIN PRIVILEGED

80

File No. MF 056068
condi'1 from BAP Bu. In

Date Filed: 1-12-16

George P. Bush, Commissioner
By 

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally

appeared JOHN WENTWORTH PIERCE, 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 in the capacity therein stated.

Given under my hand and seal of office this 19th day of NOVEMBER, A. D. 19 63Louise M. NowordNotary Public in and for DALLAS County, Texas.

No. 206 World Printing & Stationery Co., Houston, Texas

Filed for Record on the 2nd day of January, A.D. 1964at 2:00 o'clock P. M. Duly Recorded this the 7th day of JanuaryA.D. 1964 at 4:30 o'clock P. M.ESTELLE CLINTON, County Clerk
Reeves County, Texas.By Billie L. Farnum Deputy

FILE NO. 19

R. PAUL RICKER TO OK OIL COMPANY

MFO56068

Assignment of Oil and Gas Lease

WHEREAS, on the 13th day of November 1963, a certain oil and gas mining lease was made and entered into by and between Willia Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.; individually and as agent for the State of Texas, Lessor

and R. Paul Ricker, Lessee

covering the following described land in the County of _____ and State of Texas, to-wit:

All of the West Half (W/2) of the Southeast Quarter (SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township Three, T&P RR Co. Survey, Abstract Number 4161,

containing 120 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 R. Paul Ricker, whose marital status has not changed since acquiring this interest.

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 ~~HEREBY CONVEYED~~

together with all personal property used or obtained in connection therewith to OK Oil Company, a corporation, and its ~~successors~~ successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, do es covenant with the said assignee its ~~successors~~ successors, or assigns, that R. Paul Ricker

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 ha signed this instrument this 12th day of December, 19 63

R. Paul Ricker

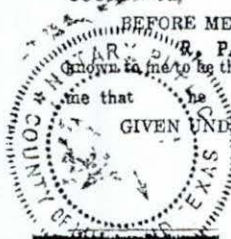
eff 12-12-63

R. Paul Ricker
to
OK oil Co
Assignee



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

SINGLE ACKNOWLEDGMENT

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 PAUL RICKER, 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 12th day of December, A.D. 19 63

(L.S.)

Notary Public in and for

Midland

County, Texas

Filed for Record on the 2nd day of January, A.D. 1964

at 2:00 o'clock P. M. Duly Recorded this the 7th day of January

A.D. 1964 at 4:30 o'clock P. M.

ESTELLE CLINTON, County Clerk
Reeves County, Texas.

By Dillon J. Anderson Deputy

FILE NO. 69

B. T. BIGGS, JR. TO JERRY COVINGTON, ET AL

MINERAL DEED

THE STATE OF TEXAS

COUNTIES

~~of~~ of REEVES AND CULBERSON

Know All Men by These Presents:

THAT B. T. BIGGS, JR., whose marital status has not changed since acquiring the hereinafter described property,

of Pecos, Texas

GIVE EXACT POST OFFICE ADDRESS

hereinafter called Grantor (whether one or more) for and in consideration

of the sum of Ten and No/100 DOLLARS (\$ 10.00)

cash in hand paid and other good and valuable considerations, the receipt of which is hereby acknowledged, do as hereby

grant, bargain, sell, convey, transfer, assign and deliver unto JERRY COVINGTON AND J. T. CRIM

of Midland, Texas

GIVE EXACT POST OFFICE ADDRESS

hereinafter

called Grantee (whether one or more), the undivided interests hereinbelow set forth in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands situated in Reeves and Culberson Counties, Texas, to-wit:

REEVES COUNTY

in and

Tract 1: One-sixth (1/6) of 13451/38400 of all the minerals/under the West 440 acres of a tract of land comprised of Section 65, S.F. 8012, and Section 67, S.F. 8014, W. M. Holder Survey, which 440 acre tract is fully described by metes and bounds in that certain mineral deed from B. T. Biggs to Les Monroe dated October 19, 1932, recorded in Volume 76, page 401, Deed Records of Reeves County, Texas, to which reference is here made for all purposes.

Tract 2: One-sixth (1/6) of 772/2048 of all the minerals in and under all of Section 65, S.F. 8012; all of Section 66, S.F. 8013; and all of Section 67, S.F. 8014, W.M. Holder Survey, containing 1980.52 acres, more or less; SAVE AND EXCEPT Tract No. 1 hereinabove described.

REEVES AND CULBERSON COUNTIES

Tract 3: One-sixth (1/6) of 13451/38400 of the oil, gas and other hydrocarbons in and under Sections 1 and 2, Block 112, PSL Survey, containing 1182.33 acres, more or less.

CULBERSON COUNTY

Tract 4: One-sixth (1/6) of 13376/38400 of the oil, gas and other hydrocarbons in and under Sections 3 and 4, Block 112, PSL Survey, containing 1184.99 acres, more or less.

Tract 5: One-sixth (1/6) of 14400/38400 of the oil, gas and other hydrocarbons in and under Sections 5 and 6, Block 112, PSL Survey, containing 1341.48 acres, more or less.

Tract 6: Three-forty eighths (3/48) of all minerals except oil and gas in and under Sections 4, 5 and 6, Block 112, PSL Survey, containing 1934.31 acres, more or less.



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

87

21.02.0

File No. MF056068
Ask from Ricker to
OK O&I

Date Filed: 1-12-16

By George P. Bush, Commissioner *CB*

ORIGINAL LISTED IN
COLLA OF
JAN 15 1916



CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 1/12/16 File # 19 Vol. 236 Page 316



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]* Deputy

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 Donald M. Oliver, President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said OK Oil Company, a corporation and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of May, A.D. 1964.



Velma Flannery (Velma Flannery)
Notary Public in and for Midland County, Texas

Filed for Record on the 28th day of May, A.D. 1964
at 8:30 o'clock A. M. Duly Recorded this the 2nd day of June
A.D. 1964 at 11:30 o'clock A. M.

By Lillian Jo Freeman Deputy

ESTELLE CLINTON, County Clerk,
Reeves County, Texas.

FILE NO. 3066

OK OIL COMPANY TO PATOIL CORPORATION

ASSIGNMENT OF OIL AND GAS LEASE

WHEREAS, on the 13th day of November, 1963, a certain oil and gas mining lease was made and entered into by and between Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.; individually and as agent for the State of Texas, Lessor, and R. Paul Ricker, Lessee, covering the following described land in the County of Reeves and State of Texas, to-wit:

All of the West Half (W/2) of the Southeast Quarter (SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township Three, T&P RR Co. Survey, Abstract Number 4161, containing 120 acres, more or less.

Said lease being recorded in the office of the County Clerk in and for said County in book 236, pages 316-317, and Whereas, The said lease and all rights thereunder or incident thereto are now owned by OK Oil Company, a corporation.

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 an undivided one-fourth (1/4) interest in and to said lease and rights thereunder to PatOil Corporation and its successors and assigns.

And for the same consideration, the undersigned for itself and its successors and representatives, does covenant with the said assignee its successors, or assigns, that OK Oil Company, a corporation, 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

MF 056068
eff 5-15-64

MF 056068

Assigner

Assignor
OK Oil to



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REEVES COUNTY
CLERKS OFFICE

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 in-

strument on this 15th day of May, 1964.



OK Oil Company, a corporation

by: Donald M. Oliver
Donald M. Oliver, President

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 Donald M. Oliver, President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said OK Oil Company, a corporation and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of May, A.D. 1964.

(Seal)

Velma Flannery (Velma Flannery)
Notary Public in and for Midland County, Texas

Filed for Record on the 28th day of May, A.D. 1964

at 8:30 o'clock A. M. Duly Recorded this the 2nd day of June
A.D. 1964 at 11:30 o'clock A. M.

ESTELLE CLINTON, County Clerk,
Reeves County, Texas.

By Billy Jo Lissman Deputy

FILE NO. 3067

OK OIL COMPANY TO PATOIL CORPORATION

Assignment of Oil and Gas Lease

WHEREAS, on the 3rd day of June 19 47, a certain oil and gas mining lease was made and entered into by and between A. W. Norcop

and Mid-Continent Petroleum Corporation, Lessor
covering the following described land in the County of Reeves and State of Texas, to-wit:

AMONG OTHER LANDS: The W/2 of the N/2 of Section 10, Certificate 5156, Block 56, Township 3, T&P Ry. Co. Survey

Said lease being recorded in the office of the County Clerk in and for said County in book 113 page 524, and

Whereas, The said lease and all rights thereunder or incident thereto are now owned by
OK Oil Company, a corporation

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 an undivided one-fourth (1/4) interest in and to said lease and rights thereunder in so far as it covers the

W/2 of the N/2 of Section 10, Certificate 5156, Block 56, Township 3, T&P Ry. Co. Survey

(This assignment is subject to all conditions set out in the "Sublease Operating Agreement" from Sunray DX Oil Company, a Delaware corporation to OK Oil Company and dated the 20th day of March, 1964)



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REEVES COUNTY
CLERKS OFFICE

21.02.0

File No. MF 056068

ASSN from Pickle
to OK oil

Date Filed: 1-12-16

George P. Bush, Commissioner

By _____

(81)

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 6/2/14 File # 3066 Vol. 238 Page 532



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Kathy Yates, Deputy

CITY OF DALLAS
RECEIVED
OFFICE OF THE
CLERK OF COURTS
JAN 12 2016

FILE NO. 2132

O. K. OIL COMPANY TO BETHOL CORPORATION

MF056068
eff 3-28-68

ASSIGNMENT

STATE OF TEXAS)
COUNTY OF REEVES)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS by instrument dated March 28, 1968, and entitled "General Conveyance, Bill of Sale and Assignment O. K. OIL COMPANY, a TEXAS corporation (hereinafter called "Grantor") conveyed and assigned to Bethol Corporation, a Texas corporation (hereinafter called "Grantee") all properties and assets of Grantor of every kind and character and wherever located, covenanting therein to execute to Grantee such other conveyances or instruments as may be necessary to more fully reflect the ownership in Grantee of all such properties and assets; and

WHEREAS under said General Conveyance, Bill of Sale and Assignment Grantor conveyed the oil, gas and mineral properties and interests described in Exhibit A attached hereto and made a part hereof by specific reference (hereinafter called the "Properties") but further desires to transfer title to, and evidence ownership of the Properties in, Grantee by execution of this Assignment relating specifically thereto.

NOW THEREFORE Grantor in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign and deliver unto Grantee all right, title and interest of Grantor in and to the Properties, together with all other rights, powers and privileges and personal property of Grantor including, when applicable, the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals, and storing, handling transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.



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REEVES COUNTY
CLERKS OFFICE

TO HAVE AND TO HOLD the Properties with all and singular the rights, privileges, and appurtenances thereunto or in any wise belonging to the said Grantee herein, its successors and assigns forever.

This Assignment shall be effective from and after March 28, 1968, at 7:00 o'clock a.m.

EXECUTED this 18th day of June, 1968.

RECEIVED



O. K. OIL COMPANY

By John P. Castleman, Jr.

STATE OF TEXAS)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared John P. Castleman, Jr., President of O. K. Oil Company, 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 for the purposes and consideration therein expressed, and in the capacity therein stated as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of June, 1968.



Shirley Sims
NOTARY PUBLIC in and for
Dallas County, Texas



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

EXHIBIT A TO CONVEYANCE FROM O. K. OIL COMPANY
TO BETHOL CORPORATION

- A. The oil, gas and mineral leases hereinafter described by the name to which the lease is commonly referred, the name of the lessor, the date and the recording reference in the Oil, Gas and Mineral Lease Records of Loving County, Texas as follows, to-wit:

Common Name of the Lease	Name of Lessor	Date	Recording Reference	
			Volume	Page
1. Oliver Lease	Roberta M. Regan et al	October 7, 1964	25	241
2. Johnson Lease	W. D. Johnson, Jr., et al	May 8, 1959	16	261
3. Johnson Estate Lease	Arthur M. Clayton et al	February 20, 1964	24	159

- B. The oil, gas and mineral leases hereinafter described by the name to which the lease is commonly referred, the name of the lessor, the date and the recording reference in the Deed Records of Reeves County, Texas as follows, to-wit:

Common Name of the Lease	Name of Lessor	Date	Recording Reference	
			Volume	Page
1. Klaproth-Denton Lease	Mrs. Cella Denton Klaproth et al	November 13, 1963	236	97
2. Klaproth-Denton Lease	K. L. Denton et al	November 13, 1963	236	510
3. Pierce Lease	Willa Louise Pierce et al	November 13, 1963	236	313
4. Dudley Lease (as amended by instrument dated June 1, 1965, recorded in Vol. 248, p. 366)	H. K. Dudley et ux	February 15, 1965	246	240
5. State Lease No. 56288	State of Texas	May 5, 1964	238	520
6. "BP" Lease	Geo. C. Fraser et al	November 22, 1949	128	64
7. A. W. Norcup Lease	A. W. Norcup et al	June 3, 1947	113	524

MF056068

Filed for record on the 20th day of June A.D. 1968 at 1:00

P. M. Duly recorded on the 27th day of June A.D. 1968 at 9:00A. M

By Linne Jo Sumner Deputy

ESTELLE CLINTON, County Clerk,
Reeves County, Texas



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REEVES COUNTY
CLERKS OFFICE

21:02:00

File No. MF056068
Ass from OK Oil to Potom
Date Filed: _____
By George P. Bush, Commissioner



CERTIFICATE OF RECORD

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

Date Filed _____ File # 2132 Vol 216 Page 725



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
By: Myra Andrade Deputy

FILE NO. 1132

BETHOL CORPORATION TO KATEX OIL COMPANY

ASSIGNMENT OF OIL & GAS PROPERTIES

STATE OF TEXAS

COUNTY OF REEVES

KNOW ALL MEN BY THESE PRESENTS:

By instrument dated March 31, 1970, entitled "General Conveyance, Bill of Sale and Assignment, Bethol Corporation, a Texas corporation (hereinafter called "Grantor") conveyed and assigned to Katex Oil Company, a Texas corporation (hereinafter called "Grantee") substantially all of the properties and assets of Grantor, covenanting therein to execute and deliver to Grantee such supplemental assignments, conveyances and transfers of specific properties as may be reasonably requested by Grantee.

NOW THEREFORE, Grantor, for a good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey and assign unto Grantee the oil and gas leases and leasehold estates and interests therein and other oil and gas properties described in or referred to in Exhibit A attached hereto and made a part hereof, together with all of Grantor's interest in machinery, equipment and personal property located upon or used in connection with the properties described in or referred to in Exhibit A and all other rights, interests, powers and privileges pertaining thereto.

TO HAVE AND TO HOLD, all and singular, the properties described in Exhibit A unto Grantee, its successors and assigns forever; and Grantor does hereby agree to warrant and defend the same against the claims and demands of all persons whomsoever lawfully claiming or to claim the same, or any part thereof, by, through and under Grantor, but not otherwise.

This Assignment shall be effective for all purposes as of the close of business on March 31, 1970.

EXECUTED this 31st day of March, 1970.

ATTEST:

Thomas C. Carlson,
Secretary

BETHOL CORPORATION

By John P. Castleman, Jr., President

THE STATE OF TEXAS)
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared JOHN P. CASTLEMAN, JR., President of Bethol Corporation, a Texas corporation, personally known to me to be the same and identical person and officer who subscribed the name of the maker thereof to the foregoing instrument as its President, and acknowledged to me that the same was the act and deed of said corporation, and that he executed the same for and on behalf of, and as the act and deed of said corporation for the uses, purposes and consideration therein expressed and in the capacity therein stated as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation.

GIVEN under my hand and Seal of office this 31st day of March, 1970.

My commission expires
June 1, 1971.

Lorene Chancey
Notary Public in and for Dallas County,
Texas
LORENE CHANCEY, Notary Public
in and for Dallas County, Texas



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

E X H I B I T "A"

AN UNDIVIDED THREE-FOURTHS (3/4) INTEREST IN AND TO THE FOLLOWING:

- (1) Oil and Gas Lease dated November 13, 1963, from Willa Louise Pierce, et al, as lessor, to R. Paul Ricker, as lessee, recorded in Volume 236, Page 313, Deed Records, Reeves County, Texas, covering

All of the West Half of the Southeast Quarter (W/2 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township 3, T & P Ry. Co. Survey, Abstract No. 4161.

- (2) Oil and Gas Lease dated November 22, 1949, from George C. Fraser, et al, as lessor, to Gulf Oil Corporation, as lessee, recorded in Volume 128, Page 64, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

West Half of the Southwest Quarter (W/2 SW/4) of Section 7, Block 56, Township 3, T & P Ry. Company Survey, Reeves County, Texas, from the surface to a depth of 100 feet below the deepest depth drilled, not to exceed 3,550 feet beneath the surface,

subject to a proportionate part of an overriding royalty of 1/8 of 8/8.

- (3) Oil and Gas Lease dated June 3, 1947, from A. W. Norcop, a single man, as lessor, to Mid-Continent Petroleum Corporation, as lessee, recorded in Volume 113, Page 524, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

- (a) East Half of the North Half (E/2 N/2) of Section 10, Block 56, Township 3, T & P Ry. Co. Survey, Reeves County, Texas, from surface to 3,487 feet, and
- (b) West Half of the North Half (W/2 N/2) of Section 10, Block 56, Township 3, T & P Ry. Co. Survey, Reeves County, Texas, from surface to 3,500 feet,

subject to a proportionate part of an overriding royalty of 1/16 of 8/8 on Tract (a), and

subject to a proportionate part of an overriding royalty of 1/16 of 7/8 on Tract (b).



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CLERKS OFFICE

- (4) An overriding royalty of 1/16 of 8/8 of all oil, gas, casinghead gas, and other hydrocarbon substances that may be produced, saved and marketed from the following described lands pursuant to the following described Oil and Gas Leases, to-wit:

Lessor: K. L. Denton and wife, Leta Denton
 Lessee: R. Paul Ricker
 Date: November 13, 1963
 Recorded: Volume 236, Page 507
 Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Abstract Number 4161

Lessor: Mrs. Clella Denton Klapproth and husband,
 Chas. L. Klapproth
 Lessee: R. Paul Ricker
 Date: November 13, 1963
 Recorded: Volume 236, Page 94
 Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Company Survey, Abstract Number 4161

and being the overriding royalty interest which was reserved by Bethol Corporation, et al, in Assignment of Oil and Gas Leases to Big State Tool Company, dated February 13, 1969, recorded in Volume 283, Page 703, O&GL Records, Reeves County, Texas.

Filed for record on the 16th day of April A.D. 1970 at 1:00 P.M.

Duly recorded on the 23rd day of April A.D. 1970 at 9:00 A.M.

By Bruce J. Freeman Deputy

ESTELLE CLINTON, County Clerk,
 Reeves County, Texas



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 REEVES COUNTY
 CLERKS OFFICE

21020

File No. MF056068

Assn from Bethel to
Kotex

Date Filed: 1-12-16

George P. Bush, Commissioner

By GPB

CLERK OF COURT
COUNTY OF REEVES
TEXAS



CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 1/13/16 File # 1132 Vol. 789 Page 789



DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS
By: Dianne Flores, Deputy

THE STATE OF TEXAS)

COUNTY OF REEVES)

BEFORE ME, the undersigned authority, on this day personally appeared WALTER P. PRUITT, who being by me first duly sworn upon his oath did state:

I am the duly elected, qualified and acting Secretary of ProChemco Oil and Gas, Inc., a Texas corporation. By charter amendment filed in the Office of the Secretary of State on June 1, 1970, the name of Katex Oil Company was changed to ProChemco Oil and Gas, Inc. This affidavit is executed for the purpose of reflecting of record such change of corporate name and the fact that the name "Katex Oil Company" has been changed to "ProChemco Oil and Gas, Inc."

Further affiant saith not.

EXECUTED this 14th day of August, 1970.

Walter P. Pruitt
Walter P. Pruitt

SUBSCRIBED AND SWORN TO before me, the undersigned authority, by the said WALTER P. PRUITT, this 14th day of August, 1970.

Kanette Pratt
Notary Public, Potter County, Texas

THE STATE OF TEXAS)

COUNTY OF POTTER)

BEFORE ME, the undersigned authority in and for said county, Texas, on this day personally appeared WALTER P. PRUITT, 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 14th day of August, A.D. 1970.

Kanette Pratt
Notary Public, Potter County, Texas

My Commission expires:
June 1, 1971

Filed for record on the 8th day of Sept. A.D. 1970 at 8:30A. M

Duly recorded on the 10th day of Sept. A.D. 1970 at 9:00A. M

By Billion [Signature] Deputy

ESTELLE CLINTON, County Clerk,
Reeves County, Texas



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REEVES COUNTY
CLERKS OFFICE

84

21.02.08

File No. MF 056068
Affidavit Name A
Katex ~~Pro~~ Chemlo
Date Filed: 1-12-16
George P. Bush, Commissioner
By [Signature]

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 1-12-16 File # 2765 Vol 294 Page 319



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature] Deputy

MF 056068 ✓

MF 056074

MF 056074 A

eff 1-1-73

FILE NO. 638 PROCHEMCO OIL & GAS, INC. TO PETRO-SEARCH EXPLORATION CORP., ET AL

ASSIGNMENT OF OIL AND GAS PROPERTIES

STATE OF TEXAS)

) KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF REEVES)

THAT, PROCHEMCO OIL AND GAS, INC., a Texas corporation, (herein called "Grantor"), for and in consideration of the sum of Ten (\$10.00) Dollars, and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey and assign unto PETRO-SEARCH EXPLORATION CORPORATION, a Delaware corporation, and HANOVER MANAGEMENT COMPANY, a Texas corporation, (herein called "Grantees"), in the proportion of 85% to PETRO-SEARCH EXPLORATION CORPORATION and 15% to HANOVER MANAGEMENT COMPANY, the oil and gas leases and leasehold estates and interests therein, and all other oil and gas properties described in or referred to in Exhibit A attached hereto and made a part hereof, together with,

(a) All of Grantor's interest in equipment and personal property and fixtures in, on and under the properties described in Exhibit A which are used in connection with oil, gas or mineral operations thereon or thereunder, held for use in connection therewith or servicing the same, including, without limitation, all oil wells, gas wells, injection wells, tanks, pumps, pipe lines, flow lines, water lines, buildings, machinery and other facilities, and

(b) All of Grantor's right, title and interest in, to or under or derived from unitization, pooling and operating agreements and the units created thereby, insofar as the same cover or relate to the properties described in Exhibit A, and

(c) All of Grantor's right, title and interest in, to and under or derived from any sales, purchase and processing contracts and agreements, insofar as the same relate to the properties described in Exhibit A from and after the effective date set forth below,



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including, without limitation, all permits, franchises, licenses, surface leases, servitudes, easements and rights-of-way relating to such properties.

TO HAVE AND TO HOLD, all and singular, the properties described above unto Grantees, their successors and assigns forever; and Grantor hereby warrants and agrees to defend the same against the claims and demands of all persons whomsoever lawfully claiming or to claim the same, or any part thereof, by, through and under Grantor, but not otherwise.

Grantees are fully substituted and subrogated to the rights of Grantor under warranties of title made by others.

This Assignment shall be effective for all purposes as of 7:00 a.m., January 1, 1973.

EXECUTED this 14th day of February, 1973.

PROCHEMCO OIL AND GAS, INC.

By

A. E. Fitkin, President



STATE OF COLORADO)

CITY AND COUNTY OF DENVER)

SS:

BEFORE ME, BRENDA T. CARMEL, Notary Public in and for said county and state personally appeared A. E. Fitkin, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the President of ProChemco Oil and Gas, Inc., a corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, and as the act of said corporation.

GIVEN under my hand and Seal of Office this 14th day of February, 1973.

Brenda T. Carmel
Notary Public



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REEVES COUNTY
CLERKS OFFICE

E X H I B I T "A"

PIERCE

AN UNDIVIDED THREE-FOURTHS (3/4) INTEREST IN AND TO THE FOLLOWING:

- (1) Oil and Gas Lease dated November 13, 1963, from Willa Louise Pierce, et al, as lessor, to R. Paul Ricker, as lessee, recorded in Volume 236, Page 313, Deed Records, Reeves County, Texas, covering

All of the West Half of the Southeast Quarter (W/2 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township 3, T & P Ry. Co. Survey, Abstract No. 4161.

M-056068

TXL - BP

NET REVENUE INTEREST .6562500

- (2) Oil and Gas Lease dated November 22, 1949, from George C. Fraser, et al, as lessor, to Gulf Oil Corporation, as lessee, recorded in Volume 128, Page 64, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

West Half of the Southwest Quarter (W/2 SW/4) of Section 7, Block 56, Township 3, T & P Ry. Company Survey, Reeves County, Texas, from the surface to a depth of 100 feet below the deepest depth drilled, not to exceed 3,550 feet beneath the surface,

subject to a proportionate part of an overriding royalty of 1/8 of 8/8.

NORCOP DX

NET REVENUE INTEREST .5625000

- (3) Oil and Gas Lease dated June 3, 1947, from A. W. Norcop, a single man, as lessor, to Mid-Continent Petroleum Corporation, as lessee, recorded in Volume 113, Page 524, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

- (a) East Half of the North Half (E/2 N/2) of Section 10, Block 56, Township 3, T & P Ry. Co. Survey, Reeves County, Texas, from surface to 3,487 feet, and
- (b) West Half of the North Half (W/2 N/2) of Section 10, Block 56, Township 3, T & P Ry. Co. Survey, Reeves County, Texas, from surface to 3,500 feet,

subject to a proportionate part of an overriding royalty of 1/16 of 8/8 on Tract (a), and

subject to a proportionate part of an overriding royalty of 1/16 of 7/8 on Tract (b).

NET REVENUE INTEREST .6152344



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REEVES COUNTY
CLERKS OFFICE

- (4) An overriding royalty of 1/16 of 8/8 of all oil, gas, casinghead gas, and other hydrocarbon substances that may be produced, saved and marketed from the following described lands pursuant to the following described Oil and Gas Leases, to-wit:

Lessor: K. L. Denton and wife, Leta Denton
 Lessee: R. Paul Ricker
 Date: November 13, 1963
 Recorded: Volume 236, Page 507
 Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Abstract Number 4161

Lessor: Mrs. Clella Denton Klapproth and husband, Chas. L. Klapproth
 Lessee: R. Paul Ricker
 Date: November 13, 1963
 Recorded: Volume 236, Page 94
 Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Company Survey, Abstract Number 4161

Net Revenue Interest .0462750

and being the overriding royalty interest which was reserved by Bethol Corporation, et al, in Assignment of Oil and Gas Leases to Big State Tool Company, dated February 13, 1969, recorded in Volume 283, Page 703, O&GL Records, Reeves County, Texas, together with all Grantor's rights, titles and interests in said lands and leases not conveyed by said Assignment.

Filed for record on the 15th day of February, A.D. 1973 at 1:00P. M

Duly recorded on the 22nd day of February A.D. 1973 at 9:00A. M

By Bessie Jo Leonard Deputy

ESTELLE CLINTON, County Clerk,
 Reeves County, Texas



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 REEVES COUNTY
 CLERKS OFFICE

85

21320

File No. MF 056068
Ass from Prochen co to
Perm Leach
Date Filed: 1-12-16
George P. Bush, Commissioner
By CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES, }

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

Date Filed 1-3-16 File # 1038 Vol 317 Page 786



DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS
By Leyra Miranda Deputy

WI-MF056068 ✓
OKZ MF056074
MF056074-A

FILE NO. 639 PETRO-SEARCH EXPLORATION CORP., ET AL TO CUSTER OIL COMPANY

ASSIGNMENT OF OIL AND GAS PROPERTIES

eff 1-1-73

STATE OF TEXAS)
COUNTY OF REEVES)

Petro-Search Exploration Corporation, a Delaware corporation, and Hanover Management Company, a Texas corporation, (herein called "Grantor"), each acting herein by and through its officers duly authorized hereunto, for and in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, do hereby grant, bargain, sell, convey and assign unto CUSTER OIL COMPANY, a Texas corporation, whose business and mailing address is 307 Comet Drive, Austin, Texas 78746, the oil and gas leases and leasehold estates and interests therein, and all other oil and gas properties described in or referred to in Exhibit A attached hereto and made a part hereof, together with,

(a) All of Grantor's interest in equipment and personal property and fixtures in, on and under the properties described in Exhibit A which are used in connection with oil, gas or mineral operations thereon or thereunder, held for use in connection therewith or servicing the same, including, without limitation, all oil wells, gas wells, injection wells, tanks, pumps, pipe lines, flow lines, water lines, buildings, machinery and other facilities, and

(b) All of Grantor's right, title and interest in, to or under or derived from unitization, pooling and operating agreements and the units created thereby, insofar as the same cover or relate to the properties described in Exhibit A, and

(c) All of Grantor's right, title and interest in, to and under or derived from any sales, purchase and processing contracts and agreements, insofar as the same relate to the properties described in Exhibit A from and after the effective date set forth below, including, without limitation, all permits, franchises, licenses,



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CLERKS OFFICE

surface leases, servitudes, easements and rights-of-way relating to such properties.

TO HAVE AND TO HOLD, all and singular, the properties described above unto Custer Oil Company, its successors and assigns forever; and Grantor, each for itself, does hereby jointly and severally agree to warrant and defend the same against the claims and demands of all persons whomsoever lawfully claiming or to claim the same, or any part thereof, by, through and under Grantor, but not otherwise.

Grantees are fully substituted and subrogated to the rights of Grantor under warranties of title made by others.

Witness the execution hereof this 14th day of February, 1973, effective for all purposes January 1, 1973, at 7:00 a.m.

PETRO-SEARCH EXPLORATION CORPORATION

By: [Signature]

officer

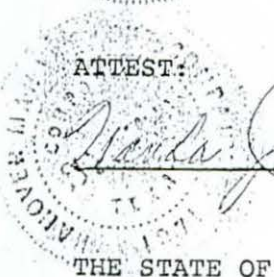


[Signature]
Secretary

HANOVER MANAGEMENT COMPANY

By: [Signature]

officer



[Signature]
Secretary

THE STATE OF COLORADO)
DENVER
COUNTY OF ARAPAHOE)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, 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 the same was the act of the said Petro-Search Exploration Corp., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 14th day of February, 1973.



[Signature]
Notary Public in and for
Arapahoe County, Colorado
DENVER



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REEVES COUNTY
CLERKS OFFICE

THE STATE OF COLORADO)
COUNTY OF Denver ARAPAHOE)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Thomas C. Carson known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hanover Management Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 14th day of February, 1973.



Shirley M. McNeer
Notary Public in and for
Arapahoe County, Colorado
Denver

EXHIBIT "A"

PIERCE

AN UNDIVIDED THREE-FOURTHS (3/4) INTEREST IN AND TO THE FOLLOWING:

- (1) Oil and Gas Lease dated November 13, 1963, from Willa Louise Pierce, et al, as lessor, to R. Paul Ricker, as lessee, recorded in Volume 236, Page 313, Deed Records, Reeves County, Texas, covering

All of the West Half of the Southeast Quarter (W/2 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township 3, T & P Ry. Co. Survey, Abstract No. 4161.

NET REVENUE INTEREST .6562500

TXL - BP

- (2) Oil and Gas Lease dated November 22, 1949, from George C. Fraser, et al, as lessor, to Gulf Oil Corporation, as lessee, recorded in Volume 128, Page 64, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

West Half of the Southwest Quarter (W/2 SW/4) of Section 7, Block 56, Township 3, T & P Ry. Company Survey, Reeves County, Texas, from the surface to a depth of 100 feet below the deepest depth drilled, not to exceed 3,550 feet beneath the surface,

subject to a proportionate part of an overriding royalty of 1/8 of 8/8.

NET REVENUE INTEREST .5625000

NORCOP DX

- (3) Oil and Gas Lease dated June 3, 1947, from A. W. Norcop, a single man, as lessor, to Mid-Continent Petroleum Corporation, as lessee, recorded in Volume 113, Page 524, Deed Records, Reeves County, Texas, insofar as said lease covers the following:

- (a) East Half of the North Half (E/2 N/2) of Section 10, Block 56, Township 3, T & P Ry. Co. Survey, Reeves County, Texas, from surface to 3,487 feet, and



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(b) West Half of the North Half (W/2 N/2) of Section 10, Block 56,
Township 3, T & P Ry. Co. Survey, Reeves County, Texas,
from surface to 3,500 feet,

subject to a proportionate part of an overriding royalty of 1/16 of 8/8
on Tract (a), and

subject to a proportionate part of an overriding royalty of 1/16 of 7/8
on Tract (b).

NET REVENUE INTEREST .6152344

- (4) An overriding royalty of 1/16 of 8/8 of all oil, gas, casinghead gas, and other hydrocarbon substances that may be produced, saved and marketed from the following described lands pursuant to the following described Oil and Gas Leases, to-wit:

Lessor: K. L. Denton and wife, Leta Denton
Lessee: R. Paul Ricker
Date: November 13, 1963
Recorded: Volume 236, Page 507
Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Abstract Number 4161

Lessor: Mrs. Clella Denton Klapproth and husband, Chas. L. Klapproth
Lessee: R. Paul Ricker
Date: November 13, 1963
Recorded: Volume 236, Page 94
Description: East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Company Survey, Abstract Number 4161

NET REVENUE INTEREST .0468750

and being the overriding royalty interest which was reserved by Bethol Corporation, et al, in Assignment of Oil and Gas Leases to Big State Tool Company, dated February 13, 1969, recorded in Volume 283, Page 703, O&GL Records, Reeves County, Texas, together with all Grantor's rights, titles and interests in said lands and leases not conveyed by said Assignment.

Filed for record on the 15th day of February, A.D. 1973 at 1:00P. M

Duly recorded on the 22nd day of February A.D. 1973 at 9:00A. M

By David J. L. Luman Deputy

ESTELLE CLINTON, County Clerk,
Reeves County, Texas



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REEVES COUNTY
CLERKS OFFICE

86

21000

File No. MF 056 068
App from Petro Search
to Carter
Date Filed: 1-12-16
George P. Bush, Commissioner
By: CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 1-12-16 File # 4039 Vol. 317 Page 789



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
By: Lynna Strand, Deputy

FILE NO. 3511

CUSTER OIL COMPANY TO MARCELL SLEDGE

MI-056068
eff 10-1-76

Assignment of Oil and Gas Lease

WHEREAS, on the 13th day of November 1963, a certain oil and gas mining lease was made and entered into by and between

Willa Louise Pierce et al, Lessor
and R. Paul Ricker, Lessee
covering the following described land in the County of Reeves and State of Texas, to-wit:

West 1/2 Southeast 1/4 and Southeast 1/4 Southeast 1/4
Section 6, Block 56, T-3, T&P Ry. Co. Survey.

Said lease being recorded in the office of the County Clerk in and for said County in book 236
page 313, and

Whereas, The said lease and all rights thereunder or incident thereto are now owned by

CUSTER OIL COMPANY, a corporation.

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, do es 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

an undivided 1/8 of 3/4 interest in said land and lease,

a like undivided interest in
together with all personal property used or obtained in connection therewith to

Marcell Sledge and his heirs, successors and assigns.

And for the same consideration, the undersigned for itself and its heirs successors and representatives, do es covenant with the said assignee his heirs, successors, or assigns, that it is

the lawful owner of the said lease and rights and interest 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
this 20 day of September
1 October 1976 at 7:00 A.M.

and assignor has signed this instrument
, 19 76, effective

CUSTER OIL COMPANY

ATTEST:

Phyllis Oliver

By Donald M. Oliver

Donald M. Oliver, President



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REEVES COUNTY
CLERKS OFFICE

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the day of A. D. 19

(L. S.)

Notary Public in and for

County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the day of A. D. 19

(L. S.)

Notary Public in and for

County, Texas

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF TRAVIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

DONALD M. OLIVER, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said CUSTER OIL COMPANY a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE,
this the 20th day of Sept. A. D. 19 76

(L. S.)

Notary Public in and for

Travis

County, Texas

Filed for record on the 23rd day of September, A.D. 1976 at

1:25 P. M. Duly recorded on the 27th day of September A.D.

1976 at 11:30 A. M.

CATHERINE ASHLEY, County Clerk,
Reeves County, Texas.

By Brian J. Freeman DEPUTY



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REEVES COUNTY
CLERKS OFFICE

21.02.0

87

File No. MF 056068
App from Carter to
Marcell Sledge
Date Filed: 1-12-16
George P. Bush, Commissioner
By: CB

CLERK OF COURTS
RECORDS SECTION
COUNTY OF REEVES
TEXAS



CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES, }

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

Date Filed 1-12-16 File # 3511 Vol. 346 Page 437



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
By: Lynne Andrade, Deputy

MF056068

FILE NO. 3683 CUSTER OIL COMPANY TO MARCELL SLEDGE, ET UX

eff 8-1-81

THE STATE OF TEXAS §

COUNTY OF REEVES §

ASSIGNMENT OF LEASES

For a valuable consideration, the sufficiency and receipt of which are hereby acknowledged and confessed, Custer Oil Company, a corporation, acting herein by its officers duly authorized hereunto, does hereby transfer, set over, and assign to Marcell Sledge and wife, Jo Sledge, their heirs, legal representatives and assigns, all assignor's interest in and to the following-described oil and gas leases insofar as they cover the following specifically-described land in said Reeves County, to-wit:

W/2 SE/4 and W/2 SW/4 Section 11, Block 56, T-3, T&P Ry. Co. Survey to a depth of 3,470' below the surface of the earth: oil and gas lease to Gulf Oil Corporation, recorded in vol. 128, p. 64;
W/2 SW/4 Section 7, said Block 56, to a depth of 3,550' below the surface: covered by said lease to Gulf;
W/2 Section 16 said Block 56, to a depth of 3,550' below the surface: Bolinger Lease M-67636, recorded in vol. 315, p. 208;
SW/4 Section 6, said Block 56, to said depth of 3,550': Bolinger Lease M-67637, recorded in vol. 315, p. 212;
W/2 SE/4 and SE/4 SE/4 Section 6, said Block 56: Pierce Lease M-56068, recorded in vol. 236, p. 313;
E/2 N/2 Section 10 to a depth of 3,487' below the surface, and W/2 N/2 Section 10 to a depth of 3,500' below the surface, said Section 10 lying in said Block 56: Norcop Lease M-31461, recorded in vol. 113, p. 524;
SE/4 Section 12, said Block 56 to a depth of 3,500' below the surface: Atlantic Richfield Company Lease M-74593, recorded in vol. 340, p. 574;

together with all assignor's interest in personal property used or obtained in connection with all of same, and all assignor's interest in the "May and Norcop" salt water disposal systems.

This Assignment is without warranty express or implied and is dated the 31 day of August 1981, effective August 1, 1981 at 7:00 a.m..

CUSTER OIL COMPANY

ATTEST:

Phyllis R. Oliver
Phyllis R. Oliver, Secretary

By *Donald M. Oliver*
Donald M. Oliver, President

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Donald M. Oliver, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Custer Oil Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 4th day of September, 1981.



Julie McCullough
Notary Public in and for
The State of Texas

My Commission Expires:
October 3, 1984

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Filed for record on the 9th day of Sept. A.D. 1981 at 10:30AM.
Duly recorded on the 10th day of Sept. A.D. 1981 at 4:00P. M.
By *Billie Jo Freeman* DEPUTY CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

21-02-0

88

File No. M/F 056068

Ann Fran Carter to

Marcell Sledge

Date Filed: 1-12-16

George P. Bush, Commissioner

By [Signature]

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 1-12-16 File # 3683 Vol 109 Page 282



DIANNE O. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

By: [Signature] Deputy

MFO 56068

MFO 74593

ASSIGNMENT OF OIL AND GAS LEASES

eff 12-1-92

STATE OF TEXAS X
 X
COUNTY OF REEVES X

KNOW ALL MEN BY THESE PRESENTS:

THAT, SLEDGE OIL & GAS, INC., Star Rt. Box 286, Kermit, Texas 79745, MARCELL SLEDGE and wife A. JO NORRIS SLEDGE, Rt. 1 Box 67, Sidney, Texas 76474, hereinafter referred to as "ASSIGNOR", for and in consideration of \$10.00 and other good and valuable consideration, including the plugging liability, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, transfer and assign to SLEDGE BROS. OIL COMPANY, Star Route, Kermit, Texas 79745, hereinafter referred to as "ASSIGNEE", all of Assignor's right, title and interest of whatsoever kind owned by Assignor in the lands described as:

The oil and gas leasehold estates in Reeves, Loving and Culberson County, Texas, more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes;

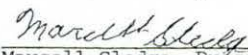
including but not limited to Assignor's working interests therein, together with any well and lease equipment and materials located thereon, and used in connection therewith.

This Assignment is made without warranty of title, expressed or implied, by the Assignor, and shall be a covenant running with the rights and interests herein assigned and shall be binding on Assignor and Assignee, their respective heirs, successors and assigns.

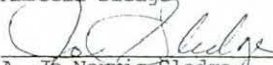
IN WITNESS WHEREOF, this instrument is executed this 21st day of October, 1993 but effective the first day of December, 1992 for all purposes.


Jo Sledge, Secretary

SLEDGE OIL & GAS, INC.


Marcell Sledge, President


Marcell Sledge


A. Jo Norris Sledge

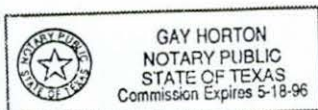


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CLERKS OFFICE

STATE OF TEXAS

COUNTY OF COMANCHE

The foregoing instrument was acknowledged before me this 27
day of October, 1993 by Marcell Sledge, President of Sledge Oil & Gas,
Inc., a Texas corporation, on behalf of the corporation.

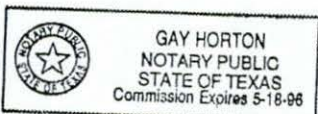


Gay Horton
Notary Public for the State
of Texas

STATE OF TEXAS

COUNTY OF COMANCHE

The foregoing instrument was acknowledged before me this 27
day of October, 1993 by Marcell Sledge.

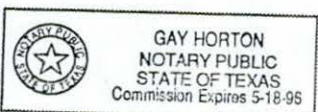


Gay Horton
Notary Public for the State
of Texas

STATE OF TEXAS

COUNTY OF COMANCHE

The foregoing instrument was acknowledged before me this 27
day of October, 1993 by A. Jo Norris Sledge.



Gay Horton
Notary Public for the State
of Texas



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EXHIBIT "A"

1. ARCO-STATE:

SE/4 of Section 12, Blk 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas, to the depth of 3,500' below the surface.

MFO 74593

2. ARMSTRONG-TXL:

W/2 of the SE/4 and W/2 of the SW/4 of Sec. 11, Blk. 56, T-3 Ry. Co. Survey, Reeves County, Texas to the depth of 3532' below the surface, SAVE AND EXCEPT .500000 working interest (.43750000 NRI) conveyed and assigned to Assignor from Chevron, effective 1st day of May, 1992, recorded Vol. 517, page 524 O&GL Records.

3. BOLLINGER:

W/2 of Section 16, Blk. 56, T-3, T&P Ry. Co. Survey, A-5314, Reeves County, Texas to the depth of 3,550' below the surface.

4. DUDLEY:

S/2 of Section 1, Blk. C-20 Public School Land, Reeves County, Texas to the depth of 3,500' below the surface.

5. SLEDGE-TXL:

NE/4 of the SE/4 of Section 11, Blk. 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas to the depth of 3,500' below the surface.

6. GULF-TXL:

W/2 of the SW/4 Section 7, Blk. 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas to the depth of 3,550' below the surface.

7. PIERCE:

W/2 of the SE/4 and SE/4 of the SE/4 of Section 6, Blk. 56, T-3, T&P Ry. Co. Survey A-4161, Reeves County, Texas.

M/056068

8. A.W. NORCOP:

E/2 of the N/2 of Section 10, to the depth of 3,487' below the surface, and W/2 of the N/2 of Section 10 to a depth of 3,500' below the surface, said Section 10 lying in Block 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas.

9. TXL REEVES:

S/2 of the NW/4 of Section 9, Block 56, T-3, T&P Ry. Co. Survey, Reeves County, Texas to a depth of 3,500' below the surface.

10. TRIPPET:

SW/4 of the NW/4 of Section 42, Block 56, T-3, A-3707 T&P Ry. Co. Survey, Reeves County, Texas to a depth of 3,660' below the surface.



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11. GARTON/GRACE:

NE/4 of Section 10, Block 58, T-2, T&P Ry. Co. Survey, Culberson County, Texas to a depth of 2,850' below the surface.

12. WHEAT DELAWARE
UNIT NO. 1:

Working Interest in the Wheat Delaware Unit No.1 created by the Unit Agreement dated First day of November 1965, recorded in Vol. 36, page 396, Deed Records, Loving County, Texas, the said interest herein Assigned and Conveyed being subject to and limited to said Unit Agreement and to the Unit Operating Agreement of even date therewith; limited in depth to the DELAWARE SAND as is fully defined in said Unit Agreement, unitizing the following described property and interests in property;

1. Oliver Lease: That certain Oil and Gas Lease from Roberta M. Regan, et al, dated October 7, 1964, recorded in Volume 25, Page 241, covering an undivided 1/2 of the next-described land; and
2. Oliver Fee: An undivided 1/2 interest in and to the oil, gas and other minerals in and under and that may be produced from the next-described land;

the land referred to in 1 and 2 above being:

Lots 3 through 14, 19 through 30, 37 through 46, 51 through 60, 69 through 78, 83 through 92, 97 through 110, and 115 through 142 of Section 5, Block 2, W&NW Ry. Co. Survey, Loving County, Texas.

3. Johnson Lease: An undivided 1/4 interest in that certain Oil and Gas Lease from W. D. Johnson, Jr., et al, dated May 8, 1959, recorded in Volume 16, Page 261, insofar as lease covers Section 6, Block 2, W&NW Ry. Co. Survey, Loving County, Texas.
4. Victor Lease: An undivided 1/16 interest in that certain Oil and Gas Lease from R. M. Belise, Independent Executor and Trustee of the Estate of J. J. Victor, dated February 12, 1965, recorded in Volume 25, Page 555, O&GL Records, Loving County, Texas, covering the NW/2 NE/2 and NW/2 SE/2 NE/2 of Section 4, Block 2, W&NW Ry. Co. Survey, except the Southeast 80 acres thereof included in lease from J. J. Victor to E. O. Meadows, recorded in Volume 7, Page 519, O&GL Records, Loving 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 6th DAY OF December A.D. 1993 AT 10:54A.M.
DULY RECORDED ON THE 6th DAY OF December A.D. 1993 AT 1:00P M.
BY Yvonne Alila DEPUTY CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.



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REEVES COUNTY
CLERKS OFFICE

21.02.0

89

File No. MF-056068
Assn from Sledge O&G
Sledge Bros
Date Filed: 1-12-16
By George P. Bush, Commissioner CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES. }

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

Date Filed _____ File # _____ Vol 533 Page 194



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Lynna Stroud Deputy

FILE # 2336

MF056068
eff 11-1-95

ASSIGNMENT OF OIL AND GAS LEASEHOLD INTERESTS

STATE OF TEXAS }
COUNTY OF REEVES } KNOW ALL MEN BY THESE PRESENTS:

That, **PATOIL CORPORATION**, hereinafter referred to as "Assignor", whose address is P. O. Box 10808, Midland, Texas 79702, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged and the further consideration that Assignee herein assumes responsibility for plugging and abandoning all the wells situated on the leases described in Exhibit "A" according to the requirements of the Railroad Commission of Texas or other agency exercising jurisdiction, does hereby bargain, sell, transfer, assign and convey unto **SLEDGE BROTHERS OIL COMPANY** of Star Route, Kermit, Texas 79745, herein referred to as "Assignee", its successors and assigns, all of Assignor's right, title and interest in and to the leasehold estate in the Oil, Gas and Mineral Leases as described in Exhibit "A" attached hereto, together with a like interest in and to all personal property situated thereon and used or obtained in connection therewith and a like interest in and to any permits, licenses, easements and rights of way relating to the leases and lands herein described.

For the same consideration, Assignor covenants with Assignee herein, its successors and assigns that it has good right and authority to make this Assignment; provided, however, that this conveyance is made without warranty of title, express or implied.

EXECUTED this 15th day of November, 1995, but effective November 1, 1995 at 7:00 A.M. C.S.T., for Division Order and operating cost purposes.

Assignor:

PATOIL CORPORATION

ATTEST:

H. Joseph de Compiegne
H. Joseph de Compiegne
Assistant Secretary

H. A. de Compiegne, Jr.
H. A. de Compiegne, Jr.
President



Assignee:

SLEDGE BROTHERS OIL CO.

Mark Sledge

STATE OF TEXAS }
COUNTY OF MIDLAND }

This instrument was acknowledged before me on this 15th day of November, 1995, by H. A. de Compiegne, Jr., President of Patoil Corporation, a Delaware Corporation, on behalf of said Corporation.



Kelli Bateman
Notary Public in and for the
State of Texas



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

EXHIBIT "A"

PIERCE:

W/2 of the SE/4 and SE/4 of the SE/4 of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, A-4161, Reeves County, Texas.

GULF-TXL:

W/2 of the SW/4 of Section 7, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas to the depth of 3,550' below the surface.

AW NORCOP:

NE/4 of Section 10, to the depth of 3,487' below the surface, lying in Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas.

AW NORCOP DX:

NW/4 of Section 10, to the depth of 3,500' below the surface, lying in Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas.



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COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

FILE NO. 2336

FILED FOR RECORD ON THE 27TH. DAY OF NOVEMBER A.D. 1995 AT 9:10 AM.

DULY RECORDED ON THE 27TH. DAY OF NOVEMBER A.D. 1995 AT 1:00 PM.

BY: Jencha Crook DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

31.03.0

90

File No. MF056068
Assn from Pato 1.
to Sledge Bros

Date Filed: 1-12-16

George P. Bush, Commissioner

By CB

RECORDS & CLERK
COUNTY OF REEVES
JAN 12 2016



CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 1/27/16 File # 2336 Vol 556 Page 540



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Kathryn Yates, Deputy

MF056068
cft 11-1-95

**CORRECTION ASSIGNMENT OF
OIL AND GAS LEASEHOLD INTERESTS**

STATE OF TEXAS §
 §
COUNTY OF REEVES §

KNOW ALL MEN BY THESE PRESENTS:

That, **PATOIL CORPORATION**, hereinafter referred to as "Assignor", whose address is P. O. Box 10808, Midland, Texas 79702, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged and the further consideration that Assignee herein assumes responsibility for plugging and abandoning all the wells situated on the leases described in Exhibit "A" according to the requirements of the Railroad Commission of Texas or other agency exercising jurisdiction, does hereby bargain, sell, transfer, assign and convey unto **SLEDGE BROTHERS OIL COMPANY**, a Texas General Partnership, of Star Route, Kermit, Texas 79745, herein referred to as "Assignee", its successors and assigns, all of Assignor's right, title and interest in and to the leasehold estate in the Oil, Gas and Mineral Leases as described in Exhibit "A" attached hereto, together with a like interest in and to all personal property situated thereon and used or obtained in connection therewith and a like interest in and to any permits, licenses, easements and rights of way relating to the leases and lands herein described.

For the same consideration, Assignor covenants with Assignee herein, its successors and assigns that it has good right and authority to make this Assignment; provided, however, that this conveyance is made without warranty of title, express or implied.

This assignment is executed in correction and in lieu of that certain Assignment of Oil and Gas Leasehold Interest executed November 15, 1995, effective as of November 1, 1995, at 7:00 A.M., C.S.T., recorded in Volume 556, page 540, of the records of Reeves County, Texas.

Sledge Brothers Oil Company joins in the execution of this Correction Assignment of Oil and Gas Leasehold Interest in evidence of its acceptance of this Correction Assignment.

EXECUTED June 6, 1996, but effective as of November 1, 1995, at 7:00 A.M., C.S.T., for Division Order and operating cost purposes.

ATTEST:



Assignor:

PATOIL CORPORATION

H. A. de Compiegne, Jr.
President

Assignee:

**SLEDGE BROTHERS OIL COMPANY
a Texas General Partnership**

Mark Sledge
Partner

H:\DOCS\21516\1\VS2\2.ASN



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

THE STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 11th day of June, 1996, by **H. A. de Compiegne, Jr.**, President of **Patoil Corporation**, a Delaware Corporation, on behalf of said Corporation.



Kelli Bateman
 Notary Public in and for the
 State of Texas

THE STATE OF TEXAS §
 §
 COUNTY OF WINKLER §

This instrument was acknowledged before me on this 18th day of July, 1996, by **Mark Sledge**, Partner of **Sledge Brothers Oil Company**, a Texas General Partnership, on behalf of said partnership.



Laurie Jeannotte
 Notary Public in and for the
 State of Texas



EXHIBIT "A"

PIERCE: W/2 of the SE/4 and SE/4 of the SE/4 of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, A-4161, Reeves County, Texas, to the depth of 3,550' below the surface.

MF 056068
0-3,550'

GULF-TXL: W/2 of the SW/4 of Section 7, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas, to the depth of 3,550' below the surface.

AW NORCOP: NE/4 of Section 10, to the depth of 3,487' below the surface, lying in Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas.

AW NORCOP DX: NW/4 of Section 10, to the depth of 3,500' below the surface, lying in Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas.

H:\DOCS\21518\1\VSFR2.ASN

FILE NO. 1629

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 JULY

A.D. 1996 AT 11:37 A.M.

DULY RECORDED ON THE 31ST. DAY OF JULY

A.D. 1996 AT 2:00 P.M.

BY: Jencha Sente DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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

21-03-0

91

File No. MF-056068
Asst Patrol Corp to
Sledge Bro Oil
Date Filed: 1-12-76
By George P. Bush, Commissioner CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES. }

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

Date Filed 1-29 File # 1629 Vol. 564 Page 351



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Myra Andrade, Deputy

MF056068

Private Land

FILE # 3339

eff 10-14-98

CONVEYANCE OF OIL, GAS AND
OTHER MINERAL LEASESSTATE OF TEXAS §
COUNTY OF REEVES §

For a valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, First Union National Bank, as sole Trustee of FIRST TEXAS INVESTMENT STATUTORY TRUST (hereinafter, "Assignor"), anticipating the merger with it prior to the effective date of this conveyance ("effective date") of PATOIL CORPORATION, a Delaware corporation, does hereby grant, bargain, sell, assign, transfer and convey to THE DE COMPIEGNE PROPERTY COMPANY NO. 20, LTD., a Texas limited partnership, whose address is P.O. Box 1071, Midland, Texas 79702 (hereinafter "Assignee"), those oil, gas, and/or other mineral leases and undivided interests therein covering lands situated in Reeves County, Texas that are described in Exhibit "A" which is attached hereto and made a part hereof and all of Assignor's right, title and interest on the effective date in and to any and all oil, gas and/or other mineral leases and undivided interests therein situated in said county and state, whether or not described in Exhibit "A", together with all rights appurtenant thereto for the use and enjoyment of the properties and interests herein conveyed and all property and equipment located on said lands or used or obtained in connection with aforesaid leasehold interests (collectively, "conveyed property").

Notwithstanding anything to the contrary that may be expressed in this instrument, this conveyance does not include, and there is hereby excepted and reserved from this conveyance to Assignor, its successor and assigns, all of Assignor's overriding royalty interests and other non-cost bearing interests located in the county and state set forth above, although carved out of oil, gas and/or other mineral leasehold interests.

This conveyance is made subject to the terms and provisions of all presently valid and effective joint operating agreements, unitization and pooling agreements, farmout and farmin agreements, option agreements and any and all contracts, agreements or instruments of whatever nature which in any way cover or affect the conveyed property and interests, regardless of whether such instruments have been filed for record; but Assignor hereby conveys to Assignee all of its rights and interests under said contracts and agreements as well as in all oil, gas and/or other minerals leasehold interests that shall revert to or vest in Assignor (and/or Patoil Corporation) in aforesaid county and state after effective date pursuant to such contracts and agreements or otherwise.

By acceptance hereof, Assignee assumes and will hold Assignor harmless against all liabilities and obligations relating to the conveyed property arising prior to the date upon which Assignor acquires all of the capital stock of Patoil Corporation ("stock acquisition date"); and the title warranty by Assignor below is as to that title and interest in all oil, gas, and/or other mineral leases and undivided interests therein in aforesaid county and state owned by Patoil Corporation at the time Assignor acquired its capital stock on stock acquisition date but is not a warranty as to claims arising before such acquisition of capital stock by Grantor.

Assignor agrees to execute such further assurances as may be requisite for the full and complete enjoyment by Assignee of the rights granted herein, including, but not limited to, any counterparts to this conveyance which may be required by any federal or state governmental entity, transfer and division orders, recordable instruments evidencing Assignor's ownership of the properties and interests herein conveyed and its authority to convey same to Assignee, and conveyances to Assignee, without any warranty of title, of any oil, gas and/or other mineral leasehold interests in said county and state that may revert to or vest in Assignor (and/or Patoil Corporation) after effective date.

This conveyance is effective on the effective date set out below; however, Assignor assigns to Assignee Assignor's rights to or proceeds for produced oil and gas and other sums attributable to the conveyed properties and interests which had accrued but were unpaid prior to the effective date.

TO HAVE AND HOLD the conveyed property and interests above described together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Assignee, its successors and assigns forever. And, limited as set out above, the undersigned Assignor for itself and its successors warrants and forever defends all and singular the said conveyed property and interests unto the said Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Assignor and/or under Patoil Corporation as to any claim or claims arising out of any actions or failure to act through the effective date of this conveyance but not otherwise; but Assignor assigns unto Assignee, its successors and assigns, all of its rights under any and all warranties of title to the conveyed property when such property was acquired by Patoil Corporation.

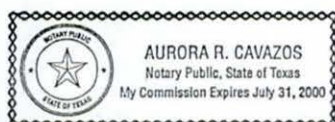
EXECUTED this 7th day of OCTOBER, 1998, effective from the 14th day of October, 1998 ("effective date").

First Union National Bank,
Trustee of First Texas Investment Statutory Trust

By: [Signature]
Printed Name: W. JEFFREY KRAMER
Title: VICE PRESIDENT

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this 7th day of October, 1998
W. Jeffrey Kramer, a vice president of First Union National Bank,
a national banking association, on behalf of said association as Trustee of First Texas Investment Statutory Trust.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS



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

EXHIBIT A

Attached to conveyance from First Texas Investment Statutory Trust to The de Compiegne Property Company No. 20, Ltd. dated October 7, 1998, effective October 14, 1998.

Those certain oil, gas and/or other mineral leases and undivided interests therein covering land situated in Reeves County, Texas, as described below:

All Reeves
#MF056068

1. Lessor: Reese Cleveland, et al
Lessee: Gulf Oil Corporation
Dated: May 17, 1955
Recorded: Volume 164, Page 424 of the Deed Records

{ Private
Land

Description: SW/4 of Section 50, Block 6, H & GN RR Co. Survey,
Reeves County, Texas

FILE NO. 3339

FILED FOR RECORD ON THE 2ND. DAY OF DECEMBER A.D. 1998 AT 11:54 AM

DULY RECORDED ON THE 3RD. DAY OF DECEMBER A.D. 1998 AT 2:00 P M

BY: Sencha Acosta DEPUTY

DIANNE O., FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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



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

21.32.0

92

File No. MF056068
Assign Patoil Corp. to
The De Campigne

Date Filed: 1-12-16
George P. Bush, Commissioner

By CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 1-12-16 File # 3339 Vol 598 Page 212



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Lynne Miranda, Deputy

ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

THIS ASSIGNMENT OF LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE (hereinafter called "Assignment") is executed by the parties hereto on ~~January~~ February 18th, 2014, (hereinafter called the "Effective Date"), by and between:

Sledge Bros. Oil Company, a Texas General Partnership
whose address is 1925 W. Hwy 302, Kermit, Texas 79745,

(hereinafter referred to as "Assignor"), and

Kenneth Z. Scott, whose address is:
17121 Club Hill Drive, Dallas, Texas 75205

(hereinafter referred to as "Assignee").

1. WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, sell, transfer and convey to Assignee, subject to all of the terms and provisions of this Assignment, the following:

(a) All Right, Title, and Interest of the working interests owned by Assignor in and to the Oil and Gas Lease described on **Exhibit "A"** attached hereto and incorporated herein for all purposes, limited to the depths set forth in Exhibit A (hereinafter called the "Lease"), together with all rights, titles, and interests appurtenant thereunto, as set forth in said Lease; and

(b) All Right, Title, and Interest in all real and personal property (excluding any tangible personal property in or related to existing wells), and any and all other property rights relating to the Lease, the leasehold estates created thereby, or the lands covered by the Lease or included in pooled acreage or units with which the Lease may have been pooled or unitized, including, but not limited to, all easements, rights of way, servitudes, contracts, contract rights, water rights, lease, title and other files, geophysical and seismic data, and any overriding royalty interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the Leases or included in pooled acreage or units with which any Lease may have been pooled or unitized; all the foregoing interests shall collectively be referred to as the "Properties."

2. Assignor hereby expressly **excepts, reserves and retains** unto itself, its successors and assigns, an overriding royalty interest (referred to hereinafter as "Assignor's Overriding Royalty") on all oil and gas and other minerals produced from, or allocated to, the **Properties**, as to the Lease described on Exhibit "A", equal to the positive difference, if any, between existing burdens created by Assignor and/or Assignor's predecessors in title (including, but not limited to, the royalty reserved to the lessor(s) in the Lease, and existing production payments and/or overriding royalty interest), and ~~Eighty percent (80.00%)~~ seventy eight percent (78%) proportionately reduced.

3. The interests in the Lease described on Exhibit A conveyed to Assignee shall be for a term of three (3) years ("Primary Term") and so long thereafter as oil, gas, or other hydrocarbons are produced from the Properties, or the Lease is otherwise maintained in force under any provisions thereof, subject to the following:

(a) Notwithstanding any other provision herein to the contrary, if at any time after the expiration of the Primary Term, production from all wells drilled by Assignee on the leased premises of the Lease or lands pooled therewith, should cease, but the Lease is being maintained in effect by some other means, Assignee's interest in said Lease shall remain in force so long as Assignee complies with the lease terms, including restoration of production from said leased premises or lands by pooling therewith through one or more of its own wells within one hundred eighty (180) days from said cessation of production if such action actions are allowed under the lease terms. If Assignee fails to restore production within said time frame, Assignee shall re-assign the affected Lease to Assignor within thirty (30) days after the expiration of said 180-day period.

(b) If, at or within ninety (90) days prior to the expiration of the Primary Term of this Assignment, Assignee is engaged in drilling or completion operations anywhere on



(b) If, at or within ninety (90) days prior to the expiration of the Primary Term of this Assignment, Assignee is engaged in drilling or completion operations anywhere on the Properties or lands pooled therewith, the Primary Term shall be extended so long as Assignee continues drilling or completion operations on the Properties or lands pooled therewith with no cessation of more than ninety (90) consecutive days.

4. Assignor shall provide Assignee access to Assignor's proprietary 3-D seismic data (the "3-D Data"), if any; any and all geological data and reports, subject to all applicable licensing agreements and all restrictions on transfer, including but not limited to all logs, core reports, paleo reports and surveys, vertical surveys, etc. (the "Geologic Data"); and all of the files, records, documents, correspondence and data now in the possession or control of Assignor (the "Lease Data").

5. Assignor will do, execute, acknowledge and deliver, all and every such further acts, conveyances, transfer orders, division orders, notices, releases and acquittances and such other instruments as may be necessary or appropriate more fully to assure to Assignee, its successors and assigns, all of the respective Lease, rights, titles, interests, estates, remedies, powers and privileges by this instrument granted, bargained, sold, conveyed, assigned, transferred, set over and delivered, or otherwise vested in Assignee or intended so to be.

6. All cost, expenses and obligations relating to the Lease and other property rights conveyed hereunder which were incurred or accrued prior to the Effective Date shall be paid and discharged by Assignor.

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

8. Assignor covenants and warrants that the Lease listed on Exhibit "A" is in full force and effect and that Assignor has received no notice alleging any default under any of the terms of the Lease; that Assignor has good right and authority to sell and assign its interest and that same is free and clear of all mortgages and liens created by through and under Assignor; and that Assignor will warrant and forever defend the same unto Assignee against every person or persons whomsoever claiming by, through or under Assignor.

9. **ASSIGNOR AGREES TO INDEMNIFY, DEFEND, PROTECT AND HOLD ASSIGNEE HARMLESS OF AND FROM ANY AND ALL CLAIMS, DEMANDS, COSTS, (INCLUDING BUT NOT LIMITED TO ATTORNEY AND EXPERT FEES) EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES ARISING OUT OF INJURY TO PERSONS (INCLUDING DEATH), ENVIRONMENTAL DAMAGE, AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS RELATED TO ASSIGNOR'S OPERATIONS ON OR RELATING TO THE PROPERTIES AND WHETHER OR NOT ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY OR OTHER ACTIONS OR OMISSIONS OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION OR CONTROL. FURTHER, ASSIGNEE SHALL NEVER BE LIABLE FOR ANY CLAIMS, DEMANDS, COSTS, EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES BECAUSE OF INJURY TO PERSONS OR PROPERTY ARISING OUT OF ACTS OR OMISSION OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION AND CONTROL ON OR RELATED TO THE PROPERTIES OR INGRESS THERETO AND EGRESS THEREFROM. ASSIGNOR IS NOT AN AGENT OR AN EMPLOYEE OF ASSIGNEE. ASSIGNEE SHALL HAVE NO RESPONSIBILITY TO INSPECT OR OVERSEE ASSIGNOR'S OPERATIONS NOR TO INDEMNIFY OR CORRECT ANY POTENTIALLY HARMFUL, DANGEROUS OR DAMAGING CONDITIONS CAUSED BY ASSIGNOR'S OPERATIONS.**

10. THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

11. This Assignment, and the terms, conditions, covenants and provisions hereof, shall be binding upon and shall inure to the benefit of the Assignor and the Assignee, and their respective successors and assigns.

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12. This Assignment may be executed in multiple counterparts with each party executing some but not all of the counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

IN WITNESS WHEREOF the Assignor and the Assignee have duly executed this Assignment by their respective proper officers, all by authorization duly given.

ASSIGNOR

Sledge Bros. Oil Company, a Texas General Partnership

By: Joe F. Sledge
Joe F. Sledge, Partner

By: Royce Mark Sledge
Royce Mark Sledge, Partner

ASSIGNEE

By: Kenneth Z. Scott
Kenneth Z. Scott

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ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF Winkler

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SS:

This instrument was acknowledged before me this 18th day of ~~January~~ ^{February}, 2014, by Joe F. Sledge, Partner of Sledge Bros. Oil Company, a Texas General Partnership, on behalf of said Partnership.



Brenda L. Barron

Notary Public in and for the State of Texas

Brenda L Barron

Printed Name of Notary

Notary Seal

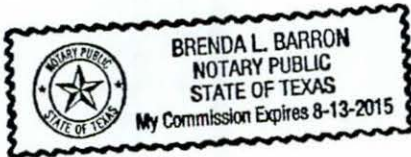
STATE OF TEXAS

COUNTY OF Winkler

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SS:

This instrument was acknowledged before me this 18th day of ~~January~~ ^{February}, 2014, by Royce Mark Sledge, Partner of Sledge Bros. Oil Company, a Texas General Partnership, on behalf of said Partnership.



Brenda L. Barron

Notary Public in and for the State of Texas

Brenda L Barron

Printed Name of Notary

Notary Seal

STATE OF TEXAS

COUNTY OF DALLAS

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SS:

This instrument was acknowledged before me this 20th day of ~~January~~ ^{February}, 2014, by Kenneth Z. Scott.



Esther E Ott

Notary Public in and for the State of Texas

Esther E. Ott

Printed Name of Notary

Notary Seal

Assignment of Leasehold Rights, Bill of Sale, and Conveyance

Page 4 of 5 pages



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REEVES COUNTY
CLERKS OFFICE

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EXHIBIT "A"

Attached to and made a part of that certain
 ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE
 dated ^{February} ~~January~~ 20, 2014, by and between
 Sledge Bros. Oil Co., as "Assignor,"
 and Kenneth Z. Scott, as "Assignee."

This Assignment only covers those depths below 3,500 feet. All Depths from the surface of
 the earth down to 3,500 feet are herein EXCLUDED from this Assignment and
 are not conveyed hereby.

Lessor: Willa Louise Pierce, et al, Individually and as Agent for the State of Texas
 Lessee: R. Paul Ricker
 Legal: Block 56, T-3, T&P Ry. Co. Survey Sec 6: W/2 of SE/4 and SE/4 of SE/4
 Reeves County, TX
 Lease Date: 11/13/63
 Recording Info: Reeves County, Texas: Vol. 236, Page 313

END OF EXHIBIT "A"

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 ORIGINAL FILED IN
 REEVES COUNTY
 CLERKS OFFICE

Inst No. 14-01627
 DIANNE O. FLOREZ
 COUNTY CLERK
 2014 Feb 25 at 09:44 AM
 REEVES COUNTY, TEXAS
 By: AC Aurora Calanchi, DEPUTY



CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 2/25/2014 File # 14-01627 Vol. 1057 Page 483



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Kathleen Yates, Deputy

MF056068
eff 2-18-14

14-02419
FILED FOR RECORD
REEVES COUNTY, TEXAS
Mar 20, 2014 at 10:20:00 AM

Correction

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 DRIVERS LICENSE NUMBER.

AMENDED ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE AND CONVEYANCE

STATE OF TEXAS §
COUNTY OF REEVES §

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WHEREAS, by virtue of ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE AND CONVEYANCE dated February 18, 2014, and recorded under File No. 14-01627 of the Official Public Records of Reeves County, Texas, **Sledge Bros. Oil Company**, a Texas General Partnership, as Assignor, did assign and convey unto **Kenneth Z. Scott**, as Assignee, all right, title, and interest of the working interest owned by Assignor in and to the Oil and Gas lease more fully described on Exhibit "A" attached hereto and incorporated herein; (hereinafter referred to as "Said Assignment"); and,

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WHEREAS, it was the intention of Assignor and Assignee that Assignee receive all right, title, and interest of the working interest in and to the Oil and Gas lease described in Exhibit 'A' attached herein, subject to the depth restrictions outlined in said Exhibit 'A', and that Assignor reserve an overriding royalty interest equal to the positive difference between existing burdens and 22% (.22); thereby conveying an undivided 78% (.78) Net Revenue Interest to Kenneth Z. Scott, as Assignee, and,

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WHEREAS, since the execution of Said Assignment it has been discovered that, through error or inadvertence, the intended overriding royalty percentage described and stated in Paragraph 2 of Said Assignment is not stated correctly, and it is the desire of Assignor and Assignee to amend and correct the percentage stated in Paragraph 2 of Said Assignment so as to thereby reserve the correct Overriding Royalty interest into the Assignor; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, and of the considerations, covenants and agreements contained in Said Assignment, the undersigned does hereby acknowledge and agree that the following Paragraph shall be substituted for and in lieu of Paragraph 2 of Said Assignment, and shall be included and incorporated in Said Assignment, as initially intended:

2. Assignor hereby expressly excepts, reserves and retains unto itself, its successors and assigns, an overriding royalty interest (referred to hereinafter as "Assignor's Overriding Royalty") on all oil and gas and other minerals produced from, or allocated to, the Properties, as to the Lease described on Exhibit "A", equal to the positive difference, if any, between existing burdens created by Assignor and/or Assignor's predecessors in title (including, but not limited to, the royalty reserved to the lessor(s) in the Lease, and existing production payments and/or overriding royalty interest), and **Twenty-two percent (22.00%)** proportionately reduced.

It is further agreed that all other terms and condition contained in Said Assignment shall remain unchanged, except as herein amended, and that the terms and conditions of this Amended Assignment of Leasehold Rights, Bill of Sale and Conveyance shall be binding upon and inure to the benefit of both Assignor and Assignee and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed on this the ____ day of March, 2014, effective for all purposes as of February 18, 2014.

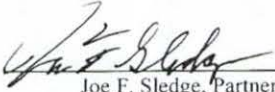
(Signature Page to follow)

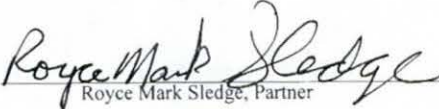


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REEVES COUNTY
CLERKS OFFICE

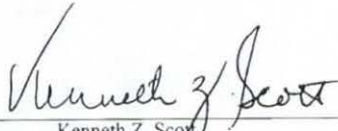
ASSIGNOR

Sledge Bros. Oil Company, a Texas General Partnership

By: 
Joe F. Sledge, Partner

By: 
Royce Mark Sledge, Partner

ASSIGNEE

By: 
Kenneth Z. Scott

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ACKNOWLEDGMENTS

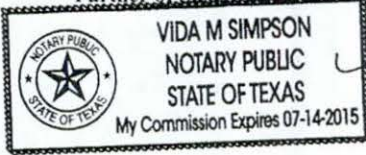
STATE OF TEXAS

COUNTY OF Winkler

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This instrument was acknowledged before me this 20th day of March, 2014, by **Joe F. Sledge**, Partner of **Sledge Bros. Oil Company**, a Texas General Partnership, on behalf of said Partnership.



Vida M. Simpson
Notary Public in and for the State of Texas

Vida M. Simpson
Printed Name of Notary

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Notary Seal

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STATE OF TEXAS

COUNTY OF Winkler

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This instrument was acknowledged before me this 19th day of March, 2014, by **Royce Mark Sledge**, Partner of **Sledge Bros. Oil Company**, a Texas General Partnership, on behalf of said Partnership.



Sheryl L. Wright
Notary Public in and for the State of Texas

Sheryl L. Wright
Printed Name of Notary

Notary Seal

STATE OF TEXAS

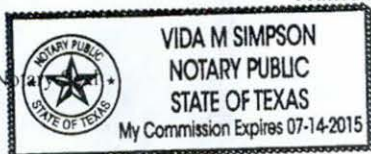
COUNTY OF Winkler
~~DALLAS~~

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This instrument was acknowledged before me this 19th day of March, 2014, by **Kenneth Z. Scott**.

Vida M. Simpson
Notary Public in and for the State of Texas

Vida M. Simpson
Printed Name of Notary



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EXHIBIT "A"

Attached to and made a part of that certain

AMENDED ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

dated March 19, 2014, effective February 18, 2014, by and between

Sledge Bros. Oil Co., as "Assignor,"

and Kenneth Z. Scott, as "Assignee."

This Assignment only covers those depths below 3,500 feet. All Depths from the surface of the earth down to 3,500 feet are herein EXCLUDED from this Assignment and are not conveyed hereby.

Lessor: Willa Louise Pierce, et al, Individually and as Agent for the State of Texas

Lessee: R. Paul Ricker

Legal: Block 56, T-3, T&P Ry. Co. Survey Sec 6: W/2 of SE/4 and SE/4 of SE/4
Reeves County, TX

Lease Date: 11/13/63

Recording Info: Reeves County, Texas: Vol. 236, Page 313

END OF EXHIBIT "A"

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MF056068

Inst No. 14-02419
DIANNE O. FLOREZ
COUNTY CLERK
2014 Mar 20 10:20 AM
REEVES COUNTY TEXAS
By: VG  DEPUTY



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

324

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 3-20-14 File # 14-02419 Vol. 1062 Page 594



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Myna Aranda, Deputy

14-03491
FILED FOR RECORD
REEVES COUNTY, TEXAS
Apr 21, 2014 at 09:32:00 AM

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ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

THIS ASSIGNMENT OF LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE (hereinafter called "**Assignment**") is executed by the parties hereto on the dates shown in their respective acknowledgments below, to be effective for all purposes, however, as of February 18, 2014 (hereinafter called the "**Effective Date**"), by and between **Kenneth Z. Scott**, whose address is 17121 Club Hill Dr., Dallas, Texas 75248, as "**Assignor**", and **BHP Billiton Petroleum Properties (N.A.), LP**, whose address is 1360 Post Oak Blvd, Suite 150, Houston, Texas 77056-3030, as "**Assignee**".

1. WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, sell, transfer and convey to Assignee, subject to all of the terms and provisions of this Assignment, the following:

(a) All Right, Title, and Interest of the working interests owned by Assignor in and to the oil and gas leases described on **Exhibit "A"** attached hereto and incorporated herein for all purposes (hereinafter called the "**Lease**"), **limited to the depths set forth in Exhibit A**, together with all rights, titles, and interests appurtenant thereunto, as set forth in said Lease, and (b) All Right, Title, and Interest in all real and personal property (excluding any tangible personal property in or related to existing wells), and any and all other property rights relating to the Lease, the leasehold estates created thereby, or the lands covered by the Lease or included in pooled acreage or units with which any Lease may have been pooled or unitized, including, but not limited to, all easements, rights of way, servitudes, contracts, contract rights, water rights, lease, title and other files, geophysical and seismic data, and any overriding royalty interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the **Lease** or included in pooled acreage or units with which any Lease may have been pooled or unitized. All the foregoing interests shall collectively be referred to as the "**Properties**."

2. Assignor hereby expressly **excepts, reserves and retains** unto itself, its successors and assigns, an overriding royalty interest (referred to hereinafter as "Assignor's Overriding Royalty") on all oil and gas and other minerals produced from, or allocated to, the Properties, as to the **Lease** described on Exhibit "A", equal to the positive difference, if any, between existing burdens created by Assignor and/or Assignor's predecessors in title (including, but not limited to, the royalty **reserved to the lessor(s)** in the Leases, and production payments and/or overriding royalty interest), and **twenty five percent (25%)**, proportionately reduced.

3. The interests in the Lease described on Exhibit A conveyed to Assignee shall be for a term of three (3) years ("Primary Term") and so long thereafter as oil, gas, or other hydrocarbons are produced from the Properties, or any of the Leases are otherwise maintained in force under any provisions thereof, subject to the following:

(a) Notwithstanding any other provision herein to the contrary, if at any time after the expiration of the Primary Term of Assignment, production from all wells drilled by Assignee on the leased premises of a **Lease**, or lands pooled therewith, should cease, but the **Lease** is being maintained in effect by some other means, Assignee's interest in said **Lease** shall remain in force so long as Assignee complies with the lease terms, including restoration of production from said leased premises or lands by pooling therewith through one or more of its own wells within one hundred eighty (180) days from said cessation of production if such action actions are allowed under the lease terms. If Assignee fails to restore production within said timeframe, Assignee shall re-assign the affected Lease to Assignor within thirty (30) days after the expiration of said 180-day period.

(b) If, at or within ninety (90) days prior to the expiration of the Primary Term of Assignment, Assignee is engaged in drilling or completion operations anywhere on the Properties or lands pooled therewith, the Primary Term shall be extended so long as Assignee continues drilling or completion operations on the Properties or lands pooled therewith with no cessation of more than ninety (90) consecutive days.

4. Assignor shall provide Assignee access to all of the files, records, documents, correspondence and data now in the possession or control of Assignor (the "**Lease Data**").

5. Assignor will do, execute, acknowledge and deliver, all and every such further acts, conveyances, transfer orders, division orders, notices, releases and acquittances and such other instruments as may be necessary or appropriate more fully to assure to Assignee, its successors and assigns, all of the respective Lease, rights, titles, interests, estates, remedies, powers and privileges by this instrument granted, bargained, sold, conveyed, assigned, transferred, set over and delivered, or otherwise vested in Assignee or intended so to be.

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6. All cost, expenses and obligations relating to the Lease and other property rights conveyed hereunder which were incurred or accrued prior to the Effective Date shall be paid and discharged by Assignor.

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

8. Assignor covenants and warrants that the Lease listed on Exhibit "A" is in full force and effect and that Assignor has received no notice alleging any default under any of the terms of the Lease; that Assignor has good right and authority to sell and assign its interests and that same are free and clear of all mortgages and liens created by through and under Assignor; and that Assignor will warrant and forever defend the same unto Assignee against every person or persons whomsoever claiming by, through or under Assignor.

9. **ASSIGNOR AGREES TO INDEMNIFY, DEFEND, PROTECT AND HOLD ASSIGNEE HARMLESS OF AND FROM ANY AND ALL CLAIMS, DEMANDS, COSTS, (INCLUDING BUT NOT LIMITED TO ATTORNEY AND EXPERT FEES) EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES ARISING OUT OF INJURY TO PERSONS (INCLUDING DEATH), ENVIRONMENTAL DAMAGE, AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS RELATED TO ASSIGNOR'S OPERATIONS ON OR RELATING TO THE PROPERTIES AND WHETHER OR NOT ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY OR OTHER ACTIONS OR OMISSIONS OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION OR CONTROL. FURTHER, ASSIGNEE SHALL NEVER BE LIABLE FOR ANY CLAIMS, DEMANDS, COSTS, EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES BECAUSE OF INJURY TO PERSONS OR PROPERTY ARISING OUT OF ACTS OR OMISSION OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION AND CONTROL ON OR RELATED TO THE PROPERTIES OR INGRESS THERETO AND EGRESS THEREFROM. ASSIGNOR IS NOT AN AGENT OR AN EMPLOYEE OF ASSIGNEE. ASSIGNEE SHALL HAVE NO RESPONSIBILITY TO INSPECT OR OVERSEE ASSIGNOR'S OPERATIONS NOR TO INDEMNIFY OR CORRECT ANY POTENTIALLY HARMFUL, DANGEROUS OR DAMAGING CONDITIONS CAUSED BY ASSIGNOR'S OPERATIONS.**

10. It is understood and agreed that in the event a tract covered by the Lease described in Exhibit 'A' herein are pooled or unitized with other tracts to form a pooled unit, a minimum of 66% of the tract will be pooled.

11. THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

12. This Assignment, and the terms, conditions, covenants and provisions hereof, shall be binding upon and shall inure to the benefit of the Assignor and the Assignee, and their respective successors and assigns.

13. This Assignment may be executed in multiple counterparts with each party executing some but not all of the counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

IN WITNESS WHEREOF the Assignor and the Assignee have duly executed this Assignment by their respective proper officers, all by authorization duly given.

ASSIGNOR

By:

Kenneth Z. Scott

Name: Kenneth Z. Scott



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REEVES COUNTY
CLERKS OFFICE

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ASSIGNEE

BHP Billiton Petroleum Properties (N.A.), LP

By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: *John W. Walsh*
Name: John W. Walsh
Title: Attorney-In-Fact

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ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF HARRIS) SS:

This instrument was acknowledged before me on the 15th day of April, 2014, by John W. Walsh, as Attorney-In-Fact for BHP Billiton Petroleum Properties (GP), LLC, on behalf of said limited liability company in its capacity as the General Partner of BHP Billiton Petroleum Properties (N.A.), LP, and on behalf of said limited partnership.

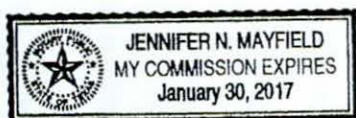
Estela Navarro
Notary Public



ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF DALLAS) SS:

This instrument was acknowledged before me on this 27th day of February, 2014, by Kenneth Z. Scott.



Jennifer N. Mayfield
Notary Public and for the State of Texas

(Personalized Seal)



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CLERKS OFFICE

EXHIBIT "A"

Attached to and made a part of that certain "Assignment of Leasehold Rights"
dated effective February 18, 2014
by and between Kenneth Z. Scott, as "Assignor,"
and BHP Billiton Petroleum Properties (N.A.), LP, as "Assignee."

This Assignment only covers those depths below 3,500 feet. All Depths from the surface of the earth down to 3,500 feet are herein are not owned by Assignor, are EXCLUDED from this Assignment, and are not conveyed hereby.

M/F 056068

Lessor	Lessee	Legal	Lease Date	Recording Info.
Willa Louise Pierce et al, Individually and as Agent for the State of Texas	R. Paul Ricker	Block 56, T-3, T&P Ry. Co. Survey Sec 6: W/2 of SE/4 and SE/4 of SE/4 Reeves County, TX	11/13/63	Reeves County: Vol 236 Page 313

VOL



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END OF EXHIBIT "A"

Inst No. 14-03491
DIANNE O. FLOREZ
COUNTY CLERK
2014 Apr 21 at 09:32 AM
REEVES COUNTY, TEXAS
By: AC Aurora Calanchi DEPUTY



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

14-03491

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 4/21/2014 File # 14-03491 Vol. 1070 Page 70



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Bailey Yates, Deputy

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REEVES COUNTY
CLERK'S OFFICE



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FILED FOR RECORD
REEVES COUNTY, TEXAS
Jun 16, 2014 at 10:31:00 AM

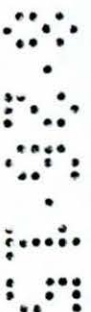
ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

THIS ASSIGNMENT OF LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE (hereinafter called "**Assignment**") is executed by the parties hereto on the dates shown in their respective acknowledgments below, to be effective for all purposes, however, as of **May 29, 2014**, (hereinafter called the "**Effective Date**"), by and between **Kenneth Z. Scott**, whose address is 17121 Club Hill Dr., Dallas, Texas 75248, as "**Assignor**", and **BHP Billiton Petroleum Properties (N.A.), LP**, whose address is 1360 Post Oak Blvd, Suite 150, Houston, Texas 77056-3030, as "**Assignee**".

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1. WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, sell, transfer and convey to Assignee, subject to all of the terms and provisions of this Assignment, the following:

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(a) All Right, Title, and Interest of the working interests owned by Assignor in and to the oil and gas leases described on **Exhibit "A"** attached hereto and incorporated herein for all purposes (hereinafter called the "**Lease**"), **limited to the depths set forth in Exhibit A**, together with all rights, titles, and interests appurtenant thereunto, **as set forth in said Lease**, and (b) All Right, Title, and Interest in all real and personal property (excluding any tangible personal property in or related to existing wells), and any and all other property rights relating to the Lease, the leasehold estates created thereby, or the lands covered by the Lease or included in pooled acreage or units with which any Lease may have been pooled or unitized, including, but not limited to, all easements, rights of way, servitudes, contracts, contract rights, water rights, lease, title and other files, geophysical and seismic data, and any overriding royalty interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the **Lease** or included in pooled acreage or units with which any Lease may have been pooled or unitized. All the foregoing interests shall collectively be referred to as the "**Properties**."

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2. Assignor hereby expressly **excepts, reserves and retains** unto itself, its successors and assigns, an overriding royalty interest (referred to hereinafter as "Assignor's Overriding Royalty") on all oil and gas and other minerals produced from, or allocated to, the Properties, as to the **Lease** described on Exhibit "A", equal to the positive difference, if any, between existing burdens created by Assignor and/or Assignor's predecessors in title (including, but not limited to, the royalty reserved to the lessor(s) in the Leases, and production payments and/or overriding royalty interest), and twenty five percent (25%), proportionately reduced.

3. The interests in the Lease described on Exhibit A conveyed to Assignee shall be for a term of three (3) years ("Primary Term") and so long thereafter as oil, gas, or other hydrocarbons are produced from the Properties, or any of the Leases are otherwise maintained in force under any provisions thereof, subject to the following:

(a) Notwithstanding any other provision herein to the contrary, if at any time after the expiration of the Primary Term of Assignment, production from all wells drilled by Assignee on the leased premises of a **Lease**, or lands pooled therewith, should cease, but the **Lease** is being maintained in effect by some other means, Assignee's interest in said **Lease** shall remain in force so long as Assignee complies with the lease terms, including restoration of production from said leased premises or lands by pooling therewith through one or more of its own wells within one hundred eighty (180) days from said cessation of production if such action actions are allowed under the lease terms. If Assignee fails to restore production within said timeframe, Assignee shall re-assign the affected Lease to Assignor within thirty (30) days after the expiration of said 180-day period.

(b) If, at or within ninety (90) days prior to the expiration of the Primary Term of Assignment, Assignee is engaged in drilling or completion operations anywhere on the Properties or lands pooled therewith, the Primary Term shall be extended so long as Assignee continues drilling or completion operations on the Properties or lands pooled therewith with no cessation of more than ninety (90) consecutive days.

4. Assignor shall provide Assignee access to all of the files, records, documents, correspondence and data now in the possession or control of Assignor (the "**Lease Data**").

5. Assignor will do, execute, acknowledge and deliver, all and every such further acts, conveyances, transfer orders, division orders, notices, releases and acquittances and such other instruments as may be necessary or appropriate more fully to assure to Assignee, its successors and assigns, all of the respective Lease, rights, titles, interests, estates, remedies, powers and privileges by this instrument granted, bargained, sold, conveyed, assigned, transferred, set over and delivered, or otherwise vested in Assignee or intended so to be.

6. All cost, expenses and obligations relating to the Lease and other property rights conveyed hereunder which were incurred or accrued prior to the Effective Date shall be paid and discharged by Assignor.



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

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

8. Assignor covenants and warrants that the Lease listed on Exhibit "A" is in full force and effect and that Assignor has received no notice alleging any default under any of the terms of the Lease; that Assignor has good right and authority to sell and assign its interests and that same are free and clear of all mortgages and liens created by through and under Assignor; and that Assignor will warrant and forever defend the same unto Assignee against every person or persons whomsoever claiming by, through or under Assignor.

9. ASSIGNOR AGREES TO INDEMNIFY, DEFEND, PROTECT AND HOLD ASSIGNEE HARMLESS OF AND FROM ANY AND ALL CLAIMS, DEMANDS, COSTS, (INCLUDING BUT NOT LIMITED TO ATTORNEY AND EXPERT FEES) EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES ARISING OUT OF INJURY TO PERSONS (INCLUDING DEATH), ENVIRONMENTAL DAMAGE, AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS RELATED TO ASSIGNOR'S OPERATIONS ON OR RELATING TO THE PROPERTIES AND WHETHER OR NOT ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY OR OTHER ACTIONS OR OMISSIONS OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION OR CONTROL. FURTHER, ASSIGNEE SHALL NEVER BE LIABLE FOR ANY CLAIMS, DEMANDS, COSTS, EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES BECAUSE OF INJURY TO PERSONS OR PROPERTY ARISING OUT OF ACTS OR OMISSION OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION AND CONTROL ON OR RELATED TO THE PROPERTIES OR INGRESS THERETO AND EGRESS THEREFROM. ASSIGNOR IS NOT AN AGENT OR AN EMPLOYEE OF ASSIGNEE. ASSIGNEE SHALL HAVE NO RESPONSIBILITY TO INSPECT OR OVERSEE ASSIGNOR'S OPERATIONS NOR TO INDEMNIFY OR CORRECT ANY POTENTIALLY HARMFUL, DANGEROUS OR DAMAGING CONDITIONS CAUSED BY ASSIGNOR'S OPERATIONS.

10. It is understood and agreed that in the event a tract covered by the Lease described in Exhibit 'A' herein are pooled or unitized with other tracts to form a pooled unit, a minimum of 66% of the tract will be pooled.

11. THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

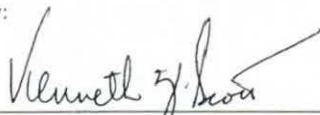
12. This Assignment, and the terms, conditions, covenants and provisions hereof, shall be binding upon and shall inure to the benefit of the Assignor and the Assignee, and their respective successors and assigns.

13. This Assignment may be executed in multiple counterparts with each party executing some but not all of the counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

IN WITNESS WHEREOF the Assignor and the Assignee have duly executed this Assignment by their respective proper officers, all by authorization duly given.

ASSIGNOR

By:



Name: Kenneth Z. Scott

ASSIGNEE

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BHP Billiton Petroleum Properties (N.A.), LP

By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: [Signature]
Name: Stephen L. Mahanay
Title: Attorney-In-Fact

V
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L

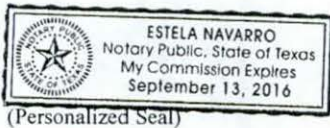
ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF HARRIS) SS:

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This instrument was acknowledged before me on the 10th day of June, 2014, by Stephen L. Mahanay, as Attorney-In-Fact for BHP Billiton Petroleum Properties (GP), LLC, on behalf of said limited liability company in its capacity as the General Partner of BHP Billiton Petroleum Properties (N.A.), LP, and on behalf of said limited partnership.

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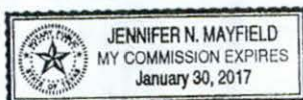
[Signature]
Notary Public in and for the State of Texas

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ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF DALLAS) SS:

This instrument was acknowledged before me on this 2nd day of June, 2014, by Kenneth Z. Scott.



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

(Personalized Seal)



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

EXHIBIT "A"

Attached to and made a part of that certain "Assignment of Leasehold Rights"
dated effective May 29, 2014
by and between Kenneth Z. Scott, as "Assignor,"
and BHP Billiton Petroleum Properties (N.A.), LP, as "Assignee."

This Assignment only covers those depths below 3,500 feet. All Depths from the surface of the earth down to 3,500 feet are not owned by Assignor, and are herein EXCLUDED from this Assignment, and are not conveyed hereby.

Lessor	Lessee	Legal	Lease Date	Recording Info.
Willa Louise Pierce et al, Individually and as Agent for the State of Texas	R. Paul Ricker	Block 56, T-3, T&P Ry. Co. Survey Sec 6: W/2 of SE/4 and SE/4 of SE/4 Reeves County, TX	11/13/63	Reeves County: Vol 236 Page 313

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END OF EXHIBIT "A"

Inst No. 14-05442
DIANNE O. FLOREZ
COUNTY CLERK
2014 Jun 16 at 10:31 AM
REEVES COUNTY, TEXAS
By: AC Victoria Calanche DEPUTY



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

2014

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 6-16-14 File # 14-05442 Vol. 1083 Page 400



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Myra Amanda, Deputy

MF0 56068
eff 6-1-14

VOL. 1079 PG. 593

14-04905

FILED FOR RECORD
REEVES COUNTY, TEXAS
May 29, 2014 at 11:31:00 AM

100%

ASSIGNMENT OF LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

THIS ASSIGNMENT OF LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE (hereinafter called "Assignment") is executed by the parties hereto on this 29 day of May, 2014, effective as of the first day of June, 2014, (hereinafter called the "Effective Date"), by and between:

THE DE COMPEIGNE PROPERTY COMPANY NO. 20, LTD.

a Texas Limited Partnership, whose address is
P. O. Box 1071, Midland, Texas 79702,

(hereinafter referred to as "Assignor"), and

Kenneth Z. Scott, whose address is:

17121 Club Hill Drive, Dallas, Texas 75205

(hereinafter referred to as "Assignee").

1. WITNESSETH: That for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, sell, transfer and convey to Assignee, subject to all of the terms and provisions of this Assignment, the following:

(a) All Right, Title, and Interest of the working interests owned by Assignor in and to the Oil and Gas Lease described on Exhibit "A" attached hereto and incorporated herein for all purposes, limited to the depths set forth in Exhibit A (hereinafter called the "Lease"), together with all rights, titles, and interests appurtenant thereunto, as set forth in said Lease; and

(b) All Right, Title, and Interest in all real and personal property (excluding any tangible personal property in or related to existing wells), and any and all other property rights relating to the Lease, the leasehold estates created thereby, or the lands covered by the Lease or included in pooled acreage or units with which the Lease may have been pooled or unitized, including, but not limited to, all easements, rights of way, servitudes, contracts, contract rights, water rights, lease, title and other files, geophysical and seismic data, and any overriding royalty interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the Leases or included in pooled acreage or units with which any Lease may have been pooled or unitized; all the foregoing interests shall collectively be referred to as the "Properties."

2. Assignor hereby expressly **excepts, reserves and retains** unto itself, its successors and assigns, an overriding royalty interest (referred to hereinafter as "Assignor's Overriding Royalty") on all oil and gas and other minerals produced from, or allocated to, the **Properties**, as to the Lease described on Exhibit "A", equal to the positive difference, if any, between existing burdens created by Assignor and/or Assignor's predecessors in title (including, but not limited to, the royalty reserved to the lessor(s) in the Lease, and existing production payments and/or overriding royalty interest), and Twenty-two and one-half percent (22.50%) proportionately reduced.

3. The interests in the Lease described on Exhibit A conveyed to Assignee shall be for a term of three (3) years ("Primary Term") and so long thereafter as oil, gas, or other hydrocarbons are produced from the Properties, or the Lease is otherwise maintained in force under any provisions thereof, subject to the following:

(a) Notwithstanding any other provision herein to the contrary, if at any time after the expiration of the Primary Term, production from all wells drilled by Assignee on the leased premises of the Lease or lands pooled therewith, should cease, but the Lease is being maintained in effect by some other means, Assignee's interest in said Lease shall remain in force so long as Assignee complies with the lease terms including

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as Assignee continues mining or completion operations on the Properties or lands pooled therewith with no cessation of more than ninety (90) consecutive days.

4. Assignor shall provide Assignee access to Assignor's proprietary 3-D seismic data (the "3-D Data"), if any; any and all geological data and reports, subject to all applicable licensing agreements and all restrictions on transfer, including but not limited to all logs, core reports, paleo reports and surveys, vertical surveys, etc. (the "Geologic Data"); and all of the files, records, documents, correspondence and data now in the possession or control of Assignor (the "Lease Data").

5. Assignor will do, execute, acknowledge and deliver, all and every such further acts, conveyances, transfer orders, division orders, notices, releases and acquittances and such other instruments as may be necessary or appropriate more fully to assure to Assignee, its successors and assigns, all of the respective Lease, rights, titles, interests, estates, remedies, powers and privileges by this instrument granted, bargained, sold, conveyed, assigned, transferred, set over and delivered, or otherwise vested in Assignee or intended so to be.

6. All cost, expenses and obligations relating to the Lease and other property rights conveyed hereunder which were incurred or accrued prior to the Effective Date shall be paid and discharged by Assignor.

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

8. Assignor covenants and warrants that the Lease listed on Exhibit "A" is in full force and effect and that Assignor has received no notice alleging any default under any of the terms of the Lease; that Assignor has good right and authority to sell and assign its interest and that same is free and clear of all mortgages and liens created by through and under Assignor; and that Assignor will warrant and forever defend the same unto Assignee against every person or persons whomsoever claiming by, through or under Assignor.

9. **ASSIGNOR AGREES TO INDEMNIFY, DEFEND, PROTECT AND HOLD ASSIGNEE HARMLESS OF AND FROM ANY AND ALL CLAIMS, DEMANDS, COSTS, (INCLUDING BUT NOT LIMITED TO ATTORNEY AND EXPERT FEES) EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES ARISING OUT OF INJURY TO PERSONS (INCLUDING DEATH), ENVIRONMENTAL DAMAGE, AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS RELATED TO ASSIGNOR'S OPERATIONS ON OR RELATING TO THE PROPERTIES AND WHETHER OR NOT ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY OR OTHER ACTIONS OR OMISSIONS OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION OR CONTROL. FURTHER, ASSIGNEE SHALL NEVER BE LIABLE FOR ANY CLAIMS, DEMANDS, COSTS, EXPENSES, DAMAGES, LOSSES, CAUSES OF ACTION OR SUITS FOR DAMAGES BECAUSE OF INJURY TO PERSONS OR PROPERTY ARISING OUT OF ACTS OR OMISSION OF ASSIGNOR, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR ANY PERSON ACTING UNDER ITS DIRECTION AND CONTROL ON OR RELATED TO THE PROPERTIES OR INGRESS THERETO AND EGRESS THEREFROM. ASSIGNOR IS NOT AN AGENT OR AN EMPLOYEE OF ASSIGNEE. ASSIGNEE SHALL HAVE NO RESPONSIBILITY TO INSPECT OR OVERSEE ASSIGNOR'S OPERATIONS NOR TO INDEMNIFY OR CORRECT ANY POTENTIALLY HARMFUL, DANGEROUS OR DAMAGING CONDITIONS CAUSED BY ASSIGNOR'S OPERATIONS.**

10. THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

11. This Assignment, and the terms, conditions, covenants and provisions hereof, shall be binding upon and shall inure to the benefit of the Assignor and the Assignee, and their respective successors and assigns.



12. This Assignment may be executed in multiple counterparts with each party executing some but not all of the counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

IN WITNESS WHEREOF the Assignor and the Assignee have duly executed this Assignment by their respective proper officers, all by authorization duly given.

ASSIGNOR:

THE DE COMPEIGNE PROPERTY COMPANY NO. 20, LTD.

By: de Compiegne Management G., LLC
General Partner

By: Joseph de Compiegne
Name: H. Joseph de Compiegne
Title: President

ASSIGNEE:

By: Kenneth Z. Scott
Kenneth Z. Scott

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REEVES COUNTY
CLERKS OFFICE

STATE OF TEXAS

COUNTY OF MIDLAND

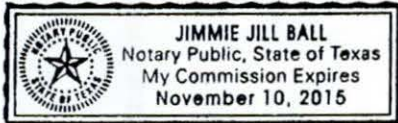
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SS:

This instrument was acknowledged before me this 29th day of May, 2014, by

H. Joseph de Compiegne, President of
(Name of Party who signed document) (Title)
The de Compiegne Management Co., LLC on behalf of THE DE COMPEIGNE
(Name of General Partner)

PROPERTY COMPANY NO. 20, LTD.



Notary Seal

Jimmie Jill Ball
Notary Public in and for the State of Texas
Jimmie Jill Ball
Printed Name of Notary

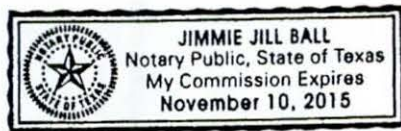
STATE OF TEXAS

COUNTY OF MIDLAND

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SS:

This instrument was acknowledged before me this 29th day of May, 2014, by
Kenneth Z. Scott.



Notary Seal

Jimmie Jill Ball
Notary Public in and for the State of Texas
Jimmie Jill Ball
Printed Name of Notary



EXHIBIT "A"

Attached to and made a part of that certain
ASSIGNMENT of LEASEHOLD RIGHTS, BILL OF SALE, AND CONVEYANCE

dated May 29, 2014, by and between

The de Compeigne Property Company No. 20, Ltd., as "Assignor,"
and Kenneth Z. Scott, as "Assignee."

This Assignment only covers those depths below 3,500 feet. All Depths from the surface of
the earth down to 3,500 feet are herein EXCLUDED from this Assignment and
are not conveyed hereby.

Lessor: Willa Louise Pierce, et al, Individually and as Agent for the State of Texas
Lessee: R. Paul Ricker
Legal: Block 56, T-3, T&P Ry. Co. Survey Sec 6: W/2 of SE/4 and SE/4 of SE/4
Reeves County, TX
Lease Date: 11/13/63
Recording Info: Reeves County, Texas: Vol. 236, Page 313

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END OF EXHIBIT "A"

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REEVES COUNTY
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File No. MF056068
Assign Sledge Br.
to Kenneth Scott
Date Filed: 1-12-16
George P. Bush, Commissioner
By CB

CERTIFICATE OF RECORD

THE STATE OF TEXAS,)
COUNTY OF REEVES.)

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

Date Filed 5-29-14 File # 14-04905 Vol 1019 Page 593



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Lynna Andrade, Deputy



North America Shale Production Division

January 14, 2016

Via FedEx (Trkg #7754 1968 6270)

Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

Attention: J. Daryl Morgan, CPL, Energy Resources Division

Re: Certified/Recorded Pooling Agreement, BHP Billiton Petroleum Properties (N.A.), LP,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506, *M- 56068*
Reeves County, Texas

Dear Mr. Morgan:

Enclosed you will find a Certified Copy of Recorded Pooling Agreement, BHP Billiton Petroleum Properties (N.A.) LP, State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506, Reeves County, Texas for your further handling.

Should you need any additional information, please feel free to contact John Thompson, Landman, telephone 713-961-8678 or email john.thompson@bhpbilliton.com .
Sincerely,

Lynn Latiolais, CPLTA
Land Technical Analyst

/ll
Enclosure



File No. M-56068

County

Ltr. From BHP

Date Filed: 1/15/16

George P. Bush, Commissioner

By [Signature]

123456789

After recording, please return to:
BHP Billiton
ATTN: Lynn Latiolais - Permian Land 21WT
1360 Post Oak, Suite 150
Houston, TX 77056

15-11766
FILED FOR RECORD
REEVES COUNTY, TEXAS
Dec 09, 2015 at 04:12:00 PM

POOLING AGREEMENT
BHP BILLITON PETROLEUM PROPERTIES (N.A.), LP
STATE WILLIE VEE 56-T3-6 UNIT
GLO UNIT NO. 7506
REEVES COUNTY, TEXAS

THIS AGREEMENT is entered into by and between the Commissioner of the General Land Office, on behalf of the State of Texas, as "Lessor" and BHP Billiton Petroleum Properties (N.A.), LP, herein referred to as "Lessee", and such other interested parties as may join in the execution hereof, the undersigned parties herein collectively referred to as the "parties", in consideration of the mutual agreements hereinafter set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purposes and upon the terms and conditions which follow:

PURPOSES:

1.

This Pooling Agreement ("Agreement") is made for the purposes of conservation and utilization of the pooled mineral, to prevent waste, to facilitate orderly development and to preserve correlative rights. To such end, it is the purpose of this Agreement to effect equitable participation within the unit formed hereby. This Agreement is intended to be performed pursuant to and in compliance with all applicable statutes, decisions, regulations, rules, orders and directives of any governmental agency having jurisdiction over the production and conservation of the pooled mineral and in its interpretation and application shall, in all things, be subject thereto.

UNIT DESCRIPTION:

2.

The oil and gas leases, which are included within the pooled unit, are listed on the attached Exhibit "A", to which leases and the records thereof reference is here made for all pertinent purposes. The pooled unit shall consist of all of the lands described in Exhibit "B" attached hereto and made a part hereof. A plat of the pooled unit is attached hereto as Exhibit "C". The unit description is subject to the provisions of Addendum "A".

MINERAL POOLED:

3.

The mineral pooled and unitized ("pooled mineral") hereby shall be oil and gas including all hydrocarbons that may be produced from an oil well or a gas well as such wells are recognized and designated by the Railroad Commission of Texas or other state regulatory agency having jurisdiction of the drilling and production of oil and gas wells. The pooled mineral shall extend to those depths underlying the surface boundaries of the pooled unit from 3,500 feet below the surface to the stratigraphic equivalent of 100 feet below the base of the Wolfcamp Formation, which is seen at 11,443 feet true vertical depth on the electric log of the BHPBTXLA, State Tunstill 56-T2-6 #1H well, API #42-389-34315 ("unitized interval").

POOLING AND EFFECT:

4.

The parties hereto commit all of their interests which are within the unit to the extent and as above described into said unit and unitize and pool hereunder the separate tracts described on the attached Exhibit "B", for and during the term hereof, so that such pooling or unitization shall have the following effect:

- (a) The unit, to the extent as above described, shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.
- (b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement. In the event the unitized area covered by this Agreement is maintained in force by drilling or reworking operations conducted on a directional well drilled under the unitized area from a surface location on adjacent or adjoining lands not included within the boundaries of the unitized area, such operations shall be considered to have been commenced on the unitized area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the unitized area and production of oil or gas from the unitized area through any directional well surfaced on adjacent or adjoining land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations, as the case may be, on the unitized area for all purposes under this Agreement. Nothing in this Agreement is intended or shall be construed as granting to Lessee any leasehold interest, easements, or other rights in or with respect to any such adjacent or adjoining land in addition to any such leasehold interests, easements, or other rights which the lessee, operator or other interest owner in the unitized area may have lawfully acquired from the state or others.
- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this Agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, in lieu of the actual production of the pooled mineral therefrom. Provided that, payments that are made on a per acre basis shall be reduced according to the number of acres pooled and included herein, so that payments made on a per acre basis shall be calculated based upon the number of acres actually included within the boundaries of the pooled unit covered by this Agreement.



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REEVES COUNTY
CLERKS OFFICE

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- (e) A shut-in oil or gas well located upon any land or lease included within said unit shall be considered as a shut-in oil or gas well located upon each land or lease included within said unit; provided, however, that shut-in oil or gas well royalty shall be paid to the State on each State lease wholly or partially within the unit, according to the terms of such lease as though such shut-in oil or gas well were located on said lease, it being agreed that shut-in royalties provided in each State lease shall not be shared with other royalty owners.
- (f) Notwithstanding any other provision hereof, it is expressly agreed that each State lease may be maintained in force as to areas lying outside the unitized area described in Exhibit "B" only as provided in each such lease without regard to unit operations or unit production. Neither production of the pooled mineral, nor unit operations with respect thereto, nor the payment of shut-in royalties from a unit well, shall serve to hold any State lease in force as to any area outside the unitized area described in Exhibit "B" regardless of whether the production or operations on the unit are actually located on the State lease or not. "Area" as used in this paragraph shall be based upon surface acres to the end that, except as may otherwise be provided in each State Lease, the area inside the surface boundaries of the pooled unit, if held, will be held as to all depths and horizons. This Paragraph is subject to the provisions of Addendum "A".
- (g) If the Railroad Commission of Texas (or any other Texas regulatory body having jurisdiction) shall adopt special field rules providing for oil and/or gas proration units of less than the number of acres included in the pooled unit, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) make application to the School Land Board of the State of Texas to reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.
- (h) This Agreement shall not relieve Lessee from the duty of protecting the State leases described in Exhibit "A" and the State lands within the boundaries of the pooled unit described in Exhibit "B" from drainage from any well situated on privately owned land, lying outside the unitized area described in Exhibit "B", but, subject to such obligation, Lessee may produce the allowable for the entire unit as fixed by the Railroad Commission of Texas or other lawful authority, from any one or more wells completed thereon.
- (i) There shall be no obligation to drill internal offsets to any other well on separate tracts within the pooled unit, nor to develop the lands within the boundaries thereof separately, as to the pooled mineral.
- (j) Should this Agreement terminate for any cause, the leases and other contracts affecting the lands within the unit, if not then otherwise maintained in force and effect, shall remain and may be maintained in force and effect under their respective terms and conditions in the same manner as though there had been production or operations under said lease or contract and the same had ceased on the date of the termination of this Agreement.

ALLOCATION OF PRODUCTION:

5.

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

TAKING ROYALTY IN KIND:

6.

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

FULL MARKET VALUE:

7.

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

- (a) As to royalty on oil by (1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or (2) the highest market price thereof offered or paid for the field where produced and when run, or (3) gross proceeds of the sale thereof, whichever is the greater;
- (b) As to royalty on gas, such value to be based on (1) the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (2) the gross price paid or offered to the producer, whichever is the greater.

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



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EFFECTIVE DATE:

8.

Upon execution by the Commissioner of the General Land Office of the State of Texas this Agreement shall become effective as of July 14, 2015.

TERM:

9.

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

SPECIAL TERMS AND CONDITIONS:

10.

Notwithstanding anything contained herein to the contrary, this Agreement is subject to the terms and conditions of the attached Addendum "A".

STATE LAND:

11.

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

DISSOLUTION:

12.

The unit covered by this Agreement may be dissolved by Lessee, his heirs, successors or assigns, by an instrument filed for record in Reeves County, Texas, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on said unit or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the School Land Board and mutually agreed to by the undersigned parties, their successors or assigns.

RATIFICATION/WAIVER:

13.

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

COUNTERPARTS:

14.

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

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

Date Executed

11/23/15

STATE OF TEXAS

Legal
Content
Geology
Executive

[Signature]

By:

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



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REEVES COUNTY
CLERKS OFFICE

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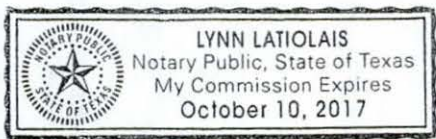
Date Executed 11/16/15

BHP Billiton Petroleum Properties (N.A.), LP,
formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
its General Partner

By: *Stephen L. Mahanay*
Stephen L. Mahanay, Attorney-in-Fact

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on 11/16, 2015, by Stephen L. Mahanay, Attorney-in-Fact of BHP Billiton Petroleum Properties (N.A.), LP formerly known as Petrohawk Properties, LP, by BHP Billiton Petroleum Properties (GP), LLC, its General Partner a Texas limited liability company on behalf of said limited partnership.



Lynn Latolais
Notary Public in and for the State of Texas

CERTIFICATE

I, Stephanie Crenshaw, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 14th day of July, 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 03rd day of November, 2015.

Stephanie Crenshaw
Secretary of the School Land Board



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REEVES COUNTY
CLERKS OFFICE

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Addendum "A"

To that certain Pooling Agreement for the STATE WILLIE VEE 56-T3-6 UNIT

The parties hereby agree that should any conflict exist between the terms and provisions in this Addendum, the terms and provisions of the body of this Pooling Agreement, or the terms and provisions of any of the state leases listed on the Exhibit "A" attached hereto, then the terms and provisions of this Addendum shall supersede and control.

1. Lessor grants lessee the right to hold down to 100 feet below the base of the Wolfcamp formation, which is seen at a subsurface depth of 12,757' TVD, such depth being 100 feet below the stratigraphic equivalent of the base of the deepest formation drilled, as seen on the Schlumberger Platform Express, Array Induction, Gamma Ray Wireline log of the Petrohawk Operating Company - State Protection 55-T2-2 #1V, API No. 42-301-31878
2. The pooled unit shall consist of all of the lands herein described in the attached Exhibit "B" and depicted in the attached Exhibit "C", provided however that, on or before March 2, 2016, (the "Trigger Date"), if Lessee has commenced actual drilling operations on one (1) unit well, then Lessee shall have the option to commence actual drilling operations on one (1) additional unit wells on or before March 2, 2019, Lessee shall enter into a sixty (60) day continuous drilling program from the spud of one well to the spud of another, for two (2) additional unit wells.

At such time as Lessee has drilled and completed four (4) unit wells, in accordance with the deadline above, the parties hereby agree that the pooled unit shall remain in the original, unaltered size and shape described in Exhibit "B" and depicted in Exhibit "C", in accordance with paragraph 9 of the Agreement.

Lessee's failure to timely comply with the deadline above shall result in the formation of a "Contracted Pooled Unit" in accordance with the following:

No. of Unit Wells	Corresponding size & shape of the resulting Contracted Pooled Unit
1 Unit Well	160 acres, more or less, comprised of the stand-up 160 acre quarter of the pooled unit containing the first unit well.
2 Unit Wells	320 Acres, comprised of a) the stand-up 320 acre half of the section containing the first Unit Well, or b) the two 160 acre stand-up quarters of the section containing each of the 2 Unit Wells, if said wells are not in the same half of the section.
3 Unit Wells	480 Acres, comprised of a) the stand-up 320 acre half of the section containing the first Unit Well and the adjacent stand-up 160 acre quarter of the section, or b) the stand-up 320 acre half of the section containing the first Unit Well and the non-adjacent stand-up 160 acre quarter of the section, if said non-adjacent quarter contains a wellbore c) the three 160 acre stand-up quarters of the section containing each of the 3 Unit Wells.

It is the intent of the parties that each wellbore drilled within the original pooled unit shall earn 160 acres, more or less, or one fourth of the original pooled unit acreage as described on Exhibit "B" and depicted on Exhibit "C".

End of Addendum "A"



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Exhibit "A"

Exhibit "A"

Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas

Leases In Unit

State Lease #: MF-056068

Lessor: State of Texas, by and through its agents, Willa Louise Pierce, a feme sole; William Milner Pierce; John Wentworth Pierce; Laura Jean Pierce Call and husband, Earl E. Call, Jr.

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 313-316, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-056074A

Lessor: State of Texas, by and through its agents, K.L. Denton and wife, Leta Denton

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 507-509, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-056074B

Lessor: State of Texas, by and through its agents, Clella Denton Klapproth and husband, Chas. L. Klapproth

Lessee: R. Paul Ricker

Date: 11/13/1963

Recording Info: Recorded at Volume 236, Pages 94-96, Deed Records, Reeves County, Texas

Royalty: 12.50%

State Lease #: MF-112678A

Lessor: State of Texas, by and through its agent, Willie Vee Bolinger, widow of William Maurice Bolinger and William Allison Bolinger, husband of Georgia Bolinger

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5569, Volume 894, Page 838, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678B

Lessor: State of Texas, by and through its agent, Alice Bolinger Harlow a/k/a Martea Bolinger Harlow

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5570, Volume 895, Page 01, Official Public Records, Reeves County, Texas

Royalty: 25.00%

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Exhibit "A" (Cont.)

Leases In Unit

State Lease #: MF-112678C

Lessor: State of Texas, by and through its agent, Ann Howard Lambert, wife of Clell Lambert

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5568, Volume 894, Page 827, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678D

Lessor: State of Texas, by and through its agent, Helen Kay Bolinger Aaron Children's Trust, represented herein by Emily Aaron Greene, Trustee

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5572, Volume 895, Page 23, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112678E

Lessor: State of Texas, by and through its agent, Clarence W. Bolinger, Jr., husband of Camille Bolinger

Lessee: Petrohawk Properties, LP

Date: 06/20/2011

Recording Info: Recorded at File No. 5571, Volume 895, Page 12, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-116159

Lessor: State of Texas

Lessee: BHP Billiton Petroleum Properties (N.A.), LP

Date: 01/07/2014

Recording Info: Recorded at File No. 14-02088, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112667A

Lessor: State of Texas, by and through its agent, B. Leroy Foster and Diane K. Foster, Co-Trustees of the B. Leroy Foster and Diane K. Foster Revocable Trust

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1771, Volume 872, Pages 323-332, Official Public Records, Reeves County, Texas

Royalty: 25.00%



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Exhibit "A" (Cont.)

Leases In Unit

State Lease #: MF-112667B

Lessor: State of Texas, by and through its agent, Mary Beth Spellman, Trustee of the Alton B. Foster, Jr. Trust

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1772, Volume 872, Pages 333-342, Official Public Records, Reeves County, Texas

Royalty: 25.00%

State Lease #: MF-112667C

Lessor: State of Texas, by and through its agent, James B. Foster and wife, Helen M. Foster

Lessee: Cimarex Energy Co.

Date: 03/02/2011

Recording Info: Recorded at File No. 1773, Volume 872, Pages 343-352, Official Public Records, Reeves County, Texas

Royalty: 25.00%

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Exhibit "B"

Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas

Description of Lands included in the Pooling Agreement

Tract 1:

The Northwest Quarter (NW/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 2:

The West One-Half of the Northeast One-Quarter (W/2 of NE/4) of Section 6, Block 56, Township 3-S, T&P Ry. Co. Survey, Reeves County, Texas

Tract 3:

The East Half of the Northeast Quarter (E/2 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 of SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 4:

The West Half of the Southeast Quarter (W/2 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

Tract 5:

The Southwest Quarter (SW/4) of Section 6, Block 56, Township 3, T&P Ry. Co. Survey, Reeves County, Texas

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GENERAL NOTES

1. COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 (EPSG 32039) "TEXAS CENTRAL ZONE", AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
2. VERTICAL DATUM IS NAVD 88 (EPSG 5103)
3. COMBINED SCALE FACTOR - 0.999834350
4. GRID NORTH CONVERGENCE ANGLE IS -1°49'01.01856"
5. LATITUDE AND LONGITUDE ARE NAD 27 (EPSG 4267) AS SHOWN
6. AREA, DISTANCES, AND COORDINATES ARE "GRID"
7. UNITS ARE UNITED STATES SURVEY FOOT.
8. 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.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	05/01/15	RP	MAKE PRELIMINARY PLAT
B	05/07/15	RP	REVISE TITLE
C	06/24/15	RP	REVISE UNIT

PLAT OF:

A UNIT PLAT FOR:

BHP BILLITON PET (TXLA OP) CO.

STATE WILLIE VEE 56-T3-6

SITUATED IN THE L.A. DENTON SURVEY, ABSTRACT NO. 4161, SECTION 6, BLOCK 56 TOWNSHIP 3, AND THE MRS. KATIE RUHNAU SURVEY, ABSTRACT NO. 4112, SECTION 6, BLOCK 56, TOWNSHIP 3, IN THE T.&P. R.R. CO. LANDS, LOCATED APPROX. 5.8 MILES SOUTHEAST 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

DATE: 05/07/15
DRAWN BY: RP
CHECKED BY: JK
FIELD CREW: RE/MR
PROJECT NO: 2015020229
SCALE: 1" = 1000'
SHEET: 1 OF 2
REVISION: 0

bhpbilliton
BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

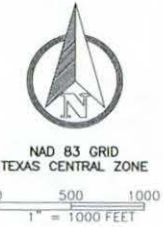
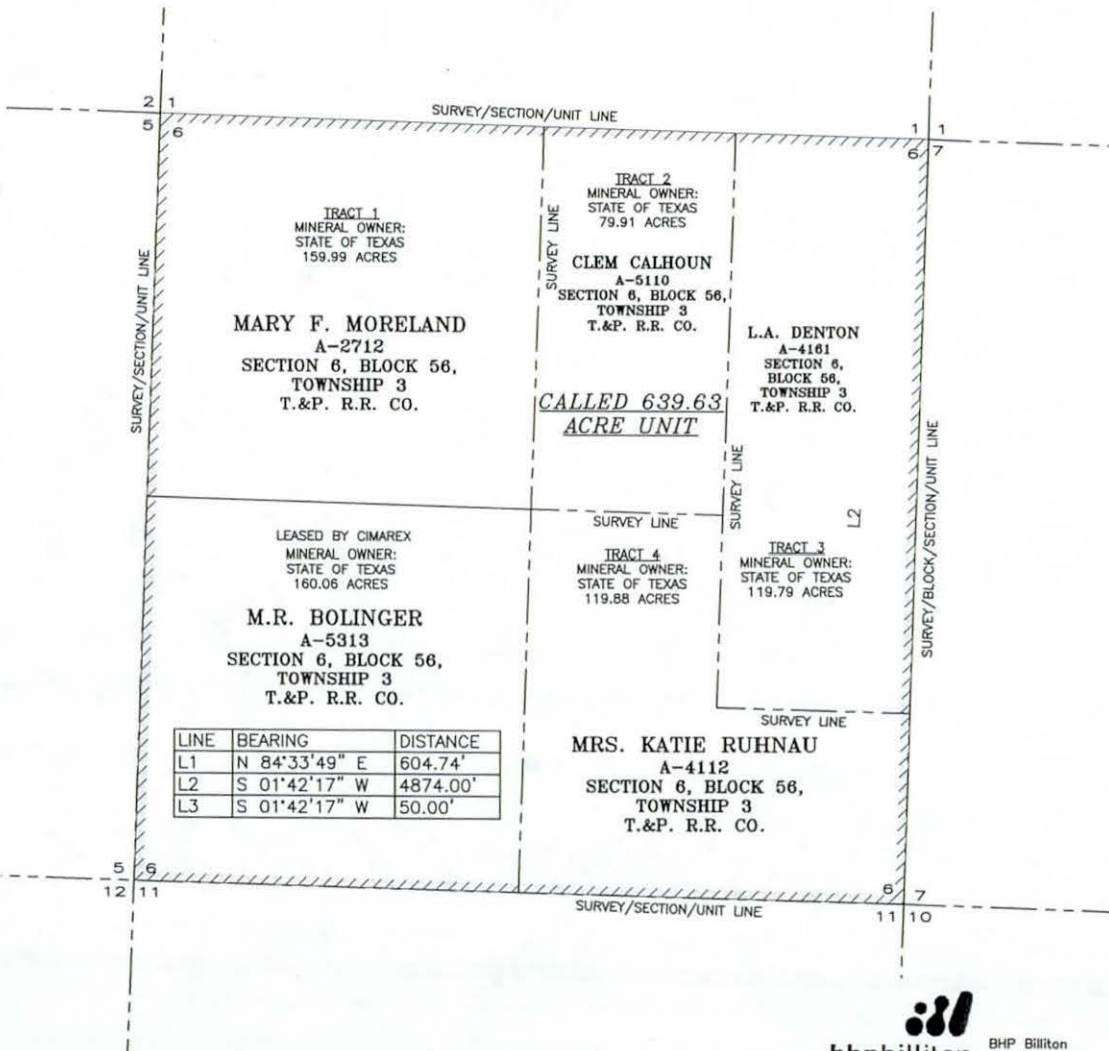


Exhibit "C"
Attached to and made a part of that certain Pooling Agreement,
State Willie Vee 56-T3-6 Unit, GLO Unit No. 7506
Reeves County, Texas



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Inst No. 15-11766
DIANNE O. FLOREZ
COUNTY CLERK

2015 Dec 09 at 04:12 PM

REEVES COUNTY, TEXAS

By: ER Elizabeth Ray DEPUTY

91511

95

File No. M-56068

County Recorded Willie Vee Unit #7506

Date Filed: 1/15/16

George P. Bush, Commissioner

By [Signature]

**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. 1214 PAGE 109 THRU 119



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY [Signature] DEPUTY

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

UPA158826

Unit Number 7506
Operator Name Petrohawk Energy Corporation
Customer ID C000044995
Unit Name State Willie Vee 56-T3-6
County 1 Reeves RRC District 1 08
County 2 RRC District 2
County 3 RRC District 3
County 4 RRC District 4
Unit type Permanent
State Net Revenue Interest Oil 0.11719764
State Part in Unit 1.00000000
Unit Depth Specified Depths
From Depth 3500 TVD
To Depth 11343 100 feet below the base of the Wolfcamp formation TVD
Well
Formation TopBase of Wolfcamp
Participation Basis Surface Acreage
Effective Date
Unitized For Oil And Gas
Unit Term
Old Unit Number Inactive Status Date

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
MF056068	1	119.880000	639.630000	0.18742085	O/G	0.06250000	0.01171380	No
MF056074	2	119.790000	639.630000	0.18728015	O/G	0.06250000	0.01170501	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>O/G</i>	<i>Lease Royalty</i>	<i>NRI of Lease in Unit</i>	<i>Royalty Rate Reduction Clause</i>
MF112678	3	159.990000	639.630000	0.25012898	O/G	0.12500000	0.03126612	No
MF112667	4	160.060000	639.630000	0.25023842	O/G	0.12500000	0.03127980	No
MF116159	5	79.910000	639.630000	0.12493160	O/G	0.25000000	0.03123290	No

API Number

4238934936

Remarks:

Prepared By:

Jm

Prepared Date:

02/08/2016

GLO Base Updated By:

Jm

GLO Base Date:

02/08/2016

RAM Approval By:

Jm

RAM Approval Date:

02/08/2016

GIS By:

Jm

GIS Date:

02/08/2016

Well Inventory By:

Jm

WI Date:

02/08/2016

Pooling Committee Report

To: School Land Board

UPA158826

Date of Board Meeting: 07/14/2015

Unit Number: 7506

Effective Date:

Unit Expiration Date:

Applicant: BHP Billiton Petroleum Properties (N. A.), LP

Attorney Rep:

Operator: Bhp Billiton Petroleum (TxLa Operating) Company, Houston

Unit Name: State Willie Vee 56-T3-6

Field Name: PHANTOM (WOLF CAMP)

County: Reeves

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
RAL	MF056068	0.06250000	11/13/1968	5 years	120.000000	119.880000	0.01171380
RAL	MF056074	0.06250000	11/13/1968	5 years	120.000000	119.790000	0.01170501
RAL	MF112667	0.12500000	03/02/2016	5 years	480.000000	160.060000	0.03127980
RAL	MF112678	0.12500000	06/20/2016	5 years	160.000000	159.990000	0.03126612
U Fee	MF116159	0.25000000	01/07/2019	5 years	80.000000	79.910000	0.03123290

Private Acres:	0.000000
State Acres:	639.630000
Total Unit Acres:	639.630000

<u>Participation Basis:</u>	Surface Acreage
Surface Acreage	
<u>State Acreage:</u>	100.00%
<u>State Net Revenue Interest:</u>	11.72%

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

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
Yes	704 acres for a 4,820 foot lateral (FTP to LTP).

MF#	MF056068	MF056074	MF112678	MF112667	MF116159	
LEASE AC. IN UNIT	119.88	119.79	159.99	160.06	79.91	
TOTAL UNIT AC.	639.63	639.63	639.63	639.63	639.63	
STATE PARTICIPATION	0.18742085	0.18728015	0.25012898	0.25023842	0.12493160	1.00000000
LEASE ROYALTY	0.0625	0.0625	0.125	0.125	0.25	
PART OF UNIT NRI	0.01171380	0.01170501	0.03126612	0.03127980	0.03123290	0.11719764

03/12/2017
 12:00:00
 12:00:00

96.
File No. MF056068

Reeves County

Unit # 7506 - Amended State NRI

Date Filed: 02/25/2016

By Jm George P. Bush, Commissioner

21015

DIVISION ORDER

mf 056068

mf 056074


bhpbilliton
 resourcing the future

Date: 2/15/2016

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

Issue Date: 2/15/2016
 Property Name: STATE WILLIE VEE 56-T3-6 1H
 Property #: P1M690/00501
 Production: ALL PRODUCTS
 Operator: PETROHAWK ENERGY CORPORATION
 Legal Description: T&P RR CO ABST/ID# 4161 Grantee L.A. DENTON Twsp T3 Blk 56 Sec 6 REEVES
 COUNTY/PARISH, TEXAS T&P RR CO ABST/ID# 4112 Grantee K. RUHNAU Twsp T3
 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (639.63 ACRES)

API 389-34936

CREDIT TO

Owner # 80113945
 STATE OF TEXAS GLO
 1700 N CONGRESS AVE NO 640
 AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.01042660	RI	PAY		11/1/2015
0.01042660	RI	PAY		11/1/2015
0.01042660	RI	PAY		11/1/2015
0.00781653	RI	PAY		11/1/2015
0.00781653	RI	PAY		11/1/2015
0.00781653	RI	PAY		11/1/2015
0.03123290	RI	PAY		11/1/2015
0.01171380	RI	PAY		11/1/2015
0.00585250	RI	PAY		11/1/2015
0.00585250	RI	PAY		11/1/2015
0.00390827	RI	PAY		11/1/2015
0.00390827	RI	PAY		11/1/2015



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

April 20, 2016

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P O BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF111858/MF111325 State Protector 55-T2-2X11 1H
✓MF056068/MF056074 State Willie Vee 56-T3-6 1H; and
MF111792 Wagner B 8H (Unit 5085)

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

File No. MF 056 068
Division Order

Date Filed: 4-21-16
George P. Bush, Commissioner
By UN

**RAILROAD COMMISSION OF TEXAS****Form G-1**

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

Status: Submitted
Date: 03/24/2016
Tracking No.: 152838

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.: 42-389-34936 County: REEVES
Well No.: 1H RRC District No.: 08
Lease Name: STATE WILLIE VEE 56-T3-6 Field Name: PHANTOM (WOLFCAMP)
RRC Gas ID No.: Field No.: 71052900
Location: Section: 6, Block: 56 T3S, Survey: T&P RR CO/DENTON, MRS L A, Abstract: 4161
Latitude: 31.75156 Longitude: -103.86051
This well is located 5.8 miles in a SE 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: 11/18/2015
Type of Permit Date Permit No.
Permit to Drill, Plug Back, or Deepen 07/22/2015 808550
Rule 37 Exception
Fluid Injection Permit
O&G Waste Disposal Permit
Other:

COMPLETION INFORMATION

Spud date: 08/02/2015 Date of first production after rig released: 11/18/2015
Date plug back, deepening, recompletion, or drilling operation commenced: 08/02/2015 Date plug back, deepening, recompletion, or drilling operation ended: 08/29/2015
Number of producing wells on this lease in this field (reservoir) including this well: 1 Distance to nearest well in lease & reservoir (ft.): 0.0
Total number of acres in lease: 479.57 Elevation (ft.): 2863 GL
Total depth TVD (ft.): 10399 Total depth MD (ft.): 15575
Plug back depth TVD (ft.): 10399 Plug back depth MD (ft.): 15470
Was directional survey made other than inclination (Form W-12)? Yes Rotation time within surface casing (hours): 149.0
Recompletion or reclass? No Is Cementing Affidavit (Form W-15) attached? Yes
Type(s) of electric or other log(s) run: Gamma Ray (MWD) Multiple completion? No
Electric Log Other Description:
Location of well, relative to nearest lease boundaries Off Lease: No
of lease on which this well is located: 275.0 Feet from the North Line and
930.0 Feet from the East Line of the
STATE WILLIE VEE 56-T3-6 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.): 1225.0 Date: 07/17/2015
 SWR 13 Exception Depth (ft.):

GAS MEASUREMENT DATA

Date of test: 01/18/2016 Gas measurement method(s):
 Gas production during test (MCF): 7834 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	1025.0	39.8	113.0	0.9526	0.9116	1.006	2842.0

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (dry gas): 0.722 Gravity (liquid hydrocarbons) (Deg. API): 50.6
 Gas-Liquid Hydro Ratio (CF/Bbl): 3511 Gravity (mixture): Gmix= 1.316
 Avg. shut in temp. (°F): 122.0 Bottom hole temp. and depth: 176.0 °F@ 10399.0 FT

Run No.	Time of Run (Min.)	Choke Size (in.)	Wellhead Pressure (PSIA)	Wellhead Flow Temp (°F)
SHUT-IN	1440	28/64	2560	68.0
1	4320	28/64	2300	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 Cement Class	Cement Amount (sacks)	Slurry Volume (cu. ft.)	Top of Cement (ft.)	TOC Determined By
1	Surface	11 3/4	14 3/4	1325		C	1713	2278.3	SURF	Circulated to Surface
2	Intermediate	9 5/8	10 5/8	4731		C	472	1121.7	850	Calculation
3	Intermediate	7 5/8	8 3/4	10323		LITE; C	420	861.0	3183	Calculation
4	Tapered Production	5 1/2	6 3/4	15560		TXI	1053	1284.7	5800	Calculation
5	Tapered Production	4 1/2	6 3/4	15560		TXI	1053	1284.7	5800	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
1	2 7/8	10091	10067 / BRANTON BT1-XW

PRODUCING/INJECTION/DISPOSAL INTERVAL

Row	Open hole?	From (ft.)	To (ft.)
1	No	L1 10609	15383



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): 8714.0

Production casing test pressure (PSIG) prior to hydraulic fracturing treatment: 11150

Actual maximum pressure (PSIG) during hydraulic fracturing: 10757

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	15 STAGES: 5,981,625# PROPPANT; 5,597,212 GALLONS FLUID	10609.0 15383.0

FORMATION RECORD

Formations	Encountered	Depth TVD (ft.)	Depth MD (ft.)	Is formation isolated?	Remarks
FORD-DELAWARE	Yes	2500.0	2500.0	Yes	ESTIMATE
CASTILLE	Yes	2800.0	2800.0	Yes	ESTIMATE
LAMAR LM.	Yes	3279.0	3288.0	Yes	ESTIMATE
BELL CANYON	Yes	3314.0	3323.0	Yes	ESTIMATE
DELAWARE	Yes	5700.0	5700.0	Yes	ESTIMATE
DELAWARE CONSOLIDATED GAS	Yes	6500.0	6500.0	Yes	ESTIMATE
CHERRY CANYON	Yes	4208.0	4217.0	Yes	ESTIMATE
BRUSHY CANYON	Yes	5516.0	5525.0	Yes	ESTIMATE
BONE SPRINGS	Yes	7061.0	7117.0	Yes	ESTIMATE
MID AVALON LIMESTONE	Yes	7562.0	7628.0	Yes	ESTIMATE
BASE AVALON SHALE	Yes	8061.0	8127.0	Yes	ESTIMATE
2ND BONE SPRING	Yes	8718.0	8785.0	Yes	ESTIMATE
3RD BONE SPRING	Yes	9761.0	9827.0	Yes	ESTIMATE
PERMIAN	No			No	NOT ENCOUNTERED; NOT DEEP ENOUGH
WOLFCAMP	Yes	10150.0	10216.0	Yes	TARGET ZONE
PENNSYLVANIAN	No			No	NOT DEEP ENOUGH
MISSISSIPPIAN	No			No	NOT DEEP ENOUGH
DEVONIAN	No			No	NOT DEEP ENOUGH
FUSSELMAN	No			No	NOT DEEP ENOUGH
ELLENBURGER	No			No	NOT DEEP ENOUGH

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. KOP AT 10067'. CROSSOVER AT 10119'.



RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2016-04-08 11:00:18.638] EDL=4774 feet, max acres=704, PHANTOM (WOLFCAMP) oil or gas well

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
Telephone No.: (713) 983-2508

Title: Regulatory Supervisor
Date Certified: 04/12/2016



GROUNDWATER PROTECTION DETERMINATION

Form GW-2

Groundwater Advisory Unit

Date: 17 July 2015

GAU Number:

11865

Attention: BHP BILLITON PET(TXLA OP) CO

1360 POST OAK BLVD STE 150

HOUSTON, TX 77056

P-5#: 068596

API Number:

County:

REEVES

Lease Name:

STATE WILLIE VEE 56-T3-6

RRC Lease Number:

Well Number:

1H

Total Vertical Depth:

13000

Latitude:

31.751565

Longitude:

-103.860517

Datum:

NAD27

Purpose: New Drill

Location: Survey-T&P RR CO; Abstract-4161; Block-56; Township-3; Section-6

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

Water-bearing strata from the land surface to a depth of 250 feet and the Rustler, which is estimated to occur from 725 to 1225 feet must be protected.

This recommendation is applicable to all wells within a radius of 200 feet of this location.

This determination is based on information provided when the application was submitted on 07/17/2015. 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

Form GW-2

P.O. Box 12967 Austin, Texas 78771-2967

512-463- 2741

Rev. 02/2014

Internet address: www.rrc.texas.gov

91.7.4

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

GAS WELL
CLASSIFICATION REPORT

Form G-5

Tracking No.: 152838

This facsimile G-5 was generated electronically from data submitted to the RRC.

1. OPERATOR NAME (Exactly as shown on Form P5 Organization Report) BHP BILLITON PET(TXLA OP) CO		3. RRC DISTRICT NO. 08	4. OIL LEASE NO OR GAS WELL ID NO.																												
2. MAILING ADDRESS 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056		5. WELL NO. 1H	6. API NO. 42- 389-34936																												
		7. COUNTY OF WELL SITE REEVES																													
8. FIELD NAME (as per RRC Records) PHANTOM (WOLFCAMP)		9. LEASE NAME STATE WILLIE VEE 56-T3-6																													
10. LOCATION (Section, Block and Survey) 6, 56 T3S, T&P RR CO/DENTON, MRS L A, A-4161		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.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.																													
A. Date of Test <u>01/18/2016</u> B. Gas Volume <u>2842.0</u> (Mcf) C. Oil or Condensate Volume <u>809.35</u> (Bbl) D. Water Volume <u>1638.11</u> (Bbl) E. Gas/Liquid Hydrocarbon Ratio <u>3511</u> (Cf/Bbl) F. Flowing Tubing Pressure <u>2300</u> (psia) G. Choke Size <u>28/64</u> (in.) H. Casing Pressure <u>960.0</u> (psia) I. Shut-in Wellhead Pressure-- Tubing <u>2560</u> (psia) J. Separator Operating Pressure <u>1075.0</u> (psia) K. Color of Stock Tank Liquid <u>Pale Yellow</u> L. Gravity of Separator Liquid <u>50.6</u> °API M. Gravity of Stock Tank Liquid _____ °API N. Specific Gravity of the Gas (Air = 1) <u>0.722</u>		Date Liquid Sample Obtained <u>01/07/2016</u> Where Obtained: ☒ Separator ☐ Stock Tank <table style="width:100%;"> <thead> <tr> <th colspan="2">% Over Temp. (deg. F)</th> <th colspan="2">% Over Temp. (deg. F)</th> </tr> </thead> <tbody> <tr> <td>Initial Boiling Temp.</td> <td><u>88.0</u></td> <td>60</td> <td><u>506.0</u></td> </tr> <tr> <td>10</td> <td><u>194.0</u></td> <td>70</td> <td><u>597.0</u></td> </tr> <tr> <td>20</td> <td><u>243.0</u></td> <td>80</td> <td><u>692.0</u></td> </tr> <tr> <td>30</td> <td><u>289.0</u></td> <td>90</td> <td><u>722.0</u></td> </tr> <tr> <td>40</td> <td><u>348.0</u></td> <td>95</td> <td><u>722.0</u></td> </tr> <tr> <td>50</td> <td><u>427.0</u></td> <td>End Point</td> <td><u>722.0</u></td> </tr> </tbody> </table> Total Recovery <u>89.8</u> percent Residue <u>6.8</u> percent Loss <u>3.4</u> percent		% Over Temp. (deg. F)		% Over Temp. (deg. F)		Initial Boiling Temp.	<u>88.0</u>	60	<u>506.0</u>	10	<u>194.0</u>	70	<u>597.0</u>	20	<u>243.0</u>	80	<u>692.0</u>	30	<u>289.0</u>	90	<u>722.0</u>	40	<u>348.0</u>	95	<u>722.0</u>	50	<u>427.0</u>	End Point	<u>722.0</u>
% Over Temp. (deg. F)		% Over Temp. (deg. F)																													
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30	<u>289.0</u>	90	<u>722.0</u>																												
40	<u>348.0</u>	95	<u>722.0</u>																												
50	<u>427.0</u>	End Point	<u>722.0</u>																												
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. 03/24/2016 DATE		RRC USE ONLY																													
		NAME (Type or Print) <u>Diann Flowers</u>																													
		SIGNATURE <u>Regulatory Supervisor</u>																													
		TITLE																													
CONTACT PERSON		PHONE NUMBER (713) 983-2508																													

01774



Petroleum Engineers

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 25, 2016

Ms. Diann Flowers
BHP Billiton - Petroleum (TXLA OP) Co.
3800 East 42nd Street, Suite 105
Odessa, Texas 79762

Re: Well: State Willie Vec 56-T3-6 1H
Field: Phantom (Wolfcamp)
Location: Reeves County, Texas
Formation: Wolfcamp
Lateral: 10609 - 15383 ft
Test Type: Mathematically Recombined C₇₊ Wellstream Analysis

Dear Ms. Flowers:

As instructed, FESCO collected gas and hydrocarbon (HC) liquid samples from the first-stage lease separator on January 7, 2016 then sent the samples to its laboratory in Alice, Texas for C₇₊ 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 2908 Scf/Sep Bbl (3631 Scf/STB). The attached report contains the separator gas, separator liquid and wellstream fluid compositions through C₇₊. The operator provided the GOR value used to determine the wellstream composition. The resulting molar volume of the C₇₊ wellstream pseudo-component was 10.573 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

31.7.4

January 25, 2016

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 C₇.**

Well Information For Sample Date of : 01/07/16

Well Name:	State Willie Vee 56-T3-6 1H	Formation:	Wolfcamp
Field:	Phantom (Wolfcamp)	Lateral:	10609 - 15383 ft
County:	Reeves, Texas	FWHP:	2300 psig

Separator Effluents at: 1075 psig & 111°F

Production Data Furnished by: Operator

Stock Tank GOR:	3631	SCF / STB	Separator Gas Rate:	2471	MCF/Day
Separator GOR:	2908	SCF / Sep Bbl	Separator HC Liquid Rate:	849.7	Bbls/Day
Stock Tank HC SG:	50.6	*API @ 60 °F	Stock Tank HC Liquid Rate:	680.6	Bbls/Day
Stock Tank HC Color:	Pale Yellow		Water Rate:	2133.0	Bbls/Day
			Sep HC Liquid Recovery Factor:	80.091	%

Component	GAS		HC LIQUID		WELLSTREAM	
	Mole%	GPM	Mole %	Liquid Volume %	Mole %	GPM
Hydrogen Sulfide**	< 0.001		-----	-----	< 0.001	
Nitrogen	0.703		0.067	0.016	0.551	
Carbon Dioxide	0.142		0.046	0.017	0.119	
Methane	80.807		19.938	7.306	66.287	
Ethane	10.624	2.825	9.892	5.721	10.449	2.779
Propane	4.305	1.179	9.514	5.668	5.548	1.520
Iso-butane	0.533	0.173	2.065	1.461	0.898	0.292
N-butane	1.249	0.392	6.062	4.133	2.397	0.751
2-2 Dimethylpropane	0.000	0.000	0.057	0.047	0.014	0.005
Iso-pentane	0.271	0.099	2.380	1.882	0.774	0.281
N-pentane	0.329	0.119	3.392	2.659	1.060	0.382
Hexanes	0.291	0.119	4.648	4.133	1.330	0.544
Heptanes Plus	0.746	0.361	41.939	66.957	10.573	7.619
TOTALS	100.000	5.266	100.000	100.000	100.000	14.174

HEPTANES PLUS (C₇.) FRACTION CHARACTERISTICS

	GAS	HC LIQUID	WELLSTREAM
Molecular Weight	107.2 lb/lb-mol	188.6 lb/lb-mol	184.2 lb/lb-mol
Specific Gravity	3.7147 (Air=1)	0.8095 (Water=1)	0.8055 (Water=1)
Vapor Volume	20.663 Scf/Gal	13.623 Scf/Gal	13.877 Scf/Gal

TOTAL SAMPLE CHARACTERISTICS

	GAS	HC LIQUID	WELLSTREAM
Molecular Weight	20.8 lb/lb-mol	102.4 lb/lb-mol	40.3 lb/lb-mol
Specific Gravity	0.7220 (Air=1)	0.7020 (Water=1)	1.3966 (Air=1)
Vapor Volume	189.880 Scf/Gal	21.749 Scf/Gal	70.552 Scf/Gal
Gross Heating Value	Dry BTU/Scf	Sat BTU/Scf	
	1253	1232	

**Hydrogen Sulfide tested on location by: Stained Tube Method (GPA 2377)
 0.019 Gr/100 CF, 0.3 PPMV or 0.0000 Mol %

Certified: FESCO, Ltd. - Alice, Texas

Base Conditions: 14.650 psia and 60 °F

Job No.61050

Conan Pierce
 Conan Pierce 361-661-7015

91.74

Tracking No.: 152838

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.

DATE TESTED
MO/DAY/YRGAS PRODUCED
MCF/DAY **CONDENSATE
PRODUCEDWATER PROD
BBL/DAY***SIWH
PRESSURE PSIA

WELL NO.

MARK X FOR
SHUT-IN WELLGAS SPEC.
GRAVITYCONDENSATE
GRAVITY (API)X BOTTOMHOLE
PRESSURE PSIA***FLOWING
PRESSURE PSIA

PHANTOM (WOLFCAMP)

STATE WILLIE VEE 56-T3-6

1H

01/18/2016

2842

MCF

809.35

BBL

1638.11

BBL

2560

0.722

50.6

2300

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: Diann Flowers

Title: Regulatory Supervisor

Phone: (713) 983-2508

Date: 03/24/2016

* 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.: 152838

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: 11/18/2015
Field Name PHANTOM (WOLFCAMP)	Drilling Permit No. 808550	
Lease Name STATE WILLIE VEE 56-T3-6	Lease/ID No.	Well No. 1H
County REEVES	API No. 42- 389-34936	

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

Name (print)

Regulatory Supervisor

Title

(713) 983-2508

Phone

03/24/2016

Date

-FOR RAILROAD COMMISSION USE ONLY-



Scientific Drilling

GAMMA RAY

5" = 100' FEET MD

COMPANY : BHP BILLITON WELL : STATE WILLIE VEE 56-T3-6 1H FIELD : WOLFPCAMP COUNTY : REEVES STATE : TEXAS COUNTRY : USA UWI : 42-389-34936		COMPANY : BHP BILLITON WELL : STATE WILLIE VEE 56-T3-6 1H FIELD : WOLFPCAMP COUNTY : REEVES STATE : TEXAS COUNTRY : USA UWI : 42-389-34936		WELL LOCATION LAT: 31°45'6.09"N LONG: 103°51'39.555"W N: 10618229.03 ft E: 1200235.84 ft SEC: TWP: RANGE: ROP		OTHER SERVICES DIRECTIONAL	
DEPTH REF. : RKB REF. HEIGHT : 25.000 ft GROUND LEVEL : 2863.470 ft		RKB to Ground Level G.L. to MEAN SEA LEVEL					
BOREHOLE RECORD				DEVIATION RECORD			
HOLE SIZE 1in	FROM ft	TO ft	INCLINATION deg	FROM ft	TO ft		
14.75	0	1331	0° (+/-)	0	5031		
10.625	1331	4747	0°-17.23°	5031	7855		
8.75	4747	10335	0° (+/-)	7855	10041		
6.75	10335	15575	0°-90°	10041	10749		
			90° (+/-6°)	10749	15575		
CASING RECORD							
CASING SIZE 1in	FROM ft	TO ft					
11.75	0	1331					
9.625	0	4747					
7.625	0	10321					
4.5	0	15496					
DRILLING CO. : H&P RIG : 602 LMD UNIT NO. : 86-MP4-63 DISTRICT : MIDLAND SPUD DATE : 8/2/2015 LMD START DATE : 8/7/2015 LMD END DATE : 8/26/2016 DEPTH : 4047 ft DEPTH : 15575 ft TOTAL DEPTH : 15575 ft							

Run Data					
RUN NUMBER	1	2	3	4	5
START DATE	8/7/2015	8/16/2015	8/19/2015	8/21/2015	8/25/2015
START TIME	03:00	01:00	16:00	1:30	15:00
END DATE	8/11/2015	8/18/2015	8/21/2015	8/25/2015	8/27/2015
END TIME	13:30	00:30	00:30	9:30	13:30
DEPTH IN (ft)	4047	9510	10335	10751	14254
DEPTH OUT (ft)	9510	10335	10751	14254	15575
LOG TOP (ft)	4047	9510	10335	10751	14254
LOG BOTTOM (ft)	9510	10335	10751	14254	15575
HOLE SIZE (in)	8.75	8.75	6.75	6.75	6.75
MUD DATA @ (ft)	4740	9510	10335	10575	13943
MUD TYPE	BRINE	BRINE	BRINE	BRINE	BRINE
DENSITY (lb / gal)	8.95	9.2	9.5	11.2	12.05
VISCOSITY (s / qt)	28	29	30	39	49
pH	7.4	10.5	9.2	10.5	10.6
FLUID LOSS (cm3 / 30)					
SALINITY (ppm)	61000	60000	58000	104000	101000
Rm (ohmm @ deg F)					
Rmf (ohmm @ deg F)					
MAX TEMP (deg F)					
Rm @ MAX TEMP (ohmm)					
LWD ENGINEER #1	IVAN CABALLERO	IVAN CABALLERO	IVAN CABALLERO	IVAN CABALLERO	IVAN CABALLERO
LWD ENGINEER #2	CODY CLOYD	CODY CLOYD	CODY CLOYD	CODY CLOYD	CODY CLOYD
LWD ENGINEER #3					
LOG WITNESS #1					
LOG WITNESS #2					

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.: 152838

1. Field name exactly as shown on proration schedule PHANTOM (WOLFCAMP)		2. Lease name as shown on proration schedule STATE WILLIE VEE 56-T3-6					
3. Current operator name exactly as shown on P-5 Organization Report BHP BILLITON PET(TXLA OP) CO		4. Operator P-5 no. 068596	5. Oil Lse/Gas ID no.	6. County REEVES	7. RRC district 08		
8. Operator address including city, state, and zip code 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056		9. Well no(s) (see instruction E) 1H					
		10. Classification ☐ Oil ☒ Gas ☐ Other (see instruction A)			11. Effective Date 11/18/2015		
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 Due to: ☒ new completion or recompletion ☐ reclass oil to gas ☐ reclass gas to oil ☐ other well (specify) _____ ☐ 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	ENERGY TRANSFER COMPANY(252017)			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	
PLAINS MARKETING, L.P.(667883)						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 _____ Name (print) _____ Title _____				Signature _____ ☐ Authorized Employee of previous operator ☐ Authorized agent of previous operator (see instruction G) _____ 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) Regulatory Supervisor Title diann.flowers@bhpbilliton.com E-mail Address (optional)				Signature Diann Flowers ☒ Authorized Employee of current operator ☐ Authorized agent of current operator (see instruction G) 03/24/2016 (713) 983-2508 Date Phone with area code			



**CERTIFICATE OF
POOLING AUTHORITY**

Revised 05/2001

P-12

1. Field Name(s) PHANTOM (WOLFCAMP)	2. Lease/ID Number (if assigned)	3. RRC District Number 08
4. Operator Name BHP BILLITON PET (TXLA OP) CO	5. Operator P-5 Number 068596	6. Well Number 1H
7. Pooled Unit Name STATE WILLIE VEE 56-T3-6	8. API Number 42-389-34936	9. Purpose of Filing ☐ Drilling Permit (W-1) ☒ Completion Report
10. County REEVES	11. Total acres in pooled unit 479.57	

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT IDENTIFIER	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS	
			UNLEASED	NON-POOLED
1	STATE OF TEXAS	159.99	☐	☐
2	STATE OF TEXAS	79.91	☐	☐
3	STATE OF TEXAS	119.79	☐	☐
4	STATE OF TEXAS	119.88	☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Flowers, Diann	Signature	Diann Flowers	Print Name
Regulatory Supervisor	diann.flowers@bhpbilliton.com	03/23/2016	(713) 983-2508
Title	E-mail (if available)	Date	Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

- When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
- The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
- If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
- If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.
- If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
- Identify the drill site tract with an * to the left of the tract identifier.
- The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15

Tracking No.: 152838

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 ,

STATE WILLIE VEE 56-T3-6 , No. 1H ; that such well is
LEASE WELL

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 _____

479.57 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 03/24/2016 Signature Diann Flowers

Telephone (713) 983-2508 Title Regulatory Supervisor
AREA CODE

97.23.4

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 WILLIE VEE 56-T3-6
LEASE ACRES: 479.57

<u>LEASE ID</u>	<u>DRILLING PERMIT #</u>	<u>WELL NO.</u>	<u>DEDICATED ACRES</u>
PENDING	808550	1H	479.57
TOTAL ALLOCATED:			479.57
TOTAL AVAILABLE:			0

97.274

RAILROAD COMMISSION OF TEXAS

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

**P-16 Data Sheet
(Optional)**

Page 1
Rev. 09/2014

Acreage Designation

SECTION I. OPERATOR INFORMATION

Operator Name: SHP BILLITON PET (TXLA OP) CO	Operator P-5 No.: 068596
Operator Address: 1360 POST OAK BLVD., SUITE 150 HOUSTON, TX 77056	

SECTION II. WELL INFORMATION

District No.: 08	County: REEVES	Purpose of Filing: ☒ Drilling Permit Application (Form W-1) ☒ Completion Report (Form G-1/W-2)
Well No.: 1H	API No.: 42-389-34936	
Total Lease Acres: 479.57	Drilling Permit No.: 808550	
Lease Name: STATE WILLIE VEE 56-T3-6	Lease No.:	
Field Name: PHANTOM (WOLFCAMP)	Field No.: 71052900	

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL WELLS IN THE APPLIED-FOR FIELD ON THE SAME ACREAGE AS THE LEASE, POOLED UNIT, OR UNITIZED TRACT DESIGNATED IN SECTION II ABOVE BY FILER

[illegible]

Total Well Count >	0	479.57	< A. Total Assigned Horiz. Acreage	479.57	< C. Total Assigned Acreage
		0	< Total Remaining Horiz. Acreage	0	< Total Remaining Acreage
		0	< B. Total Assigned Vert./Dir. Acreage		
		0	< Total Remaining Vert./Dir. Acreage		

SECTION IV. REMARKS / PURPOSE OF FILING (see instructions)

[illegible]

Attach Additional Pages As Needed. ☒ No additional pages ☐ Additional Pages: _____ (No. of additional pages)

CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Flowers, Diann (Equality advised by Flowers, Diann, Sr. Regulatory Specialist, diann.flowers@bhpbilliton.com) Diann Flowers, Sr. Regulatory Specialist diann.flowers@bhpbilliton.com

Signature

Name and title (type or print)

Email (include email address *only* if you affirmatively consent to its public release)

1360 Post Oak Blvd., Suite 150 Houston, TX 77056

(713) 983-2508

03/23/2016

Address

City,	State,	Zip Code
-------	--------	----------

Tel: Area Code

Number

Date: mo. day yr.

97.54



RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.

Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: BHP Billiton Pet (TX La OP) Co.

Operator P-5 No.: 768596

Cementer Name: Schlumberger

Cementer P-5 No.: 754900

WELL INFORMATION

District No.: 08

County: Reeves

Well No.: 1H

API No.: 42389-34936 Drilling Permit No.: 808550

Lease Name: State Willie Vee 56-T3-6

Lease No.:

Field Name: Phantom (WOLFcamp)

Field No.: 71052910

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☒ Surface ☐ Intermediate ☐ Liner ☐ Production

Drilled hole size (in.): 14 3/4

Depth of drilled hole (ft.): 1331

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.): 11 3/4

Casing weight (lbs/ft) and grade: 47 J-55

No. of centralizers used: 8

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☒ Yes ☐ No If no for surface casing, explain in Remarks.

Setting depth shoe (ft.):

Top of liner (ft.):

1325

Setting depth liner (ft.):

Hrs. waiting on cement before drill-out: 19

Calculated top of cement (ft.):

Surface

Cementing date: 3-Aug-15

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2	1713	C	Remarks	2278.3	5254
3					
Total	1713			2278.3	5254

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper: Lower:

Upper: Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper: Lower:

Upper: Lower:

Upper: Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☐ No

Setting depth tool (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper: Lower:

Upper: Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper: Lower:

Upper: Lower:

Upper: Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☐ No

Setting depth tool (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

01.03.14

CEMENTING TO SQUEEZE PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS	
#1:	
#2: 94pps D903 + 0.4% D079	
#3:	
#4: 160 bbls to surface; 898 sks	

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.

Matthew Courtney, FE			Schlumberger			
Name and title of cementer's representative			Cementing Company		Signature	
32 E. Industrial Loop	Midland	TX 79701	(432) 683-1887		August 3, 2015	
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 Flavers		Sr. Regulatory Specialist			
Typed or printed name of operator's representative		Title		Signature	
1260 Post Oak Blvd	Houston	TX 77056	(713) 983-2508		12/2/15
Address		City, State, Zip Code	Tel: Area Code Number		Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- 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. The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form 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.
- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission. To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14)). 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.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a calliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
- Multiple parallel strings:** An operator should file the Form W-15 as an attachment to the Form W-4, Application for Multiple Completion. An operator may be required to submit multiple Form W-15s to show all data for multiple parallel strings.
- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.

01.12.14



RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementor: Fill in shaded areas.

Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: <u>BHP Billiton Pty (XLA OP) Co</u>	Operator P-5 No.: <u>068596</u>
Cementor Name: <u>Schlumberger</u>	Cementor P-5 No.: <u>754900</u>

WELL INFORMATION

District No.: <u>08</u>	County: <u>Reeves</u>
Well No.: <u>1H</u>	API No.: <u>42-39-34936</u> Drilling Permit No.: <u>808550</u>
Lease Name: <u>State Willie Vee 56-T3-6</u>	Lease No.:
Field Name: <u>Phantom (WOLFcamp)</u>	Field No.: <u>71052900</u>

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production		
Drilled hole size (in.): <u>10 5/8</u>	Depth of drilled hole (ft.): <u>4740</u>	Est. % wash-out or hole enlargement:
Size of casing in O.D. (in.): <u>9 5/8</u>	Casing weight (lbs/ft) and grade: <u>40 J-55</u>	No. of centralizers used: <u>0</u>
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No If no for surface casing, explain in Remarks.	Setting depth shoe (ft.): <u>4731</u>	Top of liner (ft.):
		Setting depth liner (ft.):
Hrs. waiting on cement before drill-out: <u>11</u>	Calculated top of cement (ft.): <u>850</u>	Cementing date: <u>6-Aug-15</u>

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1	316	C	Remarks	865.8	7839
2	156	C	Remarks	255.8	2316
3					
Total	472			1121.7	10156

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings			
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No	Setting depth tool (ft.):		
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings			
Drilled hole size (in.):	Depth of drilled hole (ft.):	Est. % wash-out or hole enlargement:	
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:	No. of centralizers used:	
Tapered string drilled hole size (in.)	Tapered string depth of drilled hole (ft.)		
Upper:	Lower:	Upper:	Lower:
Tapered string size of casing in O.D. (in.)	Tapered string casing weight (lbs/ft) and grade	Tapered string no. of centralizers used	
Upper:	Lower:	Upper:	Lower:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No	Setting depth tool (ft.):		
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):	Cementing date:	

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

07.25.4

CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

#1: C + 0.02gps D047 + 5% D154 + 5% D020 + 3% M117 + 2% S001

#2: C + 0.02gps D047 + 2.5% D020 + 0.25% D013 + 0.1% D065

#3:

#4:

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.

Matthew Courtney, FE

Schlumberger

Name and title of cementer's representative

Cementing Company

Signature

32 E. Industrial Loop

Midland

TX

79701

(432) 683-1887

August 6, 2015

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.

Typed or printed name of operator's representative

Title

Signature

Address

City

State

Zip Code

Tel: Area Code

Number

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

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- How to file:** An oil and gas completion report and Form W-15 may be filed online using the Commission's Online System (<https://webapps.rrc.state.tx.us/security/login.do>) or a paper copy of the form may be mailed to the Commission in Austin (P.O. Box 12967, Austin, Texas 78711-2967).
- Surface casing:** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Groundwater Advisory Unit in Austin. Sufficient cement shall be used to fill the annular space outside the casing from the shoe to the ground surface or to the bottom of the cellar. Before drilling a well, an operator must obtain a letter from the Groundwater Advisory Unit stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
To plug and abandon a well, operators must use only cementers approved by the Commission's Director of Field Operations in accordance with SWR 14 ([http://info.sos.state.tx.us/pis/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14](http://info.sos.state.tx.us/pis/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=1&ch=3&ri=14)). 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.
- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
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- Slurry data:** If cement job exceeds three slurries, continue the list of slurries in the Slurry table in the subsequent Casing Cementing Data box.





RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.

Operator: Fill in other items.

OPERATOR INFORMATION

Operator Name: BHP Billiton Akt (ZELA OP) CO

Operator P-5 No.: 068596

Cementer Name: Schlumberger

Cementer P-5 No.: 754900

WELL INFORMATION

District No.: 08

County: Reeves

Well No.: 1H

API No.: 42389-34936

Drilling Permit No.: 808550

Lease Name: State Willie Vee 56-T3-6

Lease No.:

Field Name: Phantom (Wolfcamp)

Field No.: 71052900

I. CASING CEMENTING DATA

Type of casing: ☐ Conductor ☐ Surface ☒ Intermediate ☐ Liner ☐ Production

Drilled hole size (in.): 8 3/4

Depth of drilled hole (ft.): 10335

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.): 7 5/8

Casing weight (lbs/ft) and grade: 29.7; P-110

No. of centralizers used: 0

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No If no for surface casing, explain in Remarks.

Setting depth shoe (ft.):

Top of liner (ft.):

10323

Setting depth liner (ft.):

Hrs. waiting on cement before drill-out:

19

Calculated top of cement (ft.): 3183

Cementing date: 19-Aug-15

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1	250	LiteCRETE	Remarks	597.5	5947
2	170	Class C + Adds	Remarks	263.5	2623
3					
Total	420			861.0	8569

II. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper: Lower:

Upper: Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper: Lower:

Upper: Lower:

Upper: Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No

Setting depth tool (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

III. CASING CEMENTING DATA

Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings

Drilled hole size (in.):

Depth of drilled hole (ft.):

Est. % wash-out or hole enlargement:

Size of casing in O.D. (in.):

Casing weight (lbs/ft) and grade:

No. of centralizers used:

Tapered string drilled hole size (in.)

Tapered string depth of drilled hole (ft.)

Upper: Lower:

Upper: Lower:

Tapered string size of casing in O.D. (in.)

Tapered string casing weight (lbs/ft) and grade

Tapered string no. of centralizers used

Upper: Lower:

Upper: Lower:

Upper: Lower:

Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No

Setting depth tool (ft.):

Hrs. waiting on cement before drill-out:

Calculated top of cement (ft.):

Cementing date:

SLURRY

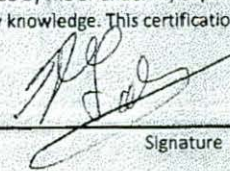
Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

01.05.14

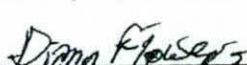
CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS
#1: 53.67pps D049 + 23.41pps D209 + 22.92 D163 + .04% D208 + .45% D167 + .1% D202 + .3% D201
#2: C + .05% D208 + 3% M117 + .6% D112 + .2% D065 + .25% D201
#3:
#4:

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.

Jeanne Lantz, FE				Schlumberger			
Name and title of cementer's representative				Cementing Company		Signature	
32 E. Industrial Loop	Midland	TX	79701	(432) 683-1887		August 19, 2015	
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.

				Sr. Regulatory Specialist			
Typed or printed name of operator's representative				Title		Signature	
13671 Post Oak Blvd	Houston	TX	77056	(713) 983-2508		12/2/15	
Address		City,	State,	Zip Code	Tel: Area Code	Number	Date: mo. day yr.

Instructions for Form W-15, Cementing Report

NOTICE: The Form W-15 must be submitted as an attachment to a Form G-1 (Gas Well Back Pressure Test, Completion or Recompletion Report, and Log), Form W-2 (Oil Well Potential Test, Completion or Recompletion Report, and Log), Form W-3 (Plugging Record), or Form W-4 (Application for Multiple Completion), any time cement is pumped in a wellbore.

- 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. The Form W-15 should be filed with the Form W-3, Plugging Record, unless the Form 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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- Estimated % wash-out:** If the estimated % wash-out is less than 20% (or 30% along the Gulf Coast), provide supporting documentation such as a caliper log to show how the estimated % wash-out was obtained.
- Multi-stage cement:** An operator must report the multi-stage cement shoe in II. Casing Cementing Data section by selecting the type of casing and Multi-stage cement shoe. The operator must report the multi-stage cement tool in III. Casing Cementing Data section by selecting the type of casing and Multi-stage cement/DV tool.
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91.174



RAILROAD COMMISSION OF TEXAS

1701 N. Congress

P.O. Box 12967

Austin, Texas 78701-2967

CEMENTING REPORT

Form W-15

Rev. 08/2014

Cementer: Fill in shaded areas.

Operator: Fill in other items.

OPERATOR INFORMATION	
Operator Name: BHP Billiton PET (TXLA OP) Co-	Operator P-5 No.: 068.596
Cementer Name: Schlumberger	Cementer P-5 No.: 754900

WELL INFORMATION	
District No.: 08	County: Reeves
Well No.: 1H	API No.: 42387-34936 Drilling Permit No.: 808 550
Lease Name: State Willie Vee 56-T3-6	Lease No.:
Field Name: Phanton (K6LFCAMP)	Field No.: 71052960

I. CASING CEMENTING DATA	
Type of casing: ☐ Conductor ☐ Surface ☐ Intermediate ☐ Liner ☐ Production	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☐ No If no for surface casing, explain in Remarks.	
Setting depth shoe (ft.):	Top of liner (ft.):
Setting depth liner (ft.):	
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					

II. CASING CEMENTING DATA	
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☒ Tapered production ☐ Multi-stage cement shoe ☐ Multiple parallel strings	
Drilled hole size (in.): 6 3/4	Depth of drilled hole (ft.): 15575
Size of casing in O.D. (in.): 5 1/2; 4 1/2	Casing weight (lbs/ft) and grade: 20/13.5 P-110
No. of centralizers used: 146	
Tapered string drilled hole size (in.):	Tapered string depth of drilled hole (ft.):
Upper: 6 3/4 Lower: 6 3/4	Upper: 10119 Lower: 15560
Tapered string size of casing in O.D. (in.):	Tapered string casing weight (lbs/ft) and grade
Upper: 5 1/2 Lower: 4 1/2	Upper: 20 Lower: 13.5 P-110
Tapered string no. of centralizers used	
Upper: 18 Lower: 128	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☒ No	
Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.): 5800
Cementing date: 29-Aug-15	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1	522	TXI+Adds	Remarks	636.8	7625
2	531	TXI+Adds	Remarks	647.8	7757
3					
Total	1053			1284.7	15382

III. CASING CEMENTING DATA	
Type of casing: ☐ Surface ☐ Intermediate ☐ Production ☐ Tapered production ☐ Multi-stage cement/DV tool ☐ Multiple parallel strings	
Drilled hole size (in.):	Depth of drilled hole (ft.):
Size of casing in O.D. (in.):	Casing weight (lbs/ft) and grade:
No. of centralizers used:	
Tapered string drilled hole size (in.):	Tapered string depth of drilled hole (ft.):
Upper: Lower:	Upper: Lower:
Tapered string size of casing in O.D. (in.):	Tapered string casing weight (lbs/ft) and grade
Upper: Lower:	Upper: Lower:
Tapered string no. of centralizers used	
Upper: Lower:	
Was cement circulated to ground surface (or bottom of cellar) outside casing? ☐ Yes ☐ No	
Setting depth tool (ft.):	
Hrs. waiting on cement before drill-out:	Calculated top of cement (ft.):
Cementing date:	

SLURRY					
Slurry No.	No. of Sacks	Class	Additives	Volume (cu.ft.)	Height (ft.)
1					
2					
3					
Total					



CEMENTING TO SQUEEZE, PLUG BACK OR PLUG AND ABANDON							
	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7
Cementing Date							
Size of hole or pipe (in.)							
Depth to bottom of tubing or drill pipe (ft.)							
Cement retainer setting depth (ft.)							
CIBP setting depth (ft.)							
Amount of cement on top of CIBP (ft.)							
Sacks of cement used							
Slurry volume pumped (cu. ft.)							
Calculated top of plug (ft.)							
Measured top of plug, if tagged (ft.)							
Slurry weight (lbs/gal)							
Class/type of cement							
Perforate and squeeze (YES/NO)							

REMARKS

#1: 75ppsD49+3%D195+0.3%D167+1.2gpsD600G+0.035gpsD145+0.08%D177+0.05gpsD175A

#2: 75ppsD49+3%D195+0.2%D46+0.55%D167+0.1%D65+0.45%201+0.03%D208

#3:

#4:

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Johnny M. Mares, FS3

Name and title of cementer's representative

Schlumberger

Cementing Company

[Signature]

Signature

32 E. Industrial Loop

Address

Midland

City,

TX

State,

79701

Zip Code

(432) 683-1887

Tel: Area Code Number

August 29, 2015

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.

[Signature]

Typed or printed name of operator's representative

[Signature]

Title

[Signature]

Signature

1360 Post Box Blvd Houston TX 77056

Address

City,

State,

Zip Code

(713) 983-2508

Tel: Area Code Number

12/12/15

Date: mo. day yr.

Instructions for Form W-15, Cementing Report

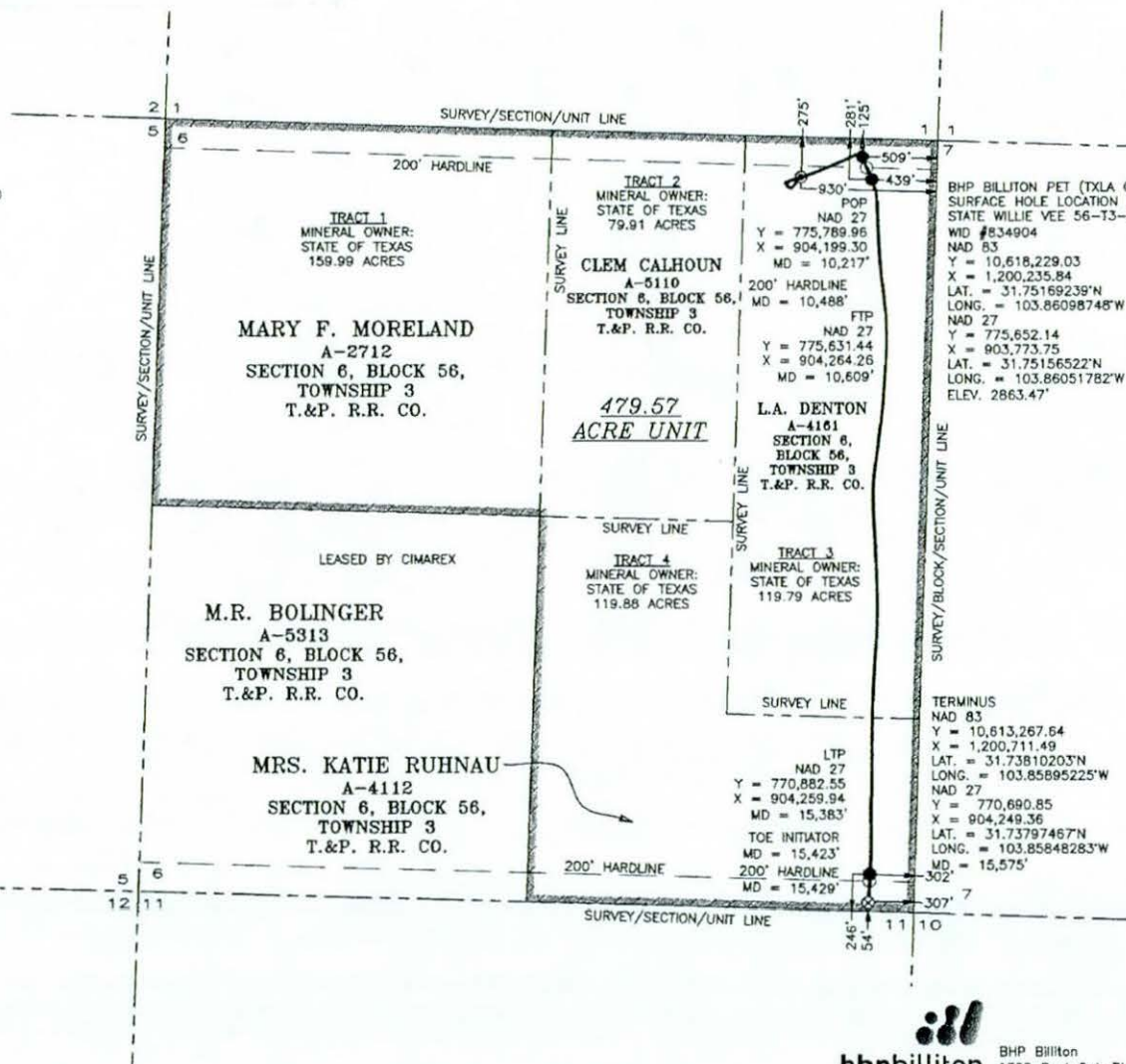
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97.23.4



NAD 83 GRID
TEXAS CENTRAL ZONE
0 500 1000
1" = 1000 FEET

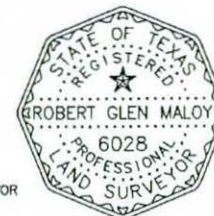


GENERAL NOTES

- COORDINATES SHOWN ARE BASED ON TEXAS COORDINATE SYSTEM OF NAD 83 (EPSG 32039) "TEXAS CENTRAL ZONE", AND BASED ON "CHAPMAN ET" NGS MONUMENT (Y = 783,172.93, X = 903,204.24)
- VERTICAL DATUM IS NAVD 88 (EPSG 5103)
- COMBINED SCALE FACTOR = 0.999834350
- GRID NORTH CONVERGENCE ANGLE IS -1°49'01.01856"
- LATITUDE AND LONGITUDE ARE NAD 27 (EPSG 4267) AS SHOWN
- AREA, DISTANCES, AND COORDINATES ARE "GRID"
- UNITS ARE UNITED STATES SURVEY FOOT.
- 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.

Robert Glen Maloy
ROBERT GLEN MALOY
REGISTERED PROFESSIONAL LAND SURVEYOR
LICENSE NO. 6028



REVISION	DATE	BY	DETAILS
A	09/08/15	RP	MAKE PRELIMINARY PLAT
B	10/26/15	RP	REVISE LATERAL

PLAT OF:
AN AS-DRILLED FOR:
BHP BILLITON PET (TXLA OP) CO.
STATE WILLIE VEE 56-T3-6 1H
WID# 834904

SITUATED IN THE L.A. DENTON SURVEY, ABSTRACT NO. 4161, SECTION 6, BLOCK 56 TOWNSHIP 3, AND THE MRS. KATIE RUHNAU SURVEY, ABSTRACT NO. 4112, SECTION 6, BLOCK 56, TOWNSHIP 3, IN THE T.&P. R.R. CO. LANDS, LOCATED APPROX. 5.8 MILES SOUTHEAST OF ORLA, IN REEVES COUNTY, TEXAS



BHP Billiton
1360 Post Oak Blvd. #150
Houston, Texas 77056

FRANK
SURVEYING COMPANY INC
550 Bailey Ave., 205 - Fort Worth, TX 76107
Ph: 817.349.9800 - Fax: 979.732.5271
YOPS Firm No. 10193867
www.franksurveying.com

LAND SURVEYING/ENERGY/GIS SERVICES

DATE: 09/08/15
DRAWN BY: RP
CHECKED BY: RM
FIELD CREW: REMR
PROJECT NO: 2015020220
SCALE: 1" = 1000'
SHEET: 1 OF 2
REVISION:

File No. MF056068 98.

Rooves County

Completion Report for Unit #7506

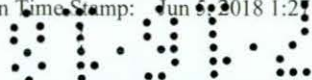
Date Filed: 5/09/2016

By Jim George P. Bush, Commissioner

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 840544	DATE PERMIT ISSUED OR AMENDED May 31, 2018	DISTRICT * 08
API NUMBER 42-389-37211	FORM W-1 RECEIVED May 29, 2018	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 639.63
OPERATOR 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 STATE WILLIE VEE 56-T3-6		WELL NUMBER W105H
LOCATION 5.76 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 6 BLOCK ◀ 56 T3 ABSTRACT ◀ 5313 SURVEY ◀ T&P RR CO/BOLINGER, M R		
DISTANCE TO SURVEY LINES 330 ft. N 1567 ft. E		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 330 ft. N 1567 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP) STATE WILLIE VEE 56-T3-6	639.63 200	12,500 660
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 N L 2310.0 F E L Terminus Location Lease Lines: 50.0 F S L 2310.0 F E L Survey Lines: 50.0 F S L 2310.0 F E L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

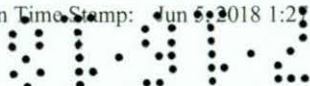


RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 840544	DATE PERMIT ISSUED OR AMENDED May 31, 2018	DISTRICT * 08
API NUMBER 42-389-37211	FORM W-1 RECEIVED May 29, 2018	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 639.63
OPERATOR 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 STATE WILLIE VEE 56-T3-6		WELL NUMBER W105H
LOCATION 5.76 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 6 BLOCK ◀ 56 T3 ABSTRACT ◀ 5313 SURVEY ◀ T&P RR CO/BOLINGER, M R		
DISTANCE TO SURVEY LINES 330 ft. N 1567 ft. E		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 330 ft. N 1567 ft. E		DISTANCE TO NEAREST WELL ON 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 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

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 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 fuels*) 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 Name: 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



**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>

07.97.2

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 18 May 2018**GAU Number:** 195893**Attention:** BHP BILLITON PET(TXLA OP)
1500 POST OAK BLVD
HOUSTON, TX 77056**API Number:**
County: REEVES
Lease Name: STATE WILLIE VEE 56-T3-6
Lease Number:
Well Number: W107H
Total Vertical Depth: 14000
Latitude: 31.751404
Longitude: -103.862411
Datum: NAD27**Operator No.:** 068596**Purpose:** New Drill**Location:** Survey-T&P RR CO ; Abstract-4161

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

Water-bearing strata from the land surface to a depth of 400 feet and the Rustler, which is estimated to occur from 700 to 1400 feet must be protected.

This recommendation is applicable to all wells within a radius of 2000 feet of this location.

Please send Gamma/Porosity log of this well when it is available.

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 05/09/2018. 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

Form GW-2
Rev. 02/2014

P.O. Box 12967 Austin, Texas 78771-2967

512-463-2741

Internet address: www.rrc.texas.gov

01974

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

MINOR PERMIT TO TREAT DOMESTIC WASTEWATER

Permit No. MPGW-A18-0891-D08
Permit Effective 6/27/2018

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD, STE. 150
HOUSTON, TX 77056

Based on information contained in the original application received 6/26/2018, and additional information received to date, you are hereby authorized to treat, recycle, and reuse domestic wastewater as described herein:

Phantom (Wolfcamp), **State Willie Vee 56-T3-6**
W107H (839591); W106H (839599); W105H (840544)
Latitude, Longitude: 31.942894° & -103.836175°
Loving 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 **6/27/2018**, and the authority granted by this permit expires on **10/27/2018**.
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.



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.

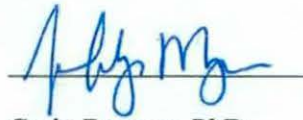


13. Prior to recycling and reuse, the treated domestic wastewater must be stored in the 20-mil high density polyethylene (HDPE) on-site reserve pit with a permeability less than or equal to 1×10^{-7} cm/s. Earthen berms must be constructed around the pit and must be compacted or constructed of material 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.



APPROVED AND ISSUED ON JUNE 27, 2018.

A handwritten signature in blue ink, appearing to read "Craig Pearson", is written over a horizontal line.

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

01911

PERMIT APPENDIX A

Sampling Criteria for Waste Streams

Permit No. MPGWA18-0891-D08

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) <i>Standard Method 2540 or equivalent</i>	Report mg/l
pH <i>EPA Method 9045 or equivalent</i>	Report SU
Electrical Conductivity (EC)	Report mmhos/cm



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.

<u>PARAMETER</u>	<u>LIMITATION</u>
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) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	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.

<u>PARAMETER</u>	<u>LIMITATION</u>
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 <i>EPA Method 1664</i>	≤ 30 mg/l
Total Chlorides <i>or site-specific background for surficial aquifer</i>	≤ 1,500 mg/l
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 SU

* Carbonaceous Biological/Biochemical Oxygen Demand (CBOD₅) may be substituted for BOD₅



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) 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056			TYPE OF FACILITY DRILL PAD
RRC DISTRICT NO. 08	COUNTY LOVING	FIELD NAME PHANTOM (WOLF CAMP)	LEASE NAME AND NUMBER STATE WILLIE VEE 56-T3-6
WELL NUMBER AND DRILLING PERMIT NUMBER DRILL PAD- multiple wells SEE ATTACHED		LATITUDE/LONGITUDE (Decimal Degrees) 31.942894 / -103.836175	
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)			
☒ Domestic Wastewater (DW)		Volume of DW (GPD): 4800	
☒ Mobile Drinking Water Treatment System Wastewater (MDW)		Volume of MDW (GPD): 800	
STORAGE METHOD OF WASTEWATER BEFORE RECYCLING ☒ 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)	
☒ 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: _____		1/22/2018 Date: _____	
Name (print or type): Nicole Vail		Email: nicole.vail@bhp.com	

* Attachments may be used to explain or clarify any additional information





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 lbs.	100 (445)	114 (507)
Max Strength TD ⁽³⁾ , ppi			100 (445)	114 (507)
Tensile Properties				
Max Strength MD ⁽²⁾ , ppi	ASTM D7003	30,000 lbs.	64	74
Max Strength TD ⁽³⁾ , ppi			64	74
Elongation at Max Strength MD ⁽²⁾ (%)			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 x 10 ⁻⁵	5.0 x 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



State Willie Vee 56-T3-6 W107H	DP#839591	31.751404 / -103.862411
State Willie Vee 56-T3-6 W106H	DP#839599	31.751531 / -103.862953
State Willie Vee 56-T3-6 W105H	DP#840544	31.751531 / -103.863025

01.01.1

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



LORI WROTENBERY
DIRECTOR, OIL AND GAS DIVISION
D. CRAIG PEARSON
DISTRICT DIRECTOR

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

OPERATOR Name: BHP BILLITON PET(TXLA OP) CO

RE: Lease: STATE WILLIE VEE 56-T3-6

Address1: 1500 POST OAK BLVD

Address2:

Well No: W105H

City: HOUSTON

Sec: 6 **Block:** 56 T3

State: TX

County: REEVES

Survey Name: T&P RR CO/BOLINGER, M
R

SWR13EX Application Number: 32201

Drilling Permit No: 840544

SWR 13 CASING EXCEPTION APPLICATION/ALTERNATIVE REQUEST APPROVED

The Proposed Casing and Cementing Program submitted for the **LEASE NAME:** STATE WILLIE VEE 56-T3-6 ;
WELL NUMBER: W105H has been approved by the Railroad Commission of Texas District Office.

- a. A copy of this approved letter must be kept on location during all phases of drilling and/or plugging operations. Once approved, changes CANNOT be made to the Proposed Casing Program on the original application without additional approval from the Railroad Commission of Texas District Office.
- b. Any substantive modifications to the cement program require prior approval from the Railroad Commission of Texas District Office, and may require re-submission of the SWR 13 (Statewide Rule 13) Alternate Surface Casing Application. Contact the Railroad Commission of Texas District Office for more information.
- c. The tail slurry must be sufficient to fill the Zone of Critical Cement as described in Statewide Rule 13(b)(1)(H)(i). In addition, all cement slurries must be mixed on location as described in Application for Alternate Surface Casing Program.
- d. The casing and cement program shall adhere to the following specifications:
Set 3260 feet of surface casing and circulate cement from the shoe to the ground surface.

******Contingency Plan******

Set 3260 feet of surface casing with a multistage tool set at a depth of not less than 1550 feet. Circulate cement from the multistage tool to the ground surface. If cement does not circulate to surface during the first stage, the multistage tool MUST be opened and neat cement be circulated from the tool to the surface.

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST CONTACT THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE IMMEDIATELY AND FOLLOW THE PROCEDURES SET OUT IN RULE 13(b)(1)(H)(iii) OR AS REQUIRED BY THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE.



You must comply with all other provisions of SWR 13 (Statewide Rule 13) and a representative of the cementing company who performs the cementing job for the protection of usable quality water strata must sign the Form W-15 attesting to the information regarding cementing operations performed; including circulation of cement. (Note: If surface casing is set below the approved depth, this can result in denial of future Statewide Rule 13(b)(1)(H)(i) requests.) A condition of the approved drilling permit requires notification to the Railroad Commission of Texas District Office eight (8) hours prior to the time casing is to be set/cemented in the well. If your exception request was submitted after the subject well has been drilled and completed, the operator may be referred for enforcement action.

This authorization shall expire within five (5) years from the date the Groundwater Protection Determination was issued, or at the expiration of the drilling permit (if the well is not spudded prior to expiration) for the referenced well, whichever occurs first. Furthermore, this authorization supersedes any prior authorizations issued for the referenced well.

This exception is based on information provided when the application was submitted on 06/20/2018.
If any information has changed, you must contact the appropriate Railroad Commission of Texas District Office, and submit a new application if applicable. If you have questions, please contact the appropriate Oil and Gas District office.

RRC APPROVAL BY: Wade Goode

DATE: 06/29/2018

D. CRAIG PEARSON

DISTRICT DIRECTOR

06.29.18



1000 LedgeLawn Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE WILLIE VEE 56-T3-6 W105H	2,866.66'

REEVES COUNTY, TEXAS

NOTE: S.H.L. APPROXIMATE LOCATION IS S 26°13'14" E,
5.76 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T & P RR CO. SURVEY A - STATE,
B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 4112.

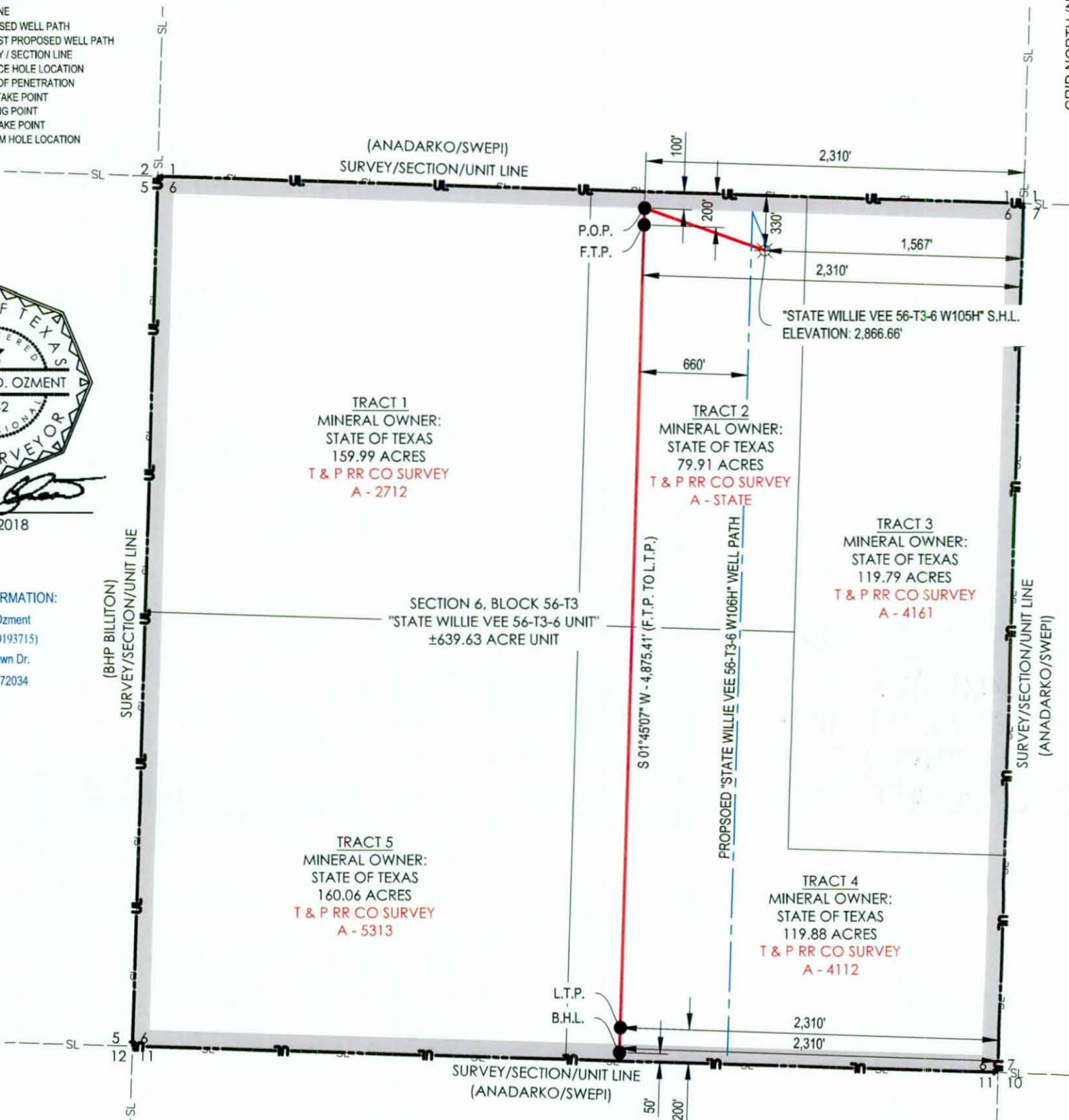
LEGEND

- UNIT LINE
- PROPOSED WELL PATH
- NEAREST PROPOSED WELL PATH
- 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

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°49'04.80" @ S.H.L.



CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034



SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NECORNER 56-T3-6	CALCULATED CORNER	N = 10618473.71 E = 1201177.69	LAT: 31.75244672° N LONG: 103.85798392° W	N = 775896.82 E = 904715.42	LAT: 31.75231953° N LONG: 103.85751491° W
SE CORNER 56-T3-6	1.5" IRON ROD	N = 10613206.29 E = 1201016.59	LAT: 31.73796004° N LONG: 103.85796510° W	N = 770629.51 E = 904554.28	LAT: 31.73783267° N LONG: 103.85749629° W
SW CORNER 56-T3-6	CALCULATED CORNER	N = 10613351.85 E = 1195743.54	LAT: 31.73789966° N LONG: 103.87493289° W	N = 770775.11 E = 899281.33	LAT: 31.73777247° N LONG: 103.87446341° W
NW CORNER 56-T3-6	CALCULATED CORNER	N = 10618631.99 E = 1195901.32	LAT: 31.75242099° N LONG: 103.87496626° W	N = 776055.13 E = 899439.14	LAT: 31.75229398° N LONG: 103.87449658° W

WELL BORE POSITIONS

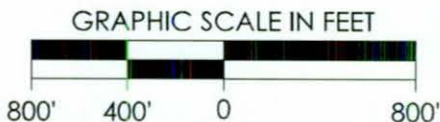
REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.75153112° N	103.86302548° W	10618190.49	1199600.81	31.75140397° N	103.86255630° W	31° 45' 05.054" N	103° 51' 45.203" W	775613.61	903138.56
P.O.P.	31.75216084° N	103.86541510° W	10618443.02	1198865.67	31.75203372° N	103.86494580° W	31° 45' 07.321" N	103° 51' 53.805" W	775866.15	902403.43
F.T.P.	31.75188594° N	103.86541472° W	10618343.07	1198862.61	31.75175883° N	103.86494543° W	31° 45' 06.332" N	103° 51' 53.804" W	775766.19	902400.37
L.T.P.	31.73848367° N	103.86539627° W	10613469.94	1198713.57	31.73835639° N	103.86492715° W	31° 44' 18.083" N	103° 51' 53.738" W	770893.17	902251.30
B.H.L.	31.73807132° N	103.86539570° W	10613320.01	1198708.98	31.73794403° N	103.86492659° W	31° 44' 16.599" N	103° 51' 53.736" W	770743.24	902246.72

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	N 71°02'29" W	777.31'
P.O.P. TO F.T.P.	S 01°45'07" W	100.00'
F.T.P. TO L.T.P.	S 01°45'07" W	4,875.41'
L.T.P. TO B.H.L.	S 01°45'07" W	150.00'

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	330' FNL, 1,567' FEL	330' FNL, 1,567' FEL
P.O.P.	100' FNL, 2,310' FEL	100' FNL, 2,310' FEL
F.T.P.	200' FNL, 2,310' FEL	200' FNL, 2,310' FEL
L.T.P.	200' FSL, 2,310' FEL	200' FSL, 2,310' FEL
B.H.L.	50' FSL, 2,310' FEL	50' FSL, 2,310' FEL



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, NAD'83, U.S. FEET AS DETERMINED BY GPS OBSERVATION, CAF = 0.999830154 @ S.H.L.

REVISION		BHP	BHP BILLITON PET (TXLA OP) CO		
1	PRELIMINARY PLAT 1/31/18				
2	FINAL PLAT 2/26/18		STATE WILLIE VEE 56-T3-6 W105H (MWN 833833)		
3	CHANGE REF WELL 3/12/18		S.H.L. IN T & P RR CO. SURVEY, A-STATE, B.H.L. IN T & P RR CO. SURVEY, A-4112 REEVES COUNTY, TEXAS		
			FINAL PERMIT PLAT		
		SCALE: 1" = 800'	CHECKED BY: M.FREY	APPROVED BY: L.DOW	
		PLOT DATE: 03/12/2018	DRAWN BY: CDM	SHEET NO.: 1 OF 1	

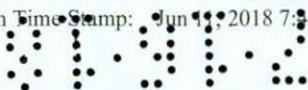
File No. MF056068 ^{99.}
Reeves County
Drilling Permit API 389-37211 Unit 7506
Date Filed: 01/11/2019
By gm George P. Bush, Commissioner

506

**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 839599	DATE PERMIT ISSUED OR AMENDED May 15, 2018	DISTRICT * 08
API NUMBER 42-389-37116	FORM W-1 RECEIVED May 03, 2018	COUNTY REEVES
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 639.63
OPERATOR 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 STATE WILLIE VEE 56-T3-6		WELL NUMBER W106H
LOCATION 5.76 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 6 BLOCK ◀ 56 T3 ABSTRACT ◀ 4161 SURVEY ◀ T&P RR CO / DENTON, MRS L A		
DISTANCE TO SURVEY LINES 330 ft. N 1545 ft. E		DISTANCE TO NEAREST LEASE LINE 200 ft.
DISTANCE TO LEASE LINES 330 ft. N 1545 ft. E		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
PHANTOM (WOLFCAMP) STATE WILLIE VEE 56-T3-6	639.63 200	12,500 660
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 N L 1650.0 F E L Terminus Location BH County: REEVES Section: 6 Block: 56 T3 Abstract: 4112 Survey: T&P RR CO / RUHNAU, MR SD Lease Lines: 50.0 F S L 1650.0 F E L Survey Lines: 50.0 F S L 1650.0 F E L		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		

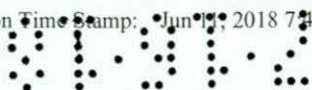


RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION

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

PERMIT NUMBER 839599	DATE PERMIT ISSUED OR AMENDED May 15, 2018	DISTRICT * 08
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LEASE NAME STATE WILLIE VEE 56-T3-6		WELL NUMBER W106H
LOCATION 5.76 miles SE direction from ORLA		TOTAL DEPTH 14000
Section, Block and/or Survey SECTION ◀ 6 BLOCK ◀ 56 T3 ABSTRACT ◀ 4161 SURVEY ◀ T&P RR CO / DENTON, MRS L A		
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DISTANCE TO LEASE LINES 330 ft. N 1545 ft. E		DISTANCE TO NEAREST WELL ON 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 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

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 fuels*) 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 Name: 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



**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>

GROUNDWATER PROTECTION DETERMINATION

Form GW-2



Groundwater Advisory Unit

Date Issued: 18 May 2018**GAU Number:** 195893**Attention:** BHP BILLITON PET(TXLA OP)
1500 POST OAK BLVD
HOUSTON, TX 77056**API Number:**
County: REEVES
Lease Name: STATE WILLIE VEE 56-T3-6
Lease Number:
Well Number: W107H
Total Vertical Depth: 14000
Latitude: 31.751404
Longitude: -103.862411
Datum: NAD27**Operator No.:** 068596**Purpose:** New Drill**Location:** Survey-T&P RR CO ; Abstract-4161

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

Water-bearing strata from the land surface to a depth of 400 feet and the Rustler, which is estimated to occur from 700 to 1400 feet must be protected.

This recommendation is applicable to all wells within a radius of 2000 feet of this location.

Please send Gamma/Porosity log of this well when it is available.

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 05/09/2018. 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

Form GW-2 P.O. Box 12967 Austin, Texas 78771-2967 512-463-2741 Internet address: www.rrc.texas.gov
Rev. 02/2014

07.07.14

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



LORI WROTENBERY
DIRECTOR, OIL AND GAS DIVISION
D. CRAIG PEARSON
DISTRICT DIRECTOR

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

OPERATOR Name: BHP BILLITON PET(TXLA OP) CO

RE: Lease: STATE WILLIE VEE 56-T3-6

Address1: 1500 POST OAK BLVD

Address2:

City: HOUSTON

State: TX

Well No: W106H

Sec: 6 **Block:** 56 T3

County: REEVES

Survey Name: T&P RR CO / DENTON,
MRS L A

SWR13EX Application Number: 31665

Drilling Permit No: 839599

SWR 13 CASING EXCEPTION APPLICATION/ALTERNATIVE REQUEST APPROVED

The Proposed Casing and Cementing Program submitted for the **LEASE NAME:** STATE WILLIE VEE 56-T3-6 ;
WELL NUMBER: W106H has been approved by the Railroad Commission of Texas District Office.

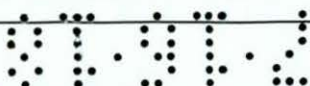
- a. A copy of this approved letter must be kept on location during all phases of drilling and/or plugging operations. Once approved, changes CANNOT be made to the Proposed Casing Program on the original application without additional approval from the Railroad Commission of Texas District Office.
- b. Any substantive modifications to the cement program require prior approval from the Railroad Commission of Texas District Office, and may require re-submission of the SWR 13 (Statewide Rule 13) Alternate Surface Casing Application. Contact the Railroad Commission of Texas District Office for more information.
- c. The tail slurry must be sufficient to fill the Zone of Critical Cement as described in Statewide Rule 13(b)(1)(H)(i). In addition, all cement slurries must be mixed on location as described in Application for Alternate Surface Casing Program.
- d. The casing and cement program shall adhere to the following specifications:

Set 3265 feet of surface casing with a multistage tool set at a depth of not less than 1550 feet. Circulate cement from the multistage tool to the ground surface. If cement does not circulate to surface during the first stage, the multistage tool MUST be opened and neat cement be circulated from the tool to the surface.

An extension to omit the installation of tubing in the above-referenced well is approved for a period of up to 180 days from the date the application was received or the date the well began producing, whichever occurred last.

The multistage tool is only included as a contingency measure to achieve cement returns to surface.

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST CONTACT THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE IMMEDIATELY AND FOLLOW THE PROCEDURES SET OUT IN RULE 13(b)(1)(H)(iii) OR AS REQUIRED BY THE RAILROAD COMMISSION OF TEXAS DISTRICT OFFICE.



You must comply with all other provisions of SWR 13 (Statewide Rule 13) and a representative of the cementing company who performs the cementing job for the protection of usable quality water strata must sign the Form W-15 attesting to the information regarding cementing operations performed; including circulation of cement. (Note: If surface casing is set below the approved depth, this can result in denial of future Statewide Rule 13(b)(1)(H)(i) requests.) A condition of the approved drilling permit requires notification to the Railroad Commission of Texas District Office eight (8) hours prior to the time casing is to be set/cemented in the well. If your exception request was submitted after the subject well has been drilled and completed, the operator may be referred for enforcement action.

This authorization shall expire within five (5) years from the date the Groundwater Protection Determination was issued, or at the expiration of the drilling permit (if the well is not spudded prior to expiration) for the referenced well, whichever occurs first. Furthermore, this authorization supersedes any prior authorizations issued for the referenced well.

This exception is based on information provided when the application was submitted on 07/02/2018.
If any information has changed, you must contact the appropriate Railroad Commission of Texas District Office, and submit a new application if applicable. If you have questions, please contact the appropriate Oil and Gas District office.

RRC APPROVAL BY: Erik Hanson

DATE: 07/09/2018

D. CRAIG PEARSON
DISTRICT DIRECTOR

07.07.2

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

MINOR PERMIT TO TREAT DOMESTIC WASTEWATER

Permit No. MPGW-A18-0891-D08
Permit Effective 6/27/2018

BHP BILLITON PET (TXLA OP) CO
1360 POST OAK BLVD, STE. 150
HOUSTON, TX 77056

Based on information contained in the original application received 6/26/2018, and additional information received to date, you are hereby authorized to treat, recycle, and reuse domestic wastewater as described herein:

Phantom (Wolfcamp), **State Willie Vee 56-T3-6**
W107H (839591); W106H (839599); W105H (840544)
Latitude, Longitude: 31.942894° & -103.836175°
Loving 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 **6/27/2018**, and the authority granted by this permit expires on **10/27/2018**.
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.



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.

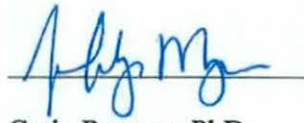


13. Prior to recycling and reuse, the treated domestic wastewater must be stored in the 20-mil high density polyethylene (HDPE) on-site reserve pit with a permeability less than or equal to 1×10^{-7} cm/s. Earthen berms must be constructed around the pit and must be compacted or constructed of material 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.



APPROVED AND ISSUED ON JUNE 27, 2018.

A handwritten signature in blue ink, appearing to read 'Craig Pearson', is written over a horizontal line.

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

01.01.1

PERMIT APPENDIX A

Sampling Criteria for Waste Streams

Permit No. MPGW-A18-0891-D08

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:

<u>PARAMETER</u>	<u>LIMITATION</u>
Total Dissolved Solids (TDS) <i>Standard Method 2540 or equivalent</i>	Report mg/l
pH <i>EPA Method 9045 or equivalent</i>	Report SU
Electrical Conductivity (EC)	Report mmhos/cm



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.

<u>PARAMETER</u>	<u>LIMITATION</u>
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) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	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.

<u>PARAMETER</u>	<u>LIMITATION</u>
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 <i>EPA Method 1664</i>	≤ 30 mg/l
Total Chlorides <i>or site-specific background for surficial aquifer</i>	≤ 1,500 mg/l
Chlorine Residual (> 7 day storage) <i>EPA Method 334.0 or equivalent</i>	2 - 3 mg/l
pH <i>EPA Method 9045C or equivalent field method</i>	6.0 - 9.0 SU

* Carbonaceous Biological/Biochemical Oxygen Demand (CBOD₅) may be substituted for BOD₅

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) 1360 POST OAK BLVD STE 150 HOUSTON, TX 77056			TYPE OF FACILITY DRILL PAD	
RRC DISTRICT NO. 08	COUNTY LOVING	FIELD NAME PHANTOM (WOLFCAMP)	LEASE NAME AND NUMBER STATE WILLIE VEE 56-T3-6	
WELL NUMBER AND DRILLING PERMIT NUMBER DRILL PAD- multiple wells SEE ATTACHED			LATITUDE/LONGITUDE (Decimal Degrees) 31.942894 / -103.836175	
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)				
☒ Domestic Wastewater (DW) Volume of DW (GPD): 4800				
☒ Mobile Drinking Water Treatment System Wastewater (MDW) Volume of MDW (GPD): 800				
STORAGE METHOD OF WASTEWATER BEFORE RECYCLING ☒ 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)	
☒ Down-hole Application			Down-hole: 4800	
☐ Controlled Irrigation			Surface Application: n/a	
☐ Dust Suppressant				
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: _____			Date: 1/22/2018	
Name (print or type): Nicole Vail			Email: nicole.vail@bhp.com	

* Attachments may be used to explain or clarify any additional information





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 lbs.	100 (445)	114 (507)
Max Strength TD ⁽³⁾ , ppi			100 (445)	114 (507)
Tensile Properties				
Max Strength MD ⁽²⁾ , ppi	ASTM D7003	30,000 lbs.	64	74
Max Strength TD ⁽³⁾ , ppi			64	74
Elongation at Max Strength MD ⁽²⁾ (%)			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 x 10 ⁻⁵	5.0 x 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



State Willie Vee 56-T3-6 W107H	DP#839591	31.751404 / -103.862411
State Willie Vee 56-T3-6 W106H	DP#839599	31.751531 / -103.862953
State Willie Vee 56-T3-6 W105H	DP#840544	31.751531 / -103.863025

07.97.2



1000 LedgeLawn Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

S.H.L. ELEVATION

WELL NAME	ELEVATION
STATE WILLIE VEE 56-T3-6 W105H	2,866.66'

NOTE: S.H.L. APPROXIMATE LOCATION IS S 26°13'14" E,
5.76 MILES FROM ORLA, TEXAS.
S.H.L. LOCATED IN THE T & P RR CO. SURVEY A - STATE,
B.H.L. LOCATED IN THE T & P RR CO. SURVEY A - 4112.

LEGEND

UL	UNIT 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

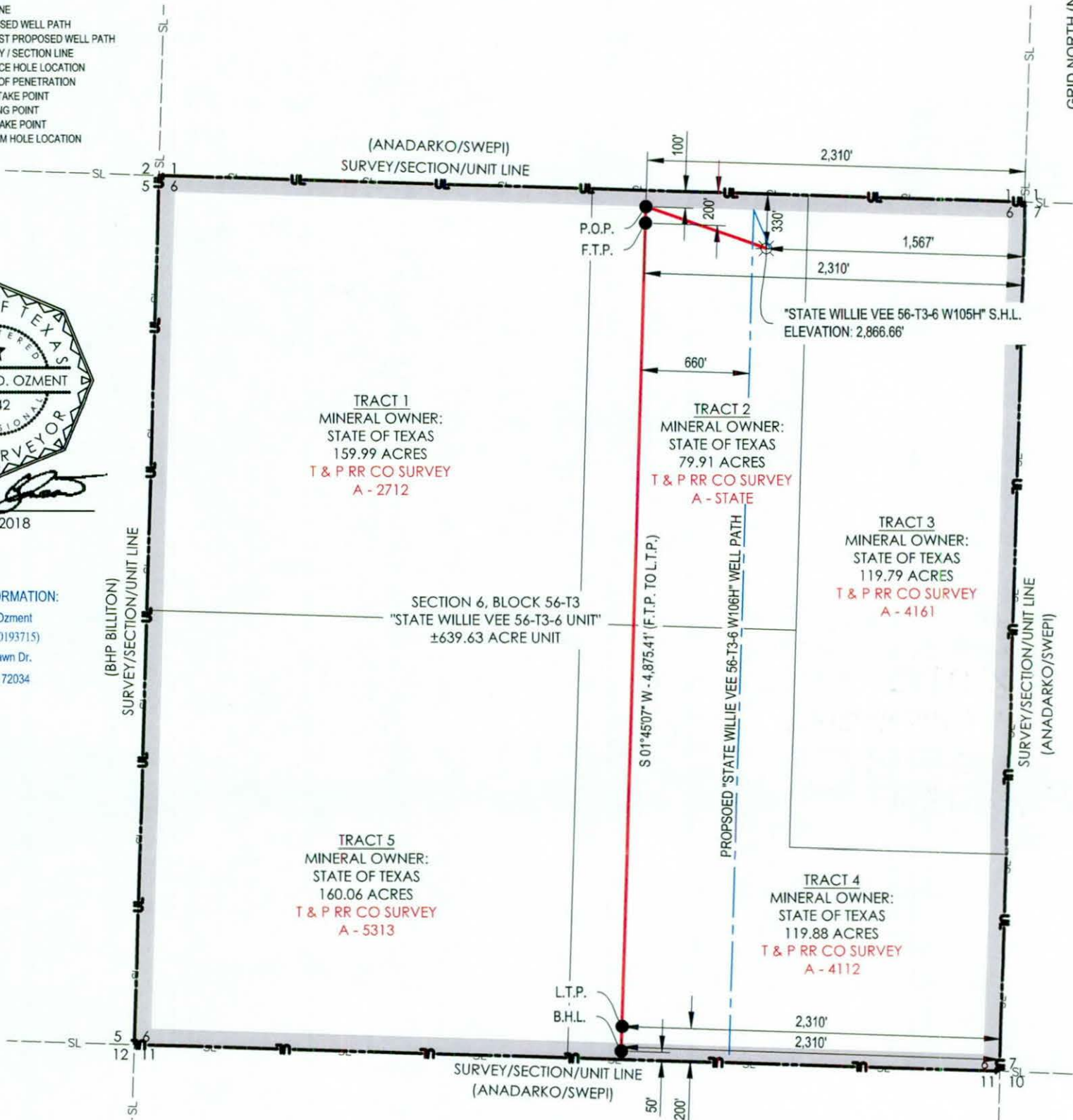


3/12/2018

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034

GRID NORTH (NAD 83)
TEXAS CENTRAL ZONE
GRID CONVERGENCE = -001°49'04.80" @ S.H.L.



SECTION CORNERS

LOCATION	DESCRIPTION	NAD83 (1986)		NAD27	
		STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)	STATE PLANE TEXAS CENTRAL (32039)	GEOGRAPHIC (4267)
NECORNER 56-T3-6	CALCULATED CORNER	N = 10618473.71 E = 1201177.69	LAT: 31.75244672° N LONG: 103.85798392° W	N = 775896.82 E = 904715.42	LAT: 31.75231953° N LONG: 103.85751491° W
SE CORNER 56-T3-6	1.5" IRON ROD	N = 10613206.29 E = 1201016.59	LAT: 31.73796004° N LONG: 103.85796510° W	N = 770629.51 E = 904554.28	LAT: 31.73783267° N LONG: 103.85749629° W
SW CORNER 56-T3-6	CALCULATED CORNER	N = 10613351.85 E = 1195743.54	LAT: 31.73789966° N LONG: 103.87493289° W	N = 770775.11 E = 899281.33	LAT: 31.73777247° N LONG: 103.87446341° W
NW CORNER 56-T3-6	CALCULATED CORNER	N = 10618631.99 E = 1195901.32	LAT: 31.75242099° N LONG: 103.87496626° W	N = 776055.13 E = 899439.14	LAT: 31.75229398° N LONG: 103.87449658° W

WELL BORE POSITIONS

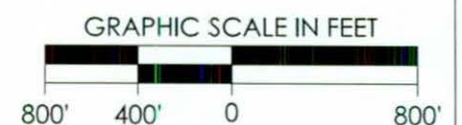
REFERENCE	LAT. (NAD 83)	LONG. (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LAT. (NAD 27)	LONG. (NAD 27)	LAT. (NAD 27)	LONG. (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
S.H.L.	31.75153112° N	103.86302548° W	10618190.49	1199600.81	31.75140397° N	103.86255630° W	31° 45' 05.054" N	103° 51' 45.203" W	775613.61	903138.56
P.O.P.	31.75216084° N	103.86541510° W	10618443.02	1198865.67	31.75203372° N	103.86494580° W	31° 45' 07.321" N	103° 51' 53.805" W	775866.15	902403.43
F.T.P.	31.75188594° N	103.86541472° W	10618343.07	1198862.61	31.75175883° N	103.86494543° W	31° 45' 06.332" N	103° 51' 53.804" W	775766.19	902400.37
L.T.P.	31.73848367° N	103.86539627° W	10613469.94	1198713.57	31.73835639° N	103.86492715° W	31° 44' 18.083" N	103° 51' 53.738" W	770893.17	902251.30
B.H.L.	31.73807132° N	103.86539570° W	10613320.01	1198708.98	31.73794403° N	103.86492659° W	31° 44' 16.599" N	103° 51' 53.736" W	770743.24	902246.72

WELL PATH DATA

REF.	BEARING	DISTANCE
S.H.L. TO P.O.P.	N 71°02'29" W	777.31'
P.O.P. TO F.T.P.	S 01°45'07" W	100.00'
F.T.P. TO L.T.P.	S 01°45'07" W	4,875.41'
L.T.P. TO B.H.L.	S 01°45'07" W	150.00'

WELL PATH DATA

REF.	SECTION LINE CALLS (±)	UNIT LINE CALLS (±)
S.H.L.	330' FNL, 1,567' FEL	330' FNL, 1,567' FEL
P.O.P.	100' FNL, 2,310' FEL	100' FNL, 2,310' FEL
F.T.P.	200' FNL, 2,310' FEL	200' FNL, 2,310' FEL
L.T.P.	200' FSL, 2,310' FEL	200' FSL, 2,310' FEL
B.H.L.	50' FSL, 2,310' FEL	50' FSL, 2,310' FEL



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 = 0.999830154 @ S.H.L.

REVISION		BHP BHP BILLITON PET (TXLA OP) CO			
1	PRELIMINARY PLAT 1/31/18	STATE WILLIE VEE 56-T3-6 W105H (MWN 833833) S.H.L. IN T & P RR CO. SURVEY, A-STATE, B.H.L. IN T & P RR CO. SURVEY, A-4112 REEVES COUNTY, TEXAS FINAL PERMIT PLAT			
2	FINAL PLAT 2/26/18				
3	CHANGE REF WELL 3/12/18				
		SCALE: 1" = 800'	CHECKED BY: M.FREY	APPROVED BY: L.DOW	
		PLOT DATE: 03/12/2018	DRAWN BY: CDM	SHEET NO.: 1 OF 1	

File No. ME056068 100.
Reeves County
Drilling Permit API 389-37116 Unit 1506
Date Filed: 01/11/2019
George P. Bush, Commissioner
By Jm

2019

Unit 7506; MF 056068, MF 112678, MF 116159
MF 056074 & MF 112667

BHP

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

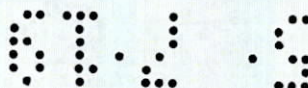
E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927



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.

2. 1. 10

EXHIBIT A

BHP

Date: 5/2/2019

CREDIT TO

Owner # 80113945
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

Special Clauses/Comments:

Issue Date: 5/2/2019
Property Name: STATE WILLIE VEE 56-T3-6 W105H
Property #: P1M596/00501 389-37211
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 4161 Grantee L.A. DENTON Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 4112 Grantee K. RUHNAU Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5313 Grantee M.R. BOLINGER Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5110 Grantee STATE Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 2712 Grantee M.F. MORELAND Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date
0.00781653	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.01171380	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.03123290	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019

PLEASE KEEP THIS COPY FOR YOUR RECORDS

HANNS - 51611(P1M596_NotAmended)



DIVISION ORDER

Date: 5/2/2019

Special Clauses/Comments: [REDACTED]

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: XXXXXX - 0108 (TIN)

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 51611 80113945

PLEASE SIGN AND RETURN THIS COPY

HANNS - 51611(P1M596_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):	☐ CHECKING ☐ SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	XXXXXX - 0108 (TIN)
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 51611 80113945





BHP
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
T (877) 311-1443
F (888) 484-3189
PetroleumOwnerRelations
Request@bhpbilliton.com

STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

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

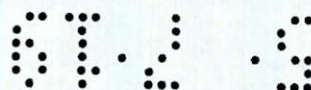
E-mail: petroleumownerrelationsrequest@bhpbilliton.com

BHP

Land Administration

P O Box 22719

Houston, TX 77227-9927



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.

2. 1. 13

EXHIBIT A**BHP**

Date: 5/2/2019

CREDIT TO

Owner # 80113945
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

Special Clauses/Comments:

Issue Date: 5/2/2019
Property Name: STATE WILLIE VEE 56-T3-6 W106H
Property #: P1M845/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 4112 Grantee K. RUHNAU Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 4161 Grantee L.A. DENTON Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5313 Grantee M.R. BOLINGER Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 2712 Grantee M.F. MORELAND Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5110 Grantee STATE Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date
0.00781653	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.01171380	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.03123290	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019

PLEASE KEEP THIS COPY FOR YOUR RECORDS

HANNS - 51612(P1M845_NotAmended)



DIVISION ORDER

Date: 5/2/2019

Special Clauses/Comments:

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: XXXXXX - 0108 (TIN)

Day Time Phone Number: 800-998-4456

E-Mail Address: _____

Owners Mailing Address: 1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Witness: _____

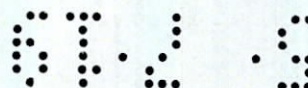
Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.
Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



DIVO 51612 80113945

PLEASE SIGN AND RETURN THIS COPY

HANNS - 51612(P1M845_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):	☐ CHECKING ☐ SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	XXXXXX - 0108 (TIN)
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 51612 80113945





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



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.

2. 4. 7. 8.

EXHIBIT A

BHP

Date: 5/2/2019

CREDIT TO

Owner # 80113945
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

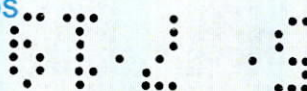
Special Clauses/Comments:

Issue Date: 5/2/2019
Property Name: STATE WILLIE VEE 56-T3-6 W107BH
Property #: P1N124/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 4112 Grantee K. RUHNAU Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 4161 Grantee L.A. DENTON Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5313 Grantee M.R. BOLINGER Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 5110 Grantee STATE Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES); T&P RR CO ABST/ID# 2712 Grantee M.F. MORELAND Twsp T3 Blk 56 Sec 6 REEVES COUNTY/PARISH, TEXAS (1.000 ACRES)

Decimal	Type	Status	Reason	Start Date
0.00781653	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.01171380	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.03123290	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019
0.01042660	RI	PAY		3/1/2019
0.00390827	RI	PAY		3/1/2019
0.00781653	RI	PAY		3/1/2019
0.00585250	RI	PAY		3/1/2019

PLEASE KEEP THIS COPY FOR YOUR RECORDS

HANNS - 51613(P1N124_NotAmended)



DIVISION ORDER

Date: 5/2/2019

Special Clauses/Comments: [REDACTED]

Owner Number: 80113945

Owner Name: STATE OF TEXAS GLO

Owners Signatures: _____

Owner Tax I.D. Number: XXXXXX - 0108 (TIN)

Day Time Phone Number: 800-998-4456

E-Mail Address: _____

Owners Mailing Address: 1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Witness: _____

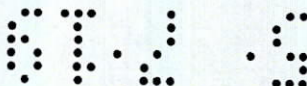
Federal Law requires you to furnish your Social Security or Taxpayer Identification Number. Failure to comply will result in 24% tax withholding and will not be refundable by Payor.



DIVO 51613 80113945

PLEASE SIGN AND RETURN THIS COPY

HANNS - 51613(P1N124_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):	☐ CHECKING ☐ SAVINGS

Signature of Owner(s) or Authorized Representatives:	
TIN or SSN (Last 4 Digits):	XXXXXX - 0108 (TIN)
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: _____

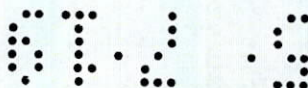
Owner understands and agrees that BHPB and/or PEC will have up to sixty (60) days after receipt of the authorization form to process the EFT request and payments will be deferred until accruals reach \$100 or annually, whichever comes first. **Owner Initials:** _____

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 51613 80113945





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 14, 2019

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P.O. BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. ✓ MF056068, MF056074, MF112678, MF116159 and MF112667
State Willie Vee 56-T3-6 W105H, W106H and W107BH Unit 7506

Dear Mr. Brown:

The Texas General Land Office (GLO) has received your Division Orders for the referenced unit. These Division Orders have been filed in the appropriate mineral file(s).

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

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

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

Thank you,

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

File No. MF056068Reeves CountyDivision OrderDate Filed: 8-15-19

George P. Bush, Commissioner

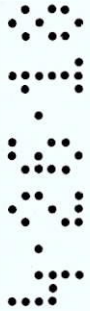
By: VR

MFD56068
MFD56074

MF112667
MF112678

MF116159

19922



19922

18710619
161

X 31,885.92

6259



DD2017



BHP Billiton Petroleum
3800 E. 42nd Street
Suite 105
Odessa, TX 79762
T +1 432 367 4316
F +1 432 367 4320
bhpbilliton.com

April 25, 2018

Texas General Land Office
ATTN: Joy McCauley
1700 N. Congress Avenue
Austin, TX 78701

RE: **Surface Damage Payment – W/2 NE/4 of 56-T3-6
State Willie Vee 56-T3-6 Pad B
Reeves County, Texas**

Dear Ms. McCauley,

Enclosed herein, please find **Check No. 19922** in the amount of **\$31,885.92** made payable to the addressee above for surface damages resulting from drilling operations for the subject line well.

The enclosed check covers surface damages for the well pad location, which is outlined below:

Well Pad/Clearing Limits:	(9.15 acres or 398,574 sq. ft.) x (\$0.08/sq.ft.)	=	\$31,885.92
TOTAL DAMAGES		=	\$31,885.92

By cashing this check, you agree this payment is the full and final settlement for these damages. Should you have any questions regarding this matter, please do not hesitate to contact me at the telephone number or email address listed below.

Respectfully,

Joseph Jarke, Jr.
Landman
(713) 552-4662
joseph.jarke@bhpbilliton.com



1000 Ledgelawn Dr.
Conway, Arkansas 72034
501.328.3314 501.328.3325 f
www.craftontull.com

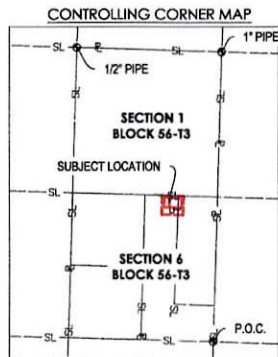
REEVES COUNTY, TEXAS

SECTIONS 6 & 1, BLOCK 56-T3
T & P RR CO. SURVEY, A-5110, A-4161, & A-877

STATE WILLIE VEE 56-T3-6 PAD B

STATE WILLIE VEE 56-T3-6 W105H (MWN 833833), STATE WILLIE VEE 56-T3-6 W106H (MWN 834916), &
STATE WILLIE VEE 56-T3-6 W107H (MWN 833836)

FINAL CLEARING LIMITS, WELL & PAD, & ACCESS EASEMENT COVER SHEET



GENERAL NOTES:

NAVD 88 = EPSG 5703
NAD83 TEXAS CENTRAL = EPSG 2277

P.O.C.
STATE PLANE COORDINATES (SPC-4203 TXC-NAD 83[2011] (EPOCH: 2010.0000):
NORTHING (N): 1061306.29 (FT. U.S.)
EASTING (E): 1201016.59 (FT. U.S.)
ELEVATION (Z): 2,867.98' (FT. U.S.)
CAF: 0.999827021
CONVERGENCE: -001°48'55.41"

BASE OF BEARINGS: GRID BASED ON STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), TEXAS CENTRAL ZONE.

VERTICAL DATUM: NAVD 88, U.S. SURVEY FEET (BASED ON GPS OBSERVATIONS)

HORIZONTAL DATUM: STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), TEXAS CENTRAL ZONE.

LATITUDE AND LONGITUDE ARE NAD 83 [2011]

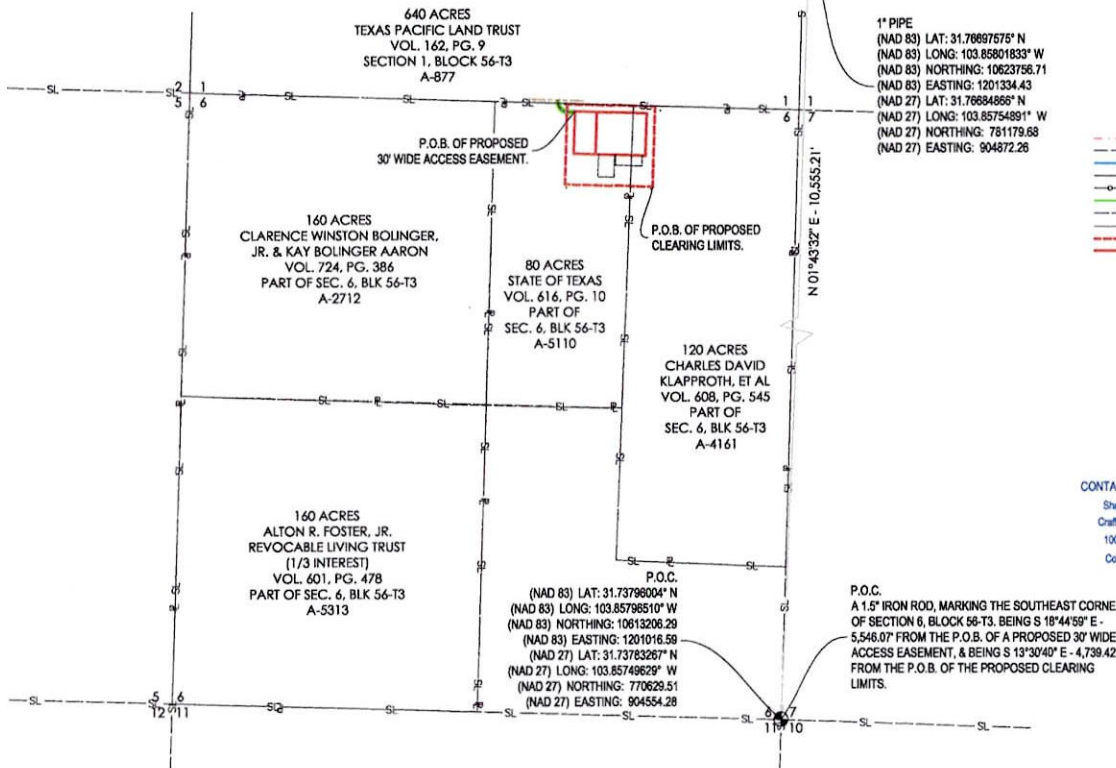
AREA, DISTANCES AND COORDINATES ARE GRID.

ALL UNITS ARE UNITED STATES SURVEY FOOT, UNLESS NOTED OTHERWISE

ALL LEASE AND TRACT INFORMATION SHOWN HERE ON IS DONE SO BY LIMITED DEED RECORD. INFORMATION ONLY. ALL ACREAGE SHOWN ARE BY DEED AND LEASE CALL EXCEPT WHERE NOTED. THIS IS NOT IN ANY WAY A "BOUNDARY SURVEY".

ELEVATIONS SHOWN IN LINE TABLES REPRESENT THE ELEVATION AT THE END OF THAT LINE SEGMENT IN THE DIRECTION FROM PREVIOUS POINT.

CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION.



A 1" PIPE, MARKING THE NORTHEAST CORNER OF SECTION 1, BLOCK 56-T3, BEING N 23°22'27" E - 5,688.66' FROM THE P.O.T. OF A PROPOSED 30' WIDE ACCESS EASEMENT.

1" PIPE
(NAD 83) LAT: 31.76897575° N
(NAD 83) LONG: 103.85801833° W
(NAD 83) NORTHING: 10623756.71
(NAD 83) EASTING: 1201334.43
(NAD 27) LAT: 31.76884866° N
(NAD 27) LONG: 103.85754891° W
(NAD 27) NORTHING: 781179.68
(NAD 27) EASTING: 904872.26

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS EASEMENT
- CL OF PROPOSED ACCESS EASEMENT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- P.O.C.
- P.O.B.
- P.O.T.
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034



GRAPHIC SCALE IN FEET



STATE WILLIE VEE 56-T3-6 PAD B

STATE WILLIE VEE 56-T3-6 W105H
STATE WILLIE VEE 56-T3-6 W106H
STATE WILLIE VEE 56-T3-6 W107H
Location LAT/LONG (NAD83): 31.75153112, -103.86302548
LRE LAT/LONG (NAD83): 31.75248292, -103.86471954
From the Intersection of I-20 Business and Hwy 285 in Pecos, go North on Hwy 285 for 33.38 miles (LAT: 31.76756745, LONG: -103.85916969). Turn left onto an existing lease road and travel 1.33 miles (LAT: 31.753681720, LONG: -103.87491076). Turn left onto an existing lease road and travel 0.68 miles (LAT: 31.75248292, LONG: -103.86471954). Turn right onto a proposed access easement and travel 203.27 feet to location (LAT: 31.75153112, LONG: -103.86302548).

REV.	DATE	REVISION MADE
1	2/26/18	FINAL PLAT
2	2/19/18	ORIGINAL PLAT
BHP BHP BILLION PET (TXLA OP) CO		
PLAT OF BHP BILLION PET (TXLA OP) CO		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY		
STATE WILLIE VEE 56-T3-6 PAD B		
SECTIONS 6 & 1, BLOCK 56-T3		
LOCATED IN THE T & P RR CO. SURVEY,		
ABSTRACTS 5110, 4161, & 877		
REEVES COUNTY, TEXAS		
SCALE: 1"=100'		
DATE: 02/26/2018		
DRAWN BY: COMBINED BY: MN		
CHECKED BY: APPROVED BY: MN		
SHEET NO. 1 OF 5		



1000 Ledgeview Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

REEVES COUNTY, TEXAS

SECTION 6, BLOCK 56-T3
T & P RR CO. SURVEY, A - 5110 & A - 4161

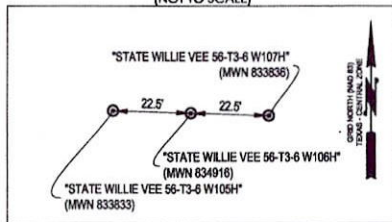
PROPOSED 30' WIDE ACCESS
EASEMENT (SEE PAGE 3)

TBM (ELEV: 2,869.92)
(NAD 83) LAT: 31.75240235° N
(NAD 83) LONG: 103.86451209° W
(NAD 83) NORTHING: 10618521.82
(NAD 83) EASTING: 1199149.00
(NAD 27) LAT: 31.75227522° N
(NAD 27) LONG: 103.86404282° W
(NAD 27) NORTHING: 775945.04
(NAD 27) EASTING: 902686.77

"CLEARING LIMITS" SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
1	2,864.06'	31.75052510° N	103.86199518° W	10617814.55	1199909.30
2	2,869.08'	31.75051981° N	103.86445644° W	10617836.90	1199144.56
3	2,869.08'	31.75242181° N	103.86445811° W	10618528.46	1199166.00
4	2,868.24'	31.75242709° N	103.86199680° W	10618506.11	1199930.74

INSET "A"
(NOT TO SCALE)



TBM (ELEV: 2,869.07)
(NAD 83) LAT: 31.75043432° N
(NAD 83) LONG: 103.86440871° W
(NAD 83) NORTHING: 10617805.34
(NAD 83) EASTING: 1199158.40
(NAD 27) LAT: 31.75030716° N
(NAD 27) LONG: 103.86393950° W
(NAD 27) NORTHING: 775228.48
(NAD 27) EASTING: 902696.15

TOTAL PROPOSED CLEARING LIMIT ACREAGE = 12.15 ACRES

PROPOSED WELL PAD LOCATION ACREAGE (PAD, FACILITY, & PITS) = 6.33 ACRES

TOTAL ACCESS EASEMENT ACREAGE OUTSIDE OF CLEARING LIMITS = 0.09 ACRES

"PROPOSED WELLS" COORDINATES

WELL NAME	ELEVATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
STATE WILLIE VEE 56-T3-6 W105H	2,868.06'	31.75153112° N	103.86302548° W	10618190.49	1199600.81	31.75140397° N	103.86255630° W	775613.61	903138.56
STATE WILLIE VEE 56-T3-6 W106H	2,866.60'	31.75153120° N	103.86295310° W	10618189.80	1199623.30	31.75140406° N	103.86248391° W	775612.93	903161.05
STATE WILLIE VEE 56-T3-6 W107H	2,866.45'	31.75153116° N	103.86288073° W	10618189.07	1199645.78	31.75140402° N	103.86241155° W	775612.20	903183.53

FACILITY PAD

SEE INSET "A"

RESERVE PIT

COMPLETION PIT

P.O.B. OF PROPOSED
CLEARING LIMITS.

TBM (ELEV: 2,865.80)
(NAD 83) LAT: 31.75233857° N
(NAD 83) LONG: 103.86184347° W
(NAD 83) NORTHING: 10618471.69
(NAD 83) EASTING: 1199977.33
(NAD 27) LAT: 31.75220942° N
(NAD 27) LONG: 103.86137431° W
(NAD 27) NORTHING: 775894.80
(NAD 27) EASTING: 903515.08

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC
- FENCE
- EDGE OF PROPOSED ACCESS EASEMENT
- CL OF PROPOSED ACCESS EASEMENT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- P.O.C.
- P.O.B.
- P.O.T.
- LF
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER

120 ACRES
CHARLES DAVID KLAPPROTH, ET AL
VOL. 608, PG. 545
PART OF SEC. 6, BLK 56-T3
A-4161

CONTACT INFORMATION:

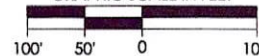
Shannon D. Ozment
Crafton Tull (501)9371151
1000 Ledgeview Dr.
Conway, AR 72034



2/26/2018

P.O.C.
A 1.5" IRON ROD, MARKING THE SOUTHEAST CORNER
OF SECTION 6, BLOCK 56-T3, BEING S 13°30'40" E -
4,739.42' FROM THE P.O.B. OF THE PROPOSED
CLEARING LIMITS.

GRAPHIC SCALE IN FEET



REV.	DATE	REVISION MADE
1	2/26/18	FINAL PLAT
2	2/26/18	ORIGINAL PLAT
BHP BHP BILLION PET (TXLA OP) CO		
PLAT OF BHP BILLION PET (TXLA OP) CO		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY		
STATE WILLIE VEE 56-T3-6 PAD B		
SECTIONS 6 & 7, BLOCK 56-T3		
LOCATED IN THE T & P RR CO. SURVEY,		
ABSTRACTS 5110, 4161, & 877		
REEVES COUNTY, TEXAS		
SCALE: 1" = 100'	CHECKED BY: AUF/PROVED BY: MN	
DATE: 02/26/2018	DRAWN BY: COM/ETNO. 2 OF 5	



1000 Ledgeview Dr.
Conway, Arkansas 72034
501.328.3316 | 501.328.3325 |
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REEVES COUNTY, TEXAS

SECTIONS 6 & 1, BLOCK 56-T3
T & P RR CO. SURVEY, A - 5110 & A - 877

LEGEND

- CL OF PROPOSED PIPELINE ROUTE
- SURVEY / SECTION LINE
- EXISTING PIPELINE ROUTE
- OVERHEAD ELECTRIC FENCE
- EDGE OF PROPOSED ACCESS EASEMENT
- CL OF PROPOSED ACCESS EASEMENT
- PROPERTY LINE
- PROPOSED CLEARING LIMITS
- PROPOSED WELL & FACILITY PAD
- POINT OF COMMENCEMENT
- POINT OF BEGINNING
- POINT OF TERMINATION
- LINEAR FEET
- POWER POLE
- PROPOSED WELL LOCATION
- EXISTING WELL LOCATION
- FOUND MONUMENT (AS NOTED)
- CALCULATED CORNER

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

A 1" PIPE, MARKING THE NORTHEAST CORNER OF SECTION 1, BLOCK 56-T3, BEING N 23°22'27" E - 5,668.66' FROM THE P.O.T. OF A PROPOSED 30' WIDE ACCESS EASEMENT.

640 ACRES
TEXAS PACIFIC LAND TRUST
VOL. 162, PG. 9
SECTION 1, BLOCK 56-T3
A-877

P.O.T. OF A PROPOSED
30' WIDE ACCESS EASEMENT

EXISTING LEASE ROAD

SECTION 1
SECTION 6

P.O.B. OF A PROPOSED
30' WIDE ACCESS EASEMENT

N 88°16'16" W - 61.19'

RADIUS: 90.00'
ARC LENGTH: 142.08'
CHORD BEARING: N 43°03'05" W
CHORD DISTANCE: 127.78'

80 ACRES
STATE OF TEXAS
VOL. 616, PG. 10
PART OF
SEC. 6, BLK 56-T3
A-5110

P.O.C.
A 1.5" IRON ROD, MARKING THE SOUTHEAST CORNER OF SECTION 6, BLOCK 56-T3, BEING S 18°44'59" E - 5,546.07' FROM THE P.O.B. OF A PROPOSED 30' WIDE ACCESS EASEMENT.

GRAPHIC SCALE IN FEET

30' 15' 0' 30'

ACCESS EASEMENT SITE COORDINATES (NAD 83)

REF. #	ELEVATION	LATITUDE	LONGITUDE	NORTHING	EASTING
5	2,869.45'	31.75223424° N	103.86423265° W	10618458.04	11992233.88
6	2,870.92'	31.75248292° N	103.86471954° W	10618553.26	1199085.48

PROPOSED ACCESS EASEMENT
TOTAL LINEAR FEET FOR A 30' EASEMENT SECTION: 203.27' = 122.32 RODS
TOTAL LEASE ROAD ACREAGE = 0.14 ACRES

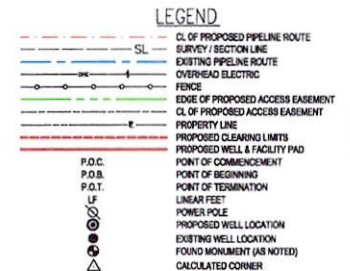
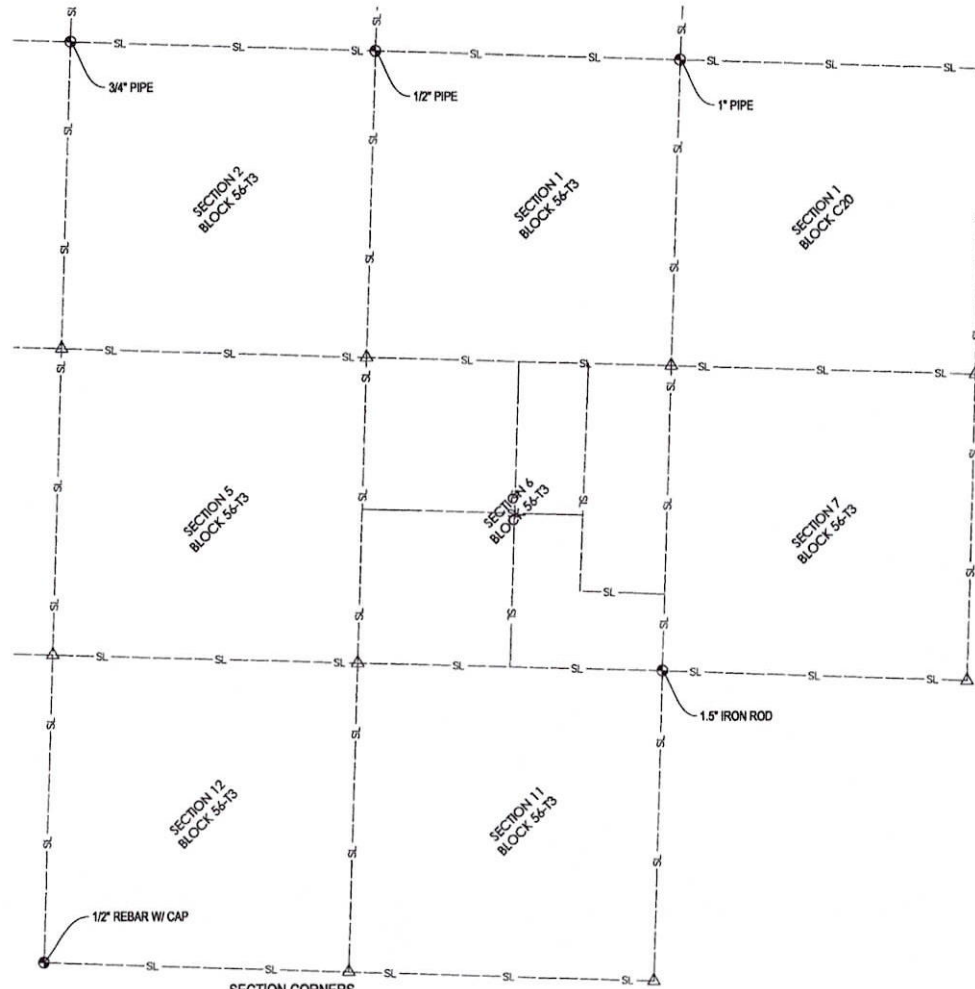
CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgeview Dr.
Conway, AR 72034



REV.	DATE	REVISION MADE
2	2/26/18	FINAL PLAT
1	2/19/18	ORIGINAL PLAT
BHP BHP BILLITON PET (TXLA OP) CO		
PLAT OF BHP BILLITON PET (TXLA OP) CO PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY STATE WILLE VEE 64-T3-4 PAD B SECTIONS 6 & 1, BLOCK 56-T3 LOCATED IN THE T & P RR CO. SURVEY, ABSTRACTS 5110, 4161, & 877 REEVES COUNTY, TEXAS		
SCALE: 1" = 30' CHECKED BY: ALJ APPROVED BY: MN DATE: 02/26/2018 DRAWN BY: CDM/REB NO.: 3 OF 5		

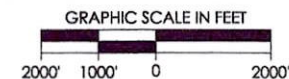
REEVES COUNTY, TEXAS



CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034



LOCATION	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	NORTHING (NAD 83)	EASTING (NAD 83)	LATITUDE (NAD 27)	LONGITUDE (NAD 27)	NORTHING (NAD 27)	EASTING (NAD 27)
NE CORNER 56-T3-6	CALCULATED CORNER	31.75244672° N	103.85798392° W	10618473.71	1201177.69	31.75231953° N	103.85751491° W	775896.82	904715.42
SE CORNER 56-T3-6	1.5" IRON ROD	31.73796004° N	103.85796510° W	10613206.29	1201016.59	31.73783267° N	103.85749629° W	770629.51	904554.28
SW CORNER 56-T3-6	CALCULATED CORNER	31.73789968° N	103.87493289° W	10613351.85	1195743.54	31.73777247° N	103.87446341° W	770775.11	896281.33
NW CORNER 56-T3-6	CALCULATED CORNER	31.75242096° N	103.87496626° W	10618531.99	1195901.32	31.75229398° N	103.87449658° W	776055.13	896439.14
NE CORNER 56-T3-1	1" PIPE	31.76697575° N	103.85901833° W	10623756.71	1201334.43	31.76684866° N	103.85754891° W	781179.68	904872.26
NW CORNER 56-T3-1	1/2" PIPE	31.76696477° N	103.87500303° W	10623920.35	1196058.32	31.76683785° N	103.87453295° W	781343.35	896596.23



REV.	DATE	REVISION MADE
1	2/26/18	FINAL PLAT
2	2/26/18	ORIGINAL PLAT
BHP BHP BILLITON PET (TXLA OP) CO PLAT OF BHP BILLITON PET (TXLA OP) CO PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY STATE WILDERNESS 64-13-4 PAD B SECTIONS 6 & 7, BLOCK 56-13 LOCATED IN THE T & P RR CO. SURVEY, ABSTRACTS 5110, 4161, & 877 REEVES COUNTY, TEXAS SCALE: 1" = 2000' CHECKED BY: AJA/ APPROVED BY: MN DATE: 02/26/2018 DRAWN BY: COMBHEAT NO.: 4 OF 5		

REEVES COUNTY, TEXAS
SECTIONS 6 & 1, BLOCK 56-T3
T & P RR CO. SURVEY, A - 5110, 4161, & 877

"STATE WILLIE VEE 56-T3-6 PAD B PROPOSED CLEARING LIMITS"

A METES AND BOUNDS DESCRIPTION OF A 12.15 ACRE CLEARING LIMITS IN, OVER, ACROSS, AND THROUGH AN 80 ACRE TRACT, GRANTED TO THE STATE OF TEXAS AS RECORDED IN VOLUME 616, PAGE 10, IN SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 5110, TEXAS AND PACIFIC RAILROAD COMPANY SURVEY, REEVES COUNTY, TEXAS, AND A 120 ACRE TRACT, GRANTED TO CHARLES DAVID KLAPPROTH, ET AL AS RECORDED IN VOLUME 608, PAGE 545, IN SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 4161, TEXAS AND PACIFIC RAILROAD COMPANY SURVEY, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1.5" IRON ROD, MARKING THE SOUTHEAST CORNER OF SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS; THENCE N 13°30'40" W, A DISTANCE OF 4,739.42 FEET TO THE POINT OF BEGINNING OF A 12.15 ACRE CLEARING LIMITS;

THENCE N 88°19'34" W, A DISTANCE OF 765.07 FEET TO A POINT;
THENCE N 01°46'32" E, A DISTANCE OF 691.90 FEET TO A POINT;
THENCE S 88°19'34" E, A DISTANCE OF 765.07 FEET TO A POINT;
THENCE S 01°46'32" W, A DISTANCE OF 691.90 FEET TO THE POINT OF BEGINNING.
THE ABOVE DESCRIBED CLEARING LIMITS HAS A TOTAL AREA OF 529,346.57 SQUARE FEET OR 12.15 ACRES, MORE OR LESS.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

"PROPOSED 30' WIDE ACCESS EASEMENT"

A CENTERLINE DESCRIPTION OF A 0.14 ACRE ACCESS EASEMENT IN, OVER, ACROSS, AND THROUGH AN 80 ACRE TRACT, GRANTED TO THE STATE OF TEXAS AS RECORDED IN VOLUME 616, PAGE 10, IN SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 5110, TEXAS AND PACIFIC RAILROAD COMPANY SURVEY, REEVES COUNTY, TEXAS, AND A 640 ACRE TRACT, GRANTED TO TEXAS PACIFIC LAND TRUST AS RECORDED IN VOLUME 162, PAGE 9, IN SECTION 1, BLOCK 56-T3, REEVES COUNTY, TEXAS, BEING OUT OF ABSTRACT NUMBER 877, TEXAS AND PACIFIC RAILROAD COMPANY SURVEY, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1.5" IRON ROD, MARKING THE SOUTHEAST CORNER OF SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS; THENCE N 18°44'59" W, A DISTANCE OF 5,546.07 FEET TO THE POINT OF BEGINNING OF A PROPOSED 30 FOOT WIDE ACCESS EASEMENT, BEING 15 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

THENCE N 88°16'16" W, A DISTANCE OF 61.19 FEET TO A POINT BEING THE BEGINNING POINT OF A CURVE TO THE RIGHT; THENCE WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 90.00 FEET, AN ARC LENGTH OF 142.08 FEET, A CHORD BEARING OF N 43°03'05" W, AND A CHORD DISTANCE OF 127.78 FEET TO THE POINT OF TERMINATION; SAID POINT ALSO BEING S 23°22'27" W, A DISTANCE OF 5,668.66 FEET FROM A 1" PIPE, MARKING THE NORTHEAST CORNER OF SECTION 1, BLOCK 56-T3, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 203.27 FEET OR 12.32 RODS AND CONTAINS 0.14 ACRES OF EASEMENT, MORE OR LESS.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

CONTACT INFORMATION:
Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgewood Dr.
Conway, AR 72034



2/26/2018

REV.	DATE	REVISION MADE
1	2/19/18	ORIGINAL PLAT
2	2/26/18	FINAL PLAT
BHP BHP BILLITON PET (TXLA OP) CO		
PLAT OF BHP BILLITON PET (TXLA OP) CO		
PROPOSED CLEARING LIMITS & ACCESS ROW SURVEY		
STATE WILLIE VEE 56-T3-6 PAD B		
SECTIONS 6 & 1, BLOCK 56-T3		
LOCATED IN THE T & P RR CO. SURVEY,		
ABSTRACTS 5110, 4161, & 877		
REEVES COUNTY, TEXAS		
SCALE: N/A	CHECKED BY: AUM	APPROVED BY: MN
DATE: 02/26/2018	DRAWN BY:	COMBHEET NO.: 5 OF 5

File No. MF056068

Reeves County

Surface Damage Pmt

Date Filed: 7-2-2021

George P. Bush, Commissioner

By VR

bpx energy

BPX Midstream, LLC
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

20707387

03/03/20

X07LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000000854

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900000473 SEC 6 BLK 56-T3 Sec 6 Blk 56-T3	03/02/20	2020.111	2,699.20		2,699.20
TOTALS			2,699.20		2,699.20

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000222 ATTACHED BELOW

bpx energy

BPX Midstream, LLC
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenton Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

20707387

03/03/20

X07LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

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TOTALS			2,699.20		2,699.20

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
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(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000222 ATTACHED BELOW

bpx energy

BPX Midstream, LLC
Attn: BP GBS Americas - P2P Treasury Payments
150 West Warrenton Road, Building 605, 3rd Floor
Naperville, IL 60563

62-20
311

CHECK NO. 8005000222

20707387

03/03/20

PAY TO THE
ORDER OF

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

*****\$2,699.20

NOT VALID AFTER 6 MONTHS

Two thousand six hundred ninety nine and 20/100 Dollars

TRACE NUMBER: 2000000854

CITIBANK N.A.
ONE PENN'S WAY, NEW CASTLE, DE 19720

Laura H. Hersh
Authorized Signature

11 800 5000 22 211

WILLIAM A. CHALFANT, CPL
MATTHEW CHALFANT, RPL

Ofc: (432) 684-9819
Fax: (432) 682-2601
E-mail: bill@chalfantproperties.com
matthew@chalfantproperties.com

CHALFANT PROPERTIES, INC.

Oil & Gas Leasing and Properties

1502 NORTH BIG SPRING
P. O. BOX 3123
MIDLAND, TEXAS 79702-3123

March 18, 2020

Texas General Land Office
ATTN: Deborah Cantu
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495

Re: Easement and Right-of-Way Consideration
E/2NE/4 & NE/4SE/4 of Section 6, Block 56, T3, Reeves County, TX

Dear Mrs. Cantu,

Enclosed please find a check from BPX Energy, check no. 8005000222, in the amount of **\$2,699.20**, being the \$2,500.00 flat fee that was agreed to by Rosemary Alice Brown, as well as the \$20.00 per rod bonus that was agreed to by Charles David Klapproth for the Easement and Right-of-Way across the above-mentioned lands.

The other one-half (1/2) of the total compensation has been paid to the surface owners by Law since the electrical transmission lines will be servicing the State Willie Vee 56-T3-6 well.

Thank you for your cooperation. Should you have any questions, please do not hesitate to call me directly at **432-684-9819** or me at **matthew@chalfantproperties.com**

Sincerely,


Matthew Chalfant, C.P.L.
President
Chalfant Properties, Inc.

Enclosure: One (1) Easement and Right-of-Way Consideration

EXHIBIT "A", PAGE 1 OF 2
CENTERLINE DESCRIPTION FOR A 15' WIDE EASEMENT

CHARLES DAVID KLAPPROTH, ET AL

CENTERLINE DESCRIPTION OF A PROPOSED POWERLINE IN, OVER, ACROSS, AND THROUGH A 120 ACRE TRACT RECORDED IN VOLUME 608, PAGE 545, REEVES COUNTY, TEXAS DEED RECORDS, BEING OUT OF ABSTRACT NUMBER 2712, TEXAS AND PACIFIC RAILROAD COMPANY, ORIGINAL GRANTEE, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

"285 SOUTH POWERLINE - SEG 1"

COMMENCING AT A 1-1/2 INCH ROD, AT THE SOUTHEAST CORNER OF SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS; THENCE N 01°45'07" E A DISTANCE OF 5,006.14 FEET TO THE POINT OF BEGINNING OF A 15 FOOT WIDE EASEMENT BEING 7.5 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE N 46°19'17" W A DISTANCE OF 419.82 FEET TO THE POINT OF TERMINATION, SAID POINT BEING S 41°34'20" E A DISTANCE OF 7,245.25 FEET FROM A 1/2 INCH PIPE AT THE NORTHWEST CORNER OF SECTION 1, BLOCK 56-T3, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 419.82 FEET OR 25.44 RODS AND CONTAINS 0.14 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

"285 SOUTH POWERLINE - SEG 2"

COMMENCING AT A 1-1/2 INCH ROD, AT THE SOUTHEAST CORNER OF SECTION 6, BLOCK 56-T3, REEVES COUNTY, TEXAS; THENCE N 01°31'18" W A DISTANCE OF 5,285.83 FEET TO THE POINT OF BEGINNING OF A 15 FOOT WIDE EASEMENT BEING 7.5 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

THENCE N 88°16'54" W A DISTANCE OF 237.58 FEET TO THE POINT OF TERMINATION, SAID POINT BEING S 40°11'08" E A DISTANCE OF 7,098.52 FEET FROM A 1/2 INCH PIPE AT THE NORTHWEST CORNER OF SECTION 1, BLOCK 56-T3, REEVES COUNTY, TEXAS.

THE ABOVE DESCRIBED CENTERLINE HAS A TOTAL LENGTH OF 237.58 FEET OR 14.40 RODS AND CONTAINS 0.08 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

THE TWO ABOVE DESCRIBED CENTERLINES HAVE A TOTAL LENGTH OF 657.40 FEET OR 39.84 RODS AND CONTAINS 0.23 ACRES OF EASEMENT, MORE OR LESS. LESS AND EXCEPT ALL EASEMENTS AND RIGHTS-OF-WAY OF RECORD.

BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.

ALL DISTANCES ARE GRID DISTANCES BASED ON U.S. SURVEY FEET

THIS LEGAL DESCRIPTION ACCOMPANIES A SKETCH PREPARED FOR THIS TRACT OF LAND.



1000 LedgeLawn Dr.
Conway, Arkansas 72034

501.328.3316 f 501.328.3325 f
www.craftontull.com

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 LedgeLawn Dr.
Conway, AR 72034



Shannon D. Ozment
11/21/2019

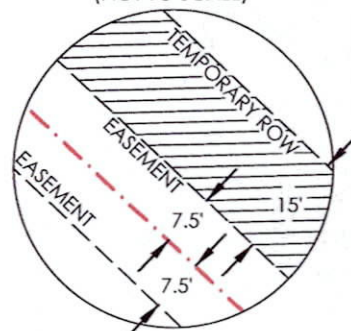


LEGEND

- CL OF PROPOSED POWERLINE EASEMENT
- EXISTING PIPELINE ROUTE
- FENCE
- P.O.C. POINT OF COMMENCEMENT
- P.O.B. POINT OF BEGINNING
- P.O.T. POINT OF TERMINATION
- OHE OVERHEAD ELECTRIC
- LF LINEAR FEET
- POWER POLE
- TELEPHONE RISER
- FOUND MONUMENT (AS NOTED)

GRID NORTH (NAD 83)
TEXAS - CENTRAL ZONE

INSET "A"
(NOT TO SCALE)



A 1/2" PIPE,
(X: 1196058.32, Y: 10623920.35)
AT THE NORTHWEST CORNER OF
SEC. 1, BLK. 56-T3 BEING
N 41°34'20" W - 7,245.25'
FROM SEG- 1 P.O.T.
N 40°11'08" W - 7,098.52'
FROM SEG- 2 P.O.T.

640 ACRES
TEXAS PACIFIC LAND TRUST
VOL. 162, PG. 9

P.O.T. OF
SEG - 1 A 15'
WIDE EASEMENT

P.O.B. OF
SEG - 2 A 15'
WIDE EASEMENT

P.O.T. OF
SEG - 2 A 15'
WIDE EASEMENT

WELL
PAD

SEE INSET "A"

LEASE
ROAD

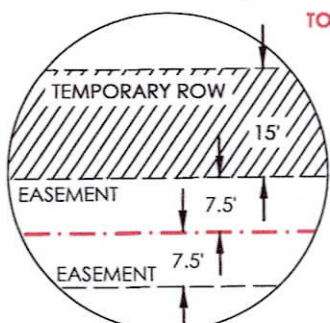
120 ACRES
CHARLES DAVID
KLAPPROTH, ET AL
VOL. 608, PG. 545
SEC. 6, BLK. 56-T3

TOTAL: (657.40 L.F. OR 39.84 RODS)

P.O.B. OF
SEG - 1 A 15'
WIDE EASEMENT

640 ACRES
TEXAS PACIFIC LAND TRUST
VOL. 1, PG. 217

INSET "B"
(NOT TO SCALE)



ANADARKO
WATER LINE

ANADARKO
GAS PIPELINE

P.O.C.
A 1-1/2" ROD,
(X: 1201016.59, Y: 10613206.29)
AT THE SOUTHEAST CORNER OF
SEC. 6, BLK. 56-T3 BEING
S 01°45'07" W - 5,006.14'
FROM SEG- 1 P.O.B.
S 01°31'18" E - 5,285.83'
FROM SEG- 2 P.O.B.

"285 SOUTH POWERLINE - SEG 1"

NUMBER	BEARING	DISTANCE
L1	N 46°19'17" W	419.82'

TOTAL: (419.82 L.F. OR 25.44 RODS)

"285 SOUTH POWERLINE - SEG 2"

NUMBER	BEARING	DISTANCE
L2	N 88°16'54" W	237.58'

TOTAL: (237.58 L.F. OR 14.40 RODS)

"285 SOUTH POWERLINE - SEG 1"

DESCRIPTION	COORDINATES NAD83 (1984)
STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)
P.O.B.	N: 10618210.09 E: 1201169.62 LAT: 31.75172171° LONG: -103.85798298°
P.O.T.	N: 10618500.03 E: 1200866.00 LAT: 31.75249188° LONG: -103.85898884°

CONTACT INFORMATION:

Shannon D. Ozment
Crafton Tull (10193715)
1000 Ledgelawn Dr.
Conway, AR 72034

"285 SOUTH POWERLINE - SEG 2"

DESCRIPTION	COORDINATES NAD83 (1984)
STATE PLANE TEXAS CENTRAL (2277)	GEOGRAPHIC (4269)
P.O.B.	N: 10618490.26 E: 1200876.23 LAT: 31.75246592° LONG: -103.85895495°
P.O.T.	N: 10618497.38 E: 1200638.75 LAT: 31.75246481° LONG: -103.85971928°

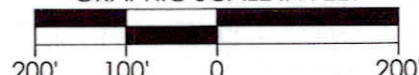
- GENERAL NOTES
- THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON REASONABLE VISUAL OBSERVATION. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREIN. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS 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.
 - BASIS OF BEARINGS: TEXAS STATE PLANE GRID, CENTRAL ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION.
 - VERTICAL DATUM IS NAVD 88
 - AREAS, DISTANCES, AND COORDINATES ARE "GRID" BASED ON U.S. SURVEY FEET.
 - THIS PLAT DOES NOT REPRESENT A BOUNDARY SURVEY.



11/21/2019

THIS SKETCH ACCOMPANIES A LEGAL DESCRIPTION
PREPARED FOR THIS TRACT OF LAND.

GRAPHIC SCALE IN FEET



REVISION

bpx energy

BPX Midstream LLC

"285 SOUTH POWERLINE"
CHARLES DAVID KLAPPROTH, ET AL
FINAL PLAT
REEVES COUNTY, TEXAS
TRACT NO. 02

SCALE: 1" = 200'

PLOT DATE: 11-21-2019

CHECKED BY:

DRAWN BY:

JH

BH

APPROVED BY:

SHEET NO.: 2 OF 2

J.PARKER

07.03.0

File No. MF056068Reeves CountySurface Damage PmtDate Filed: 7-2-2021

George P. Bush, Commissioner

By VR

bpx energy

BPX Midstream, LLC
Attn: BP GBS Americas - P2P Treasury
Payments
150 West Warrenville Road, Building 605, 3rd
Floor
Naperville, IL 60563

PAGE 1 OF 1

20708591

03/27/20

X07LH

COMMISSIONER OF THE TEXAS GENERAL
LAND OFFICE
1700 N CONGRESS
AUSTIN, TX 78701-1495 US

VENDOR NUMBER: 0069000251

TRACE NUMBER: 2000001098

DOCUMENT NO.	INVOICE DATE	INVOICE NO.	GROSS AMOUNT	DISCOUNT NO.	NET AMOUNT
1900000532 Z1-00151-C:EQUIP Z1-00151-C:EQUIP	03/19/20	2020.167	219.42		219.42
TOTALS			219.42		219.42

computed 5700
161

INQUIRIES CONCERNING THIS PAYMENT SHOULD BE
DIRECTED TO OUR OFFICE, PLEASE CALL
(800) 284-2244

IN ORDER TO AFFECT TIMELY INVOICE PAYMENT PLEASE PLACE
YOUR VENDOR NUMBER ON ALL FUTURE INVOICE TO BP.
*** YOUR VENDOR NUMBER IS 0069000251

DETACH AND RETAIN THIS STUB FOR YOUR RECORDS

CHECK NO. 8005000248 ATTACHED BELOW



BP America Production Company
BPX Energy Inc.
Permian Development – Land Department
1700 Platte St
Denver, CO 80202

April 28, 2020

Texas General Land Office
Attn: Energy Resources
1700 North Congress Avenue
Austin, TX 78701

RE: **Surface Damage Payment – Electric Line**
State 285 South PME/State Willie Vee 56-T3-6 Pad B Project
Section 06, Block 56, Township 3
Reeves County, Texas

Dear Texas General Land Office,

Enclosed herein, please find Check No. 8005000248 in the amount of \$219.42 covering the electric line on the subject line.

Pursuant to Oil and Gas Lease No. MFM-116159, "Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land." State leases require the Lessee to, "pay surface damages in an amount set by the General Land Office fee schedule which is effective on the date when the activity requiring payment of the surface damages occur." To be consistent BPX Energy Inc. is going to proceed with the same compensation for this overhead utility easement. The current fee schedule on the bottom of the current web site applicate states that <69kV power line capacity in Region 3 is \$23.00 per rod, per line.

$$\$23.00 \text{ per rod} \times 3.18 \text{ rods} = \$73.14 \times 3 \text{ (3 phase line)} = \$219.42$$

Should you have any questions or need additional assistance regarding this matter, please don't hesitate to contact me at the telephone numbers or email address listed below.

Respectfully,

Cameron Finger
Surface Land Negotiator
Office: (303) 731-8260
Mobile: (720) 697-9363
Cameron.Finger@bpx.com

File No. MF056068Reeves CountySurface Damage PmtDate Filed: 7-2-2021

George P. Bush, Commissioner

By VZ

4.20.20



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: 6/10/2021
Billing Due Date: 7/10/2021
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
21I00811	MF056068	\$5,560.30	\$0.00	\$556.03	\$513.08	\$6,629.41
Total Due		\$5,560.30	\$0.00	\$556.03	\$513.08	\$6,629.41

Penalty and interest have been calculated thru 6/30/2021. Payment remitted after 6/30/2021 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: 6/10/2021

Billing Due Date: 7/10/2021

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
21I00811	MF056068	\$5,560.30	\$0.00	\$556.03	\$513.08	\$6,629.41
Total Due		\$5,560.30	\$0.00	\$556.03	\$513.08	\$6,629.41
Amt. Paid						

Customer ID: C000046383		Category: Gas												
Invoice Number: MF050088		Auditor/AE: DJACQUET												
GLO Lease: BPX OPERATING COMPANY		Billing Date: 6/1/2021												
GLO Review: SEPT 2019 - AUG 2020		P & Calculation Date: 6/30/2021												
Review Period:		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	08-279638	35,296	1	\$1.19	1	\$42,002.05	\$2,625.13	\$0.00	\$2,625.13	593	6.50%	\$262.51	\$249.64	\$3,137.28
Oct-19	08-279638	28,989	1	\$1.62	1	\$46,962.70	\$2,935.17	\$0.00	\$2,935.17	563	6.50%	\$293.52	\$263.44	\$3,492.13
TOTALS		64,285				\$88,964.75	\$5,660.30	\$0.00	\$5,660.30			\$556.03	\$513.08	\$6,629.41

COMMENTS: BILLING ON UNDER PAID ROYALTIES FOR RRC IDs: 08-279638, 08-287931, 08-288112 & 08-288073 UNIT 7506.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES REPORTED TO THE RRC VERSUS VOLUMES REPORTED TO THE GLO.

COLUMN (5) PRICES- NO GLO2 REPORTS SUBMITTED TO THE GLO. THE PRICES USED IS FROM THE WAHA HUB.

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/rac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, SEND AN EMAIL TO account.services@glo.texas.gov NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER, REMITTANCE DATE AND AMOUNT OF PAYMENT.

ATTN: PATTY BURG
SENT VIA E-MAIL: Patty.Burg@bpx.com

105

File No. MF 056068

County

Recon Billings

Date Filed: 8/16/2021

George P. Bush, Commissioner

By

VD



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
Office: WM11 6025-1
15377 Memorial Drive
Houston, TX 77079-4101

Billing Date: 2/7/2023
Billing Due Date: 3/9/2023
Customer Number: C000046383

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
23I00543	MF056068	\$0.00	\$4,842.94	\$484.29	\$49.06	\$5,376.29
Total Due		\$0.00	\$4,842.94	\$484.29	\$49.06	\$5,376.29

Penalty and interest have been calculated thru 2/28/2023. Payment remitted after 2/28/2023 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: 2/7/2023
Billing Due Date: 3/9/2023

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
23I00543	MF056068	\$0.00	\$4,842.94	\$484.29	\$49.06	\$5,376.29
Total Due		\$0.00	\$4,842.94	\$484.29	\$49.06	\$5,376.29
Amt. Paid						

Customer ID: C000046383
 Invoice Number:
 GLO Lease: MF056068
 GLO Review: BPX OPERATING COMPANY
 Review Period: Sept 2021 - Aug 2022

Category Oil
 Auditor/AE: ECortez
 Billing Date: 2/1/2023
 P&I Calculation Date: 2/28/2023
 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
Aug-22	08-279638	1	1	\$0.000	1	\$0.00	\$4,842.94	\$0.00	\$4,842.94	146	4.25%	\$484.29	\$49.06	\$5,376.29
TOTALS		1				\$0.00	\$4,842.94	\$0.00	\$4,842.94			\$484.29	\$49.06	\$5,376.29

COMMENTS: BILLING ON UNPAID OIL ROYALTIES TO THE GLO FOR UNIT 7506 (08-279638, 08-287931, 08-288073, 08-288112)

COLUMN (8) ROYALTY DUE BASED OFF SUBMITTED GLO1 REPORTS
 COLUMNS (9) ROYALTY PAID
 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.cortez@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.cortez@glo.texas.gov
 NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

ATTN: Patty Burg
 EMAIL: patty.burg@bpv.com bpv@glo8bpv.com

File No. MF056068

Recon Billing County

Date Filed: 2/9/2023
Commissioner Dawn Buckingham, M.D.

By: VJ



MEMORANDUM

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

DATE: September 16, 2025 **PSA# 00776**

TO: School Land Board

FROM: Pooling Committee

SUBJECT: Request from Anadarko E&P Onshore, LLC to have the State enter into a Production Sharing Agreement for drilling of the Chupacabra State 56 – 2 – 45 – 6 allocation wells.

- **Anadarko E&P Onshore, LLC** is the operator of State leases MF056068, MF056074, MF112667, MF112678, and MF116159 (GLO Unit 7506) 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 Chupacabra State 56 – 2 – 45 – 6 allocation wells which will traverse State leases MF056068, MF056074, MF112667, MF112678, and MF116159 (GLO Unit 7506).
- The State's participation in the sharing wells will be based on 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.

General Land Office

8-14-25

Date

Office of the Governor

Date

Office of the Governor

Date



0 0.28 0.55 1.1 mi



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

Revised 6/11/25

PRODUCTION SHARING AGREEMENT

PSA# 00776

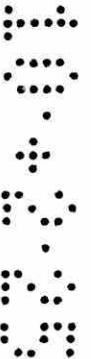
Chupacabra State 56-2-45-6

This production sharing agreement (“**Agreement**”), dated effective as of **September 1, 2025** (“**Effective Date**”), is between **Anadarko E&P Onshore LLC** (“**Operator**”), the Commissioner of the General Land Office, on behalf of the State of Texas and the owner or owners below (collectively and each an “**Owner**”).

- Owner owns a mineral, working, and/or royalty interest in one or more oil and gas leases and/or in the mineral estate of the lands described by one or more of the leases identified under “**Leases**” in **Exhibit “A”** attached hereto, located within or adjacent to the geographic boundaries of the pooled units formed by the unit declarations or designations identified under “**Pooled Units**” in **Exhibit “A”** attached hereto (referred to individually as a “**Lease**” and collectively as the “**Pooled Units**,” if applicable);
 - Operator is the owner and/or operator of the Leases and/or Pooled Units as to the acreage described in **Exhibit “B”** attached hereto and depicted in the plat attached as **Exhibit “C”**;
 - The Parties desire to establish an agreed method of allocating production from one or more Sharing Wells (as defined in Section 3) to one or more of the Pooled Units or Leases adjacent to the Pooled Units.
1. **Production Sharing Calculation.** If Operator completes a Sharing Well, Operator shall:
- a. Request that the GLO designate that Sharing Well as either (i) a Unit Sharing Well, (ii) a Unit Line Well (each as defined in Section 3), (iii) or both; and
 - b. allocate production from that Sharing Well, from the date of first production, to each Sharing Well Property using the applicable fraction below:

Sharing Well Type	Numerator	Denominator
Unit Sharing Well	Completed Lateral Length on the Sharing Well Property	Total Completed Lateral Length
Unit Line Well	Horizontal Drainhole Area on the Sharing Well Property	Total Horizontal Drainhole Area

2. **Effect of Sharing Wells.** Operations on or production from a Sharing Well will be considered for all purposes (except the calculation and payment of royalties) to



be operations on or production from each of the Sharing Well Properties to which production from the Sharing Well is allocated. Operator shall pay royalties under the terms of the Leases on the share of production as calculated in Section 1(b).

3. **Definitions.** For purposes of this Agreement, the following definitions apply:

“As-Drilled Survey Plat” means a plat, prepared by a registered professional engineer or surveyor, using a directional survey that shows the Sharing Well's wellbore path.

“Completed Lateral Length” means the actual measured distance between the first and last Take Point along the Horizontal Drainhole in the Sharing Well excluding any non-perforation zones.

“Horizontal Drainhole” means the portion of the Sharing Well identified on the As-Drilled Survey Plat:

- a. between the first and last Take Point (excluding any non-perforation zones); and
- b. located within one or more productive formations.

“Horizontal Drainhole Area” means the area within the Sharing Well Properties bounded by two lines 330 feet equidistant from and along the Horizontal Drainhole of a Sharing Well. For avoidance of doubt, the distance between the two lines paralleling the Horizontal Drainhole shall be 660 feet.

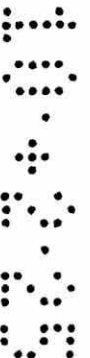
“Sharing Well” means a well with a horizontal drainhole displacement greater than 100 feet (as defined by Texas Administrative Code, Title 16, Part I, Chapter 3, Rule §3.86) in which Take Points are located on more than one Sharing Well Property.

“Sharing Well Property” means:

- a. any Pooled Unit,
- b. any unpooled portion of a Lease, or
- c. any other lease, pooled unit, unpooled portion of a lease or tract upon which a portion of the Horizontal Drainhole or Horizontal Drainhole Area (as shown by the As-Drilled Survey Plat) is located.

“Take Point” means any point in a horizontal well that is open to the formation where hydrocarbons from the formation can enter the wellbore.

“Unit Sharing Well” means a Sharing Well with a Horizontal Drainhole Area that traverses two or more Sharing Well Properties and is designated

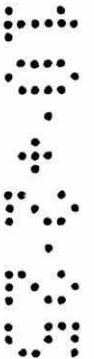


by the GLO as a “Unit Sharing Well”.

“**Unit Line Well**” means a Sharing Well with a portion of its Horizontal Drainhole located within 330 feet of a common property line between the Sharing Well Properties and is designated by the GLO as a “Unit Line Well”.

4. **Offset Obligations and Surface Use.** A Sharing Well does not create any offset obligations under any Leases in the Sharing Well Property. Operator shall have the right to make reasonable use of the surface and subsurface of each Sharing Well Property for the purpose of exploring, drilling, completing, producing, transporting and marketing oil and gas from any Sharing Well.
5. **Other Wells.** This Agreement does not affect the ownership or production allocation of any well drilled on a Sharing Well Property that is not a Sharing Well.
6. **Related Documents.** The terms of any Leases, agreements, and pooling agreements covering or affecting the Owner’s lands within a Sharing Well Property (collectively, “**Related Documents**”) are hereby amended to conform to this Agreement. If provisions in any Related Documents conflict with provisions in this Agreement, the provisions in this Agreement will control. A Sharing Well does not constitute a unit well for the purpose of unit production or unit operations or a drilling obligation contained in a pooling agreement, if applicable, unless approved in writing by the General Land Office.
7. **Retained Acreage.** If any Lease contains a retained-acreage clause, partial-termination clause, or other provision that would, based upon the passage of time or the occurrence or non-occurrence of some event or condition, cause the Lease to terminate, except as to certain portions of the leased premises included within certain types of units or otherwise associated with productive wells, then, for the sole purpose of determining the acreage and/or depths of the leased premises under said Lease that is perpetuated by a Sharing Well, that portion of the Sharing Well drilled on the leased premises of said Lease or situated within a Horizontal Drainhole Area extending onto said Lease (“**On-Lease Portion**”) shall be treated as a well drilled solely on the leased premises, and the acreage retained by said On-Lease Portion of a Unit Sharing Well shall be the greater of 40 acres or the amount of acreage determined by the following formula: $0.032 \times (L - N) = A$, where L = the length (in feet) of the horizontal /lateral component of the wellbore from the first Take Point to the last Take Point, N = the length (in feet) of the wellbore between first and last Take Points that fall in a non-perf zone or outside the Lease and/or Pooled Unit, and A = the area retained (in acres), provided that, if A is not divisible by the number 5, A will be rounded up to the next number divisible by 5, (e.g. $0.032 \times 4500 \text{ feet} = 144 \text{ acres}$, which rounds up to 145 acres).

E.g. If 1,000 ft of a 5,000 ft-long Sharing Well is located on leased premises covered by a Lease with a retained acreage provision, then the Sharing Well will be considered to be 1,000 ft long (i.e., the portion located on the relevant leased premises) for purposes of the retained acreage provision and will retain

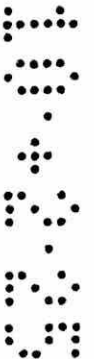


35 acres (1,000' x 0.032 = 32 acres, rounded up to 35 acres).

However, the cumulative area retained (in acres) under the foregoing calculation when applied to multiple Leases may not exceed 0.032 x (L - non-perf zones) rounded up to the next number divisible by 10.

The acreage retained by a Unit Line Well shall be the On-Lease Portion of the Horizontal Drainhole Area for said well. Furthermore, the depths retained by said On-Lease Portion of a Sharing Well shall be limited to: (1) 300 feet true vertical depth above the shallowest depth reached by the horizontal/lateral component of the wellbore from the first Take Point to the last Take Point inside the Lease and/or Pooled Unit; and (2) 300 feet true vertical depth below the deepest depth reached by the horizontal/lateral component of the wellbore from the first Take Point to the last Take Point inside the Lease and/or Pooled Unit.

8. **Term.** This Agreement will remain in effect for a period of [one (1) year] from the Effective Date and for so long thereafter as a Lease remains in effect as to all or any portion of the lands covered thereby and a Sharing Well is producing in paying quantities, as defined by the respective Lease. If all Sharing Wells fail to produce in paying quantities, this Agreement shall automatically terminate.
9. **Dissolution.** This Agreement may be dissolved by Operator, its heirs, successors or assigns, by an instrument filed for record in the county records where the Sharing Well Properties are situated, and a certified copy thereof filed in the General Land Office at any time after the cessation of production on the Sharing Area or the completion of a dry hole thereon prior to production or upon such other date as may be approved by the Owner and mutually agreed to by the undersigned parties, their successors or assigns.
10. **Cross-conveyance.** Nothing in this Agreement shall be construed as effecting a cross-assignment or cross-conveyance of any interest that is subject to this Agreement.
11. **Existing Production Excluded.** Any wells producing from the Sharing Properties prior to the Effective Date of this Agreement are specifically excluded from the provisions of this Agreement and will be governed by their respective leases, agreements, and units, as applicable.
12. **Counterparts.** The parties may sign this Agreement in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the parties. The executed counterparts may be combined by Operator into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing parties agree that such instruments will be treated and given effect for all purposes as a single instrument.
13. **Binding Effect.** This Agreement is assignable, in whole or in part, and binds and benefits the parties and their respective successors and assignees.



14. **Memorandum.** Operator may record a memorandum of this Agreement.

(Signature Pages and Exhibits Follow)



ADDENDUM

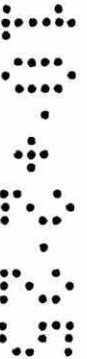
Attached to and made a part of that certain Production Sharing Agreement dated September 1, 2025, by and between Anadarko E&P Onshore LLC as Operator, and Owner.

1. Royalties on production due to the State of Texas under any oil and gas lease subject to the Production Sharing Agreement ("Leases") from any Sharing Well with a portion of Completed Lateral Length in Section 6, Block 56 T3 covered by this Agreement, will be allocated to the State Willie Vee 56-T3-6 Unit as described in that certain Pooling Agreement filed under Volume 1219, Page 709 in Reeves County, Texas (the "State Willie Vee Unit") and included as Tract 2 of Exhibit "B", until such time as the Owner provides written notification to the Operator indicating the State Willie Vee 56-T3-6 Unit is no longer in force and effect (the "Unit Termination Notice").

Effective on the 1st day of the subsequent calendar month from such Unit Termination Notice: (i) the Operator will revise the royalties due on production from any Sharing Well to be allocated to the Leases which are traversed by a portion of Completed Lateral Length from such Sharing Well and (ii) such Leases will be subject to the terms and conditions contained in Paragraph 7 of the Agreement.

Regardless of the royalty payment above and in accordance with Paragraph 6 of the Agreement, the Operator and Owner agree that operations on or production from any Sharing Well (i) will not be considered to be operations on or production from the State Willie Vee Unit and (ii) does not constitute a unit well for the purpose of unit production in the State Willie Vee Unit.

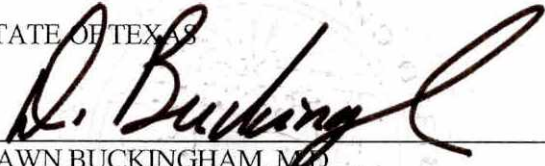
2. Owner agrees all Sharing Wells under this Agreement are designated as a Unit Sharing Well for purposes of the Production Sharing Calculation included in Paragraph 1 of the Agreement.
3. If provisions in the Agreement or any Related Documents conflict with provisions in this Addendum, the provisions in this Addendum will control.



OWNER is signing this Agreement on the date stated below, but this Agreement is effective as of the Effective Date.

Date Executed: 10/15/2025

STATE OF TEXAS


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

Approved:

cont. ^{Initial} CB

MM ^{DS} DBO

OGC ^{DS} EM

DCC ^{DS} AP

CC ^{Initial} PP

CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 16th day of September, 2025, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapters 32 & 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 15 day of October, 2025.


Secretary of the School Land Board

OPERATOR is signing this Agreement on the date stated below, but this Agreement is effective as of the Effective Date.

Date Executed 9/30/2025

ANADARKO E&P ONSHORE LLC

By: [Signature] TCS

Printed: John V. Schneider

Its: Attorney-in-Fact

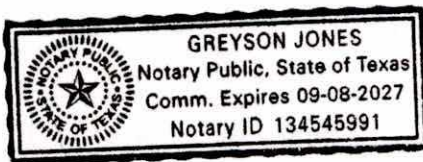
ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on SEPTEMBER 30th, 2025, by JOHN V. SCHNEIDER

as ATTORNEY-IN-FACT of Anadarko E&P Onshore LLC, on behalf of such company.



Greyson Jones

Notary Public in and for the State of TEXAS



EXHIBIT "A"

Attached to and made a part of that certain Production Sharing Agreement dated September 1, 2025, by and between Anadarko E&P Onshore LLC as Operator, and Owner.

LEASES:

Lessor	Lessee	Effective Date	State	County	Book	Page	GLO MF#
CHEVRON USA INC (SUNDANCE LEASE)	ANADARKO E&P ONSHORE LLC	2/1/2014	TX	Reeves	1064	169	N/A
GEORGE C FRASER ET AL	GULF OIL CORPORATION	11/22/1949	TX	Reeves	128	64	N/A
CHEVRON USA INC (TETON LEASE)	ANADARKO E&P ONSHORE LLC	2/1/2014	TX	Reeves	1064	165	N/A
WILLA LOUISE PIERCE, ET AL	R. PAUL RICKER	11/13/1963	TX	Reeves	236	313	MF-056068
K. L. DENTON, AND WIFE, LETA DENTON.	R. PAUL RICKER	11/13/1963	TX	Reeves	236	98	MF-056074A
CLELLA DENTON KLAPPROTH, AND HUSBAND, CHAS. L. KLAPPROTH.	R. PAUL RICKER	11/13/1963	TX	Reeves	236	94	MF-056074B
WILLIE VEE HAYMON BOLINGER	PETROHAWK PROPERTIES, LP	6/20/2011	TX	Reeves	894	838	MF-112678A
ALICE BOLINGER HARLOW	PETROHAWK PROPERTIES, LP	6/20/2011	TX	Reeves	895	1	MF-112678B
ANN HOWARD LAMBERT	PETROHAWK PROPERTIES, LP	6/20/2011	TX	Reeves	894	827	MF-112678C
HELEN KAY BOLINGER AARON CHILDRENS TRUST	PETROHAWK PROPERTIES, LP	6/20/2011	TX	Reeves	895	23	MF-112678D
CLARENCE W BOLINGER JR	PETROHAWK PROPERTIES, LP	6/20/2011	TX	Reeves	895	12	MF-112678E
B LEROY AND DIANE K FOSTER REVOCABLE TRUST	CIMAREX ENERGY CO.	3/2/2011	TX	Reeves	872	323	MF-112667A
MARY BETH SPELLMAN, TRUSTEE OF THE ALTON R FOSTER JR TRUST	CIMAREX ENERGY CO.	3/2/2011	TX	Reeves	872	333	MF-112667B
JAMES B FOSTER AND WIFE HELEN M FOSTER	CIMAREX ENERGY CO.	3/2/2011	TX	Reeves	872	343	MF-112667C
The State of Texas, by Jerry Patterson, Commissioner of the General Land Office	BHP Billiton Petroleum Properties (N.A.), LP.	1/7/2014	TX	Reeves	1060	470	MF-116159

POOLED UNITS:

- 1) **The Chupacabra 56-2-45 Unit** as described in that certain Declaration of Pooled Unit, Chupacabra 56-2-45 Unit, dated August 1, 2016, filed under Volume 1312, Page 753, in the Official Public Records of Reeves County, Texas comprised of the following described lands: 960.58 acres, more or less, being the South Half (S/2) of Section 45, Block 56, Township 2, and all of Section 1, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas

- 2) **The State Willie Vee 56-T3-6 Unit** as described in that certain Pooling Agreement, State Willie Vee 56-T3-6 Unit, dated July 14, 2015, filed under Volume 1219, Page 709, in the Official Public Records of Reeves County, Texas comprised of the following described lands: 639.63 acres, more or less, being all of Section 6, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas

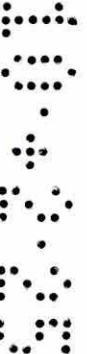


EXHIBIT "B"

Attached to and made a part of that certain Production Sharing Agreement dated September 1, 2025, by and between Anadarko E&P Onshore LLC as Operator, and Owner.

LANDS:

Tract 1: The Chupacabra 56-2-45 Unit as described in that certain Declaration of Pooled Unit, Chupacabra 56-2-45 Unit, filed under Volume 1312, Page 753, in Reeves County, Texas covering the following described lands: 960.58 acres, more or less, being the South Half (S/2) of Section 45, Block 56, Township 2, and all of Section 1, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas

Tract 2: The State Willie Vee 56-T3-6 Unit as described in that certain Pooling Agreement, State Willie Vee 56-T3-6 Unit, filed under Volume 1219, Page 709, in Reeves County, Texas covering the following described lands: 639.63 acres, more or less, being all of Section 6, Block 56, Township 3, T&P RR Co. Survey, Reeves County, Texas



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EXHIBIT "C"

Attached to and made a part of that certain Production Sharing Agreement dated September 1, 2025, by and between Anadarko E&P Onshore LLC as Operator, and Owner.

T. & P. R. R. CO.
BLOCK 56 TSP 2

ANADARKO E&P
ONSHORE LLC
CHUPACABRA STATE 56-2-45-6
SHARING AREA

1

3

2

1

1

CHUPACABRA STATE 56-2-45-6
SHARING AREA
TRACT SUMMARY

TRACT	CALLED ACREAGE
1	960.58
2	639.63
TOTAL	1600.21

1

PUBLIC SCHOOL
LAND BLOCK C-20

4

5

6

7

2

13

12

11

10

T. & P. R. R. CO.
BLOCK 56
TSP 3

FIELD: PHANTOM (WOLFCAMP)

LEASE BOUNDARY - - - - -

PRODUCING WELL - - - - - ●

INJECTION WELL - - - - - ●

WELL LOCATIONS - - - - - ○

PROPOSED CONVERSION - - - - - ○_{PC}

1500 1125 750 375 0 750 1500

SCALE IN FEET
SCALE: 1" = 1500'

I, BRYON W. CAREY hereby certify that this plat, drawn to the scale indicated, accurately represents conditions as they actually exist on the property on which permit to drill is sought and correctly reflects all pertinent data required to be shown on such plat by orders of the Railroad Commission of Texas.

Date: 08/05/2025

GRID
NAD83 TCE
UNIT

ANADARKO E&P ONSHORE LLC

CHUPACABRA STATE
56-2-45-6 SHARING AREA

Reeves County, Texas

Scale: 1" = 1500'

08/05/2025 505_chupacabra.state.dgn
Plat prepared by DLS
Horizon Survey, Inc.

29.9.01

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File No. MF056068
Reeves County
PSA#00776
Date Filed: 10-27-25
Commissioner Dawn Buckingham, M.D.
By: CRB