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EL PASO NATURAL GAS CO

F213727

640  
~~320~~ Ac. Unit

~~\$1600.00~~

STATE LEASE

64567

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151 \* 23

~~320 Ac. Don Unit~~

COUNTY: Loving and Ward  
TRACT : Sec. 70, Blk. 33, H&TC RY CO  
PART : All  
ACRES : 640

LESSEE : El Paso Natural Gas Company  
DATE : 4-7-70  
TERM : 5 Years  
BONUS : \$120,006.40  
RENTAL: \$5.00  
FILE : 149633

04-01461-2

04-02292-5

3,200



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| 2. Lease                               | 4-7-70 gs                                     | See Letter Dated 6-7-76 in M64566                                                   |
| 3. Rental Payment                      | 3-3-71                                        | See Letter Dated 6-15-76 in M64566                                                  |
| 4. Rental Payment                      | 3-9-72                                        | See Letter Dated 7-30-76 in M64566                                                  |
| 5. Rental Payment                      | 3-26-73                                       | See Letter Dated 8-25-76 in M64566                                                  |
| 6. Partial Assignment                  | 9-13-73 alm                                   | See Letter Dated 8-5-77 in M64566                                                   |
| 7. Ltr. fr. Forest Oil Corp.           | 9-12-73 "                                     | See Letter Dated 8-13-77 in M64566                                                  |
| 8. Ltr. to " " "                       | 10-23-73 "                                    | See Letter Dated 8-17-77 in M64566                                                  |
| 9. Ltr. fr. Forest Oil Corp.           | 6-28-73 jr                                    | 33. Ltr. to Forest Oil Corp. 9-29-77 AT                                             |
| 10. Ltr. to Forest Oil Corp.           | 8-13-73 jr                                    | See Letter Dated 11-30-77 in M64566 AT                                              |
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| 12. Ltr. fr. Forest Oil Corp.          | 10-8-73 jr                                    | 33A. Ltr. fr. Forest Oil Corp. 12-7-77 AT<br>34. Ltr. to Forest Oil Corp. 6-5-78 AT |
| 13. Ltr. to Forest Oil Corp.           | 10-16-73 jr                                   | See Letter Dated 8-5-78 in M64566 AT                                                |
| 14. Ltr. fr. Forest Oil Corp.          | 10-22-73 jr                                   | See Letter Dated 8-6-78 in M64566 AT                                                |
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| 31. See Letter Dated 3-16-76 in M64566 | D/O                                           | 64. See Letter Dated 7-27-82 in M64566 AT                                           |
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|                                        |                                               | 67. Flo from Forest SEP 13 1982 PHIPPS                                              |
|                                        |                                               | See Letter Dated 9-22-82 in M64566 AT                                               |
|                                        |                                               | 68. copy: letter from Forest dated 10-29-82                                         |

C/F-5-16-88

Mr. Randy Turner  
Stubbleman, McRae,  
Sealy, Langflier & Browder  
Midland, Texas 79702



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See N/O in M-64566 dtd 3-16-83 scanned PT 10-12-2020

69. Letter from Forest 5-31-83 RVR

70. " " " 6-2-83 RVR

71. Letter to Forest Oil Corp 3-9-83

72. Division Order Letter 3-28-88 AB

73. missing " " " " "

74. " " " 4-28-88 AB

See Letter Dated 11-17-89 in M 164566 (105)

See Letter Dated 11-21-89 in M 164566 (100B)

See Assignment 1001 in M 164566 (107)

75. Billing 2-8-99

76. <sup>missing</sup> Billing 3-25-99

77. Letter from Forrest Oil 4/22/99

78. Letter to Forrest Oil 5/3/99

79. Division Order 6/25/04

ASSIGNMENT FILED IN MF 064566#115 6/2/10

Assignment in MF 035816 #65,  
WI #7809 7/1/11

80. Reconciliation Ltr 4/12/11

81. Drilling Permit 301-31588 6/3/13

82. w-2 / attachments 301-31588 6/3/13

83. Drilling Permit 301-31699 6/3/13

84. Drilling Permit 301-31713 6/3/13

85. w-2 / attachments 301-31824 6/3/13

86. Reconciliation Billing 3/3/14.

87. Reconciliation Billing 3/3/14

Scanned 100 3-5-2014

88. FY14 Demand Letter 7/1/15.

89. FY14 Demand Letter 7/6/15.

scanned PT 8-25-15 2/2/16

See MF 064567 #54 FY15 Demand letter

scanned PT 2-26-16

90. Shut in payment 10/7/20



64567  
MINERAL LEASE APPLICATION  
(Oil and Gas Lease)

To The Commissioner of the General Land Office  
and The School Land Board  
Austin, Texas

By virtue of Article 5421c, Vernon's Civil Statutes, and other applicable laws, providing for the leasing of river beds and channels, unsold surveyed school lands, and areas within tidewater limits including islands, lakes, salt water lakes, bays, inlets, marshes, reefs, the bed of the sea, and that portion of the Gulf of Mexico within the jurisdiction of the State of Texas, I herewith tender my application for the following area:

56954

56955

| Mgl. No. | Survey | Tract | Blk | Tsp | Original Grantee | Acres  | Designated Area | County          |
|----------|--------|-------|-----|-----|------------------|--------|-----------------|-----------------|
| 54       | 70     |       | 33  |     | H&TC Ry. Co.     | 640.00 |                 | Loving and Ward |

(Only one tract may be included in this application, and it must be described the same as in the advertised list.)

I accept and agree to the terms and requirements of said statutes, and I agree to pay to the State of Texas at the General Land Office, Austin, Texas, 1/6th of the gross production of oil and/or gas, or the value of same that may be produced thereon.

And beginning with the second year of the lease, I agree to pay delay rental in the sum of \$5.00 per acre, 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 during the primary term of my lease.

If production in commercial quantities should be secured within the five year primary term, or any extension thereof, my lease shall continue as long thereafter as oil or gas is produced therefrom in commercial quantities.

IN ADDITION TO THE ABOVE, I HEREBY BID AND ENCLOSE HERewith AS  
A CASH BONUS THE SUM OF One Hundred Twenty Thousand Six and 40/100  
DOLLARS.

There is also attached remittance in the amount of One Thousand Two Hundred and 06/100 Dollars, being 1% of the cash bonus offered as a special sale fee as provided in Article 5382d-1, Vernon's Civil Statutes.

RECEIVED IN THE GENERAL  
LAND OFFICE ON OR BEFORE  
10 A.M. 4-7-70

EL PASO NATURAL GAS COMPANY

BY: [Signature]  
(Applicant) Attorney-in-Fact  
P. O. Box 1492  
(Address)  
El Paso, Texas 79999  
(Post Office)

April 3, 1970  
(Date)

CERTIFICATE

I, Richard H. Keahy, Secretary of the School Land Board, do hereby certify that at a regular meeting of said Board held in the General Land Office, Austin, Texas, on the 7th day of April, A. D., 19 70, the above application No. 60837 was accepted, all of which is shown in Vol. 26, Page \_\_\_\_\_, of the Minutes of said Board.

Given under my hand this the 7th day of April, A. D., 19 70, at Austin, Texas.

Richard H. Keahy  
Secretary of the School Land Board

APPLICATION NO. 60837

File No. 64567 1  
R.H.K.  
Date Filed: 4.7.70  
By \_\_\_\_\_  
Jerry E. Patterson, Commissioner



# The State of Texas General Land Office



Austin, Texas

## OIL AND GAS LEASE No. 64567

WHEREAS, Pursuant to Chapter 271, Acts of the 42nd Legislature, 1931, as amended by House Bill No. 9, Acts of the 46th Legislature, 1939, Chapter 82, Acts of the 50th Legislature, 1947, and subject to all rules and regulations promulgated by the Commissioner of the General Land Office, pursuant to Article 5366 V.C.S. and other applicable statutes and amendments thereto, governing drilling and producing operations, and other applicable laws, the following area, to-wit:

All of Section 70, Block 33, H & TC Ry. Co. Survey, Loving and Ward Counties, containing 640 acres, as shown on the official map of Loving and Ward Counties now on file in the General Land Office,

was, after being duly advertised, offered for lease on the 7 day of April, 1970, at 10:00 o'clock A.M., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area.

WHEREAS, After all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 7 day of April, 1970, and it was found and determined that \_\_\_\_\_

**EL PASO NATURAL GAS COMPANY**

whose address is P. O. Box 1492, El Paso, Texas 79999,  
had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon.

NOW, THEREFORE, I, JERRY SADLER, Commissioner of the General Land Office of the State of Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of \_\_\_\_\_  
**One Hundred Twenty Thousand Six and 40/100-----** dollars  
(\$ 120,006.40 ), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained

and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto \_\_\_\_\_

**El Paso Natural Gas Company**

the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area for a period of FIVE (5) YEARS and as long thereafter as oil and/or gas is produced therefrom in commercial quantities, upon the following terms and conditions, to-wit:

1. Subject to the other provisions hereof, this lease shall be for a primary term of FIVE (5) YEARS and as long thereafter as oil or gas is produced in paying quantities.

2. If no well be commenced on the land hereby leased on or before the 7 day of April, 1971, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of \_\_\_\_\_

**Five and No/100-----** dollars  
(\$ 5.00 ), per acre, 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 during the primary term hereof.



3. When production of oil and/or gas is secured, the Lessee agrees to pay or cause to be paid to the Commissioner of the General Land Office at Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, one-sixth (1/6)

of the value of the gross production. Said value shall be based on the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area, or the prevailing market price thereof in the general area, or the proceeds of the sale thereof, whichever is the greatest. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run through an adequate oil and gas separator on the lease of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(B) As royalty on any gas, which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well and sold by Lessee, or used by Lessee for purposes which are not exempted from royalty payments (except as provided herein with respect to gas processed in a plant on a percentage basis for the extraction of gasoline,

liquid hydrocarbons or other products) one-sixth (1/6) of the value of the gross production, but in no event shall the royalty be based on a price of less than the highest market price paid or offered for gas in the general area, or the price paid or offered to the producer, whichever is the greater; provided that the maximum base pressure in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method.

(C) As royalty on any gas processed for the recovery of gasoline or other liquid hydrocarbons, \_\_\_\_\_

one-sixth (1/6) of the value of the gas processed. Lessee agrees that the value of such processed gas shall be the value of the liquid hydrocarbons recovered therefrom, plus one hundred per cent (100%) of the value of this lease's proportionate share (being that portion returnable to this lease) of the residue sold from the plant. The State's royalty shall be paid on the basis of the average selling price of residue gas and the respective grades of liquid hydrocarbons, F.O.B. at the plant in which said gas is used for the same month in which the gas was delivered, provided that the price shall not be less than the average of prices quoted in one or more of the leading periodicals of the industry for similar grades of liquid hydrocarbons and residue gas in the territory, or the price accruing to the Lessee, whichever is the greater. The value of all liquid hydrocarbons shall be determined as follows:

(1) On the basis of 50% of the value of the liquid hydrocarbon content of the gas as determined at the wellhead by the split-stream method of testing or the most approved method of testing being used by the industry at the time of testing, or

(2) That per cent of the value of liquid hydrocarbon content of the gas which accrues to the Lessee, or

(3) 50% of the value of liquid hydrocarbons actually recovered, or

(4) That per cent of the value of the liquid hydrocarbons actually recovered which accrues to the Lessee; whichever is the greatest.

(D) As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry" or any other gas, by fractionating, burning or any other processing, the value of

one-sixth (1/6) of the production used or disposed of by sale or otherwise by Lessee, the value to be determined as follows:

(1) On the basis of the average sale price of the product, F.O.B. at the plant for the same month in which the production is secured, or

(2) On the basis of the average price received by the seller for any of the by-products at the point of delivery, or

(3) On the basis of the average of prices quoted in one or more of the leading periodicals of the industry for similar grades of said products in the territory; whichever is the greatest.

(E) No royalty shall be payable on gas used by Lessee for operations on the leased premises. No royalty shall be payable on any gas as may represent Lessee's proportionate share of any fuel used in compressing such gas or as fuel in any processing plant or other facility. Subject to the consent in writing of the Commissioner of the General Land Office, Lessee may inject gas into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed, and no royalties shall be payable on the gas so injected until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(F) Lessee agrees to use reasonable diligence to prevent the underground or above ground waste of oil or gas, and to avoid the physical waste of gas produced from the leased premises, Lessee shall either market said gas or use same beneficially in operations on the leased premises. Commencing ninety (90) days from the date of initial production hereunder, if waste of gas occurs

by blowing, flaring, release, venting, escape or otherwise, Lessee shall pay Lessor a royalty of \_\_\_\_\_

one-sixth (1/6) of the market value thereof, or in the event that there may not be a market for such gas, the royalty shall be based on the market value of gas of comparable quality in the closest vicinity where there is a market for such gas, but in no event shall such value be less than ten cents (10c) per M.C.F.

4. All royalties shall be paid to the Commissioner of the General Land Office at Austin, Texas, during the life of this lease, on or before the 30th day of each succeeding month, for the month in which the oil and/or gas was produced, and shall be accompanied by a sworn statement of the owner, manager, or other authorized agent, showing the gross amount of oil produced since the last report, and the amount of all dry gas, residue gas, casinghead gas, and other products produced therefrom, sold or used for the manufacture of gasoline, and the market value of the oil, dry gas, residue gas, casinghead gas, and other products produced therefrom, together with a copy of all daily gauges of tanks, meter readings, pipeline receipts, gas line receipts and other checks and memoranda of the amounts produced and put into pipelines, tanks or pools and gas lines or gas storage. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office.

5. The books and accounts, receipts and discharges of all wells, tanks, pools, meters, pipelines and all contracts and other records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them. The State shall have a first lien upon all oil and/or gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due under this lease.



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

7. If oil and/or gas should be produced in commercial quantities in a well on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, the Lessee shall, within sixty (60) days after such initial production on such land, begin in good faith and prosecute diligently the drilling of an offset well on this area, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of this area, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities.

8. 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 (60) 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 Number 2 in this lease; provided further that should the first well or any subsequent well drilled on the above described land be completed as a shut-in gas well within the primary term hereof the Lessee shall resume payment of annual rental in the same manner as provided in Paragraph Number 2 in this lease on or before the rental paying date next ensuing from the date of completion of such shut-in gas well and the failure to make such annual rental payment shall subject the lease to forfeiture under the provisions of Paragraph Number 14 hereof. If at the expiration of the primary term or at any time thereafter a shut-in gas well is located on the leased premises payments shall be made in accordance with the provisions of Paragraph Number 17 hereof.

9. Whenever the Lessee commences the drilling or reworking of any well or wells upon the above described premises, written notice thereof shall be filed in the General Land Office within five (5) days after spudding in such well, accompanied by a plat of said premises showing the location of such well or wells.

(A) Upon the request of the Commissioner of the General Land Office or his authorized representative, Lessee shall file in the General Land Office carbon copies of all forms and other information filed with the Texas Railroad Commission which pertain to operations on this lease within five (5) days after said filing with the Commission.

(B) Lessee shall have an electrical and/or radioactivity survey made of the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) The Lessee herein agrees, insofar as possible, to supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above described premises, that may be requested by the General Land Office, in addition to those herein expressly provided for.

10. Lessee shall have the right to use such water that may be on the premises, necessary for drilling and operating wells, and shall have the right to use so much of the surface of the land that may be 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.

11. In developing this area, the Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. In the event of pollution, the Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee also shall erect, at a distance not to exceed 25 feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

12. The lease may be transferred at any time. All transfers must be recorded in the county where the area is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, accompanied by a filing fee of Three Dollars (\$3.00).

13. The Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by a filing fee of Three Dollars (\$3.00). Such relinquishment will not have the effect of releasing the Lessee from any liability theretofore accrued in favor of the State.

14. If the Lessee should fail or refuse to make payment of any sum due for royalty on the production, within thirty (30) days after it shall become due, or if the Lessee or his authorized agent should knowingly make any false return or false report concerning production, royalty, or drilling or if the Lessee should fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if the Lessee or his agent should fail or refuse to comply with any other rules or regulations adopted by the Commissioner of the General Land Office, or if the Lessee or his agent should refuse the proper authority access to the records pertaining to operations under this lease, or if the Lessee or his authorized agent should knowingly fail or refuse to furnish the log of any well as provided herein, or if Lessee shall knowingly violate any of the material provisions of this lease, this lease shall be subject to forfeiture by the Commissioner of the General Land Office, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases.

15. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative thereto.

16. In the event production of oil or gas on the leased premises after once obtained shall cease from any cause at the expiration of the primary term thereof or at any time or times thereafter, this lease shall not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or payment of shut-in gas well royalties or compensatory royalties is made as hereafter provided or as provided elsewhere in the statutes of the State of Texas. Lessee shall give written notice to the General Land Office within five (5) days of any cessation of production.

17. 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 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 and 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 to the Commissioner of the General Land Office 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 offset wells as required by law.

18. If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, the Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted, make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional thirty (30) day period and so long thereafter as oil or gas is produced in paying quantities, provided, however, that this lease shall not be extended for more than a total of one hundred eighty (180) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

19. In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in Chapter 40, Acts of the Second Called Session of the 42nd Legislature, and amendments thereto, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

20. In the event this lease covers land leased under the provisions of Chapter 498, Acts of the 47th Legislature, 1941, no surface location on this area may be closer than six hundred sixty (660) feet from the center of any navigable ship channel, and special permission from the Commissioner of the General Land Office will be necessary to make any surface location between six hundred sixty (660) feet and two thousand one hundred sixty (2,160) feet from the center of any such navigable ship channel. Also in such event this lease shall be subject to all rules and regulations promulgated by the Commissioner of the General Land Office, pursuant to Article 5366 V.C.S. and amendments thereto, governing drilling and producing operations in coastal waters.

21. Upon the termination of this lease, for any cause, the Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative, remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by the Lessee and used by the Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

22. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable 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 and/or gas from the lease premises, provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term.

23. The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrator, successors or assigns of the Lessee herein.

IN TESTIMONY WHEREOF, Witness the signature of the Commissioner of the General Land Office, under the seal there-

of, this 7 day of April, 19 70.

**JERRY SADLER**

COMMISSIONER OF THE GENERAL LAND OFFICE

Approved  
Audit ms  
Legal ms  
Engineering sem  
Geology ms  
Execution ms

OIL AND GAS LEASE NO. 61567  
JERRY SADLER, COMMISSIONER  
DATE APR 7 - 1970 BY js  
7464-961-2500

(e)



|                                        |  |                                             |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                          |  |                                                                    |  |
|----------------------------------------|--|---------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------|--|
| THIS CHECK<br>TENURED IN<br>PAYMENT OF |  | <b>Rental</b>                               |  | FOR <b>12</b> MONTHS<br>PERIOD<br>BEGINNING <b>4-7-71</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | FILE NO.<br>REFERENCE <b>T-2858</b>                                                                                                                                      |  | AS PER TERMS OF OIL<br>AND GAS LEASE MORE<br>FULLY DESCRIBED BELOW |  |
| LESSOR NAME OR AGENCY NUMBER           |  | STATE - COUNTY OR PARISH                    |  | EFFECTIVE DT. LSE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | DATE RECORDED                                                                                                                                                            |  | BOOK                                                               |  |
| <b>State of Texas #64567</b>           |  | <b>Texas</b>                                |  | <b>4-7-70</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | <b>1-5-26-70</b>                                                                                                                                                         |  | <b>31 381</b>                                                      |  |
| GROSS ACRES<br><b>640.00</b>           |  | TOTAL AMOUNT DUE<br><b>\$3200.00</b>        |  | PAID ON BEHALF OF:<br><b>EPNG Co.-100%</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                          |  |                                                                    |  |
| LEASE DESCRIPTION                      |  | SEC. BLK.                                   |  | SURVEY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | FOR CREDIT OF:                                                                                                                                                           |  | S. AMOUNT                                                          |  |
| <b>All</b>                             |  | <b>70 33</b>                                |  | <b>H&amp;TC RR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | <p>6. RECEIVED</p> <p>5. MAR 3 1971</p> <p>4. General Land Office</p> <p>3.</p> <p>2.</p> <p>1. <b>State of Texas #64567</b></p> <p>ADD BANK SERVICE CHARGE (IF ANY)</p> |  | <p>47813</p> <p>3200.00</p>                                        |  |
| CHECK NUMBER <b>L 21773</b>            |  | TOTAL ACRES REQUIRING PAYMENT <b>640.00</b> |  | <p>NOTE TO DEPOSITORY: YOU HAVE BEEN DESIGNATED DEPOSITORY FOR RENTALS PAY-<br/>ABLE UNDER THE ABOVE DESCRIBED LEASE(S). PLEASE CREDIT THIS CHECK IN THE<br/>FULL AMOUNTS INDICATED ABOVE. SHOULD YOU REQUIRE A HANDLING CHARGE, OR<br/>SHOULD OTHER DIFFICULTY ARISE, DO NOT RETURN CHECK, BUT COMMUNICATE WITH<br/>US AFTER CREDITING (TO A SPECIAL ACCOUNT IF NECESSARY) THE AMOUNTS AS IN-<br/>DICATION. THE BANK RECEIPTS ONLY FOR THE AMOUNTS DEPOSITED AND INCURS NO<br/>RESPONSIBILITY AS TO THE ACCURACY OF THE AMOUNTS SET FORTH.</p> |  |                                                                                                                                                                          |  |                                                                    |  |
| THIS COPY IS INCLUDED FOR YOUR RECORDS |  |                                             |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                                                                                                          |  |                                                                    |  |

# EL PASO NATURAL GAS COMPANY

POST OFFICE BOX 1492 - EL PASO, TEXAS 79999

DATE **3-1-71**

Pay  
To  
The  
Order Of

Commissioner of the General  
Land Office  
State of Texas  
Austin, Texas 78711

**This instrument is non-negotiable**

**\$ 3200.00**

IN AMOUNT

TO: **EL PASO NATIONAL BANK**  
**EL PASO, TEXAS**

(IN PAYMENT FOR THE ITEM(S) DESCRIBED ABOVE)

CHECK  
NUMBER **L 21773**

88-15  
1120



TO: DIRECTOR, FBI  
FROM: SAC, NEW YORK  
SUBJECT: [illegible]

RE: [illegible]

64567  
Rental Payment  
Filed 3-3-71  
BOB ARMSTRONG, COMMISSIONER  
Clerk

(3)



|                                         |  |                  |  |                               |  |        |  |                          |  |        |  |                                                                    |  |  |  |
|-----------------------------------------|--|------------------|--|-------------------------------|--|--------|--|--------------------------|--|--------|--|--------------------------------------------------------------------|--|--|--|
| THIS CHECK<br>TENDERED IN<br>PAYMENT OF |  | <b>Rental</b>    |  | MONTHS<br>PERIOD<br>BEGINNING |  | 4-7-72 |  | FILE NO.<br>REFERENCE    |  | T-2858 |  | AS PER TERMS OF OIL<br>AND GAS LEASE MORE<br>FULLY DESCRIBED BELOW |  |  |  |
| LESSOR NAME OR AGENCY NUMBER            |  |                  |  | FOR                           |  |        |  | STATE - COUNTY OR PARISH |  |        |  | EFFECTIVE DT. LSE.                                                 |  |  |  |
| State of Texas #64567                   |  |                  |  | Texas                         |  |        |  | Loving & Ward            |  |        |  | L-5-26-70 31 381<br>W- 6-3-70 335 418                              |  |  |  |
| GROSS ACRES                             |  | TOTAL AMOUNT DUE |  | PAID ON BEHALF OF:            |  |        |  |                          |  |        |  |                                                                    |  |  |  |
| 640.00                                  |  | \$3200.00        |  | EPNG Co.-100%                 |  |        |  |                          |  |        |  |                                                                    |  |  |  |
| LEASE DESCRIPTION                       |  |                  |  | SEC. BLK.                     |  |        |  | SURVEY                   |  |        |  | FOR CREDIT OF:                                                     |  |  |  |
| All                                     |  |                  |  | 70 33 H&TC RR                 |  |        |  |                          |  |        |  | S AMOUNT                                                           |  |  |  |
|                                         |  |                  |  |                               |  |        |  |                          |  |        |  | RECEIVED<br>MAR 9 1972<br>General Land Office                      |  |  |  |
|                                         |  |                  |  |                               |  |        |  |                          |  |        |  | 1. State of Texas #64567<br>ADD BANK SERVICE CHARGE (IF ANY)       |  |  |  |
| CHECK NUMBER L 24651                    |  |                  |  |                               |  |        |  |                          |  |        |  | 3200.00                                                            |  |  |  |
| TOTAL ACRES REQUIRING PAYMENT           |  |                  |  | 640.00                        |  |        |  |                          |  |        |  |                                                                    |  |  |  |
| THIS COPY IS INCLUDED FOR YOUR RECORDS  |  |                  |  |                               |  |        |  |                          |  |        |  |                                                                    |  |  |  |

# EL PASO NATURAL GAS COMPANY

POST OFFICE BOX 1492 - EL PASO, TEXAS 79999

DATE 3-1-72

Pay  
To  
The  
Order Of

Commissioner of the General  
Land Office  
State of Texas  
Austin, Texas 78711

This instrument is non-negotiable

\$ 3200.00

56791

IN AMOUNT

TO: EL PASO NATIONAL BANK  
EL PASO, TEXAS

CHECK  
NUMBER L 24651

88-15  
1120



④  
M.F. 64567

Rental Payment

Filed 03/09 1972  
BOB ARMSTRONG, COMMISSIONER

kw  
Clerk

RECEIVED

APR 2 1972

General Land Office

⑤

RAYEE COPY



(9)

5  
M.F. 64567

OTHER INFORMATION

Rental Payment

Filed 3-26 1973

BOB ARMSTRONG, COMMISSIONER

718  
Clerk

# ASSIGNMENT

From: Legal Division  
To: Mineral Accounting Section  
Re: Mineral File (s) \_\_\_\_\_

M-64567

Please note the assignment of the captioned lease (s) as follows:

BY El Paso Natural Gas  
Company

TO Forest Oil Corporation  
dated 8-13-73 effective  
7-26-73.

## Remarks:

Assigns  $\frac{1}{2}$  of lessor's interest from subsurface depth of 5100' to the base of the Ellenburger formation.

Date 10-19-1973 By km



## PARTIAL ASSIGNMENT OF OIL AND GAS LEASES

STATE OF TEXAS

COUNTIES OF LOVING AND WARD)

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, El Paso Natural Gas Company, a Delaware corporation, whose mailing address is Post Office Box 1492, El Paso, Texas 79978 (hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, assign, set over, transfer and convey, without warranty of title either express or implied, and subject to the terms, provisions, conditions and limitations, hereinafter set out, unto Forest Oil Corporation, a corporation, whose mailing address is Forest Oil Building, Midland, Texas 79701 (hereinafter referred to as "Assignee") an undivided one-half (1/2) of Assignor's right, title and interest in and to those certain Oil and Gas Leases described in Exhibit "A" attached hereto and made a part hereof for all purposes insofar, and only insofar, as said leases cover the lands described in said Exhibit "A" hereto from the subsurface depth of 5,700 feet to the base of the Ellenburger formation.

This Partial Assignment is made in accordance with and subject to all terms, provisions and conditions of that certain Farmout Agreement dated November 20, 1972, as amended, by and between Assignor and Assignee, said Farmout Agreement being incorporated herein by this reference, the same as though fully set out herein. This Partial Assignment is not intended to accomplish, nor shall it be deemed to accomplish, a merger of the terms and provisions directly set out herein with the terms and provisions of said Farmout Agreement.

This Partial Assignment is also made subject to that certain Operating Agreement dated August 1, 1972, between Forest Oil Corporation, as Operator, and El Paso Natural Gas Company et al, as Non-Operators, and to all assignments, contracts, instruments, agreements and conveyances of record affecting or pertaining to the leases and lands assigned hereby.

Further, this Partial Assignment is made subject to all royalties and overriding royalties which, as of November 20, 1972, are applicable to the interests assigned hereby.

RECEIVED

SEP 13 1973

General Land Office

The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, representatives and assigns.

In Witness Whereof, this Partial Assignment is executed this 13 day of August, 1973 to be effective as of the 26th day of July, 1973.

EL PASO NATURAL GAS COMPANY

By:

T. W. Bittick

Attorney-in-Fact

M2

STATE OF TEXAS     )  
                              )  
COUNTY OF EL PASO    )

BEFORE ME, the undersigned authority, on this day personally appeared T. W. BITTICK, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Attorney-in-Fact of EL PASO NATURAL GAS COMPANY, a corporation, and acknowledged to me that he executed such instrument for the purposes and consideration therein expressed, as the act of said corporation and in the capacity therein stated.

19 73.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13 day of August.

Eloise Busse

Notary Public

My Commission Expires:

ELOISE BUSSE

Notary Public in and for El Paso County, Texas  
My Commission Expires June 1, 1975

RECEIVED

SEP 13 1973

General Land Office



EXHIBIT "A" TO PARTIAL ASSIGNMENT

OF OIL AND GAS LEASES

T-2858

That certain Oil and Gas Lease dated April 7, 1970, between the State of Texas, as Lessor and El Paso Natural Gas Company as Lessee, recorded in Book 31, at Page 381, of the records of Loving County, Texas and in Book 335, at Page 418, of the records of Ward County, Texas, insofar, and only insofar, as said lease covers the following described lands situated in Loving and Ward Counties, Texas:

All of Section 70, Block 33, H & TC Ry. Co.  
Survey, Containing 640.00 acres, more or less.

T-2888

That certain Oil and Gas Lease, dated July 21, 1970, between J. C. Williamson et ux, as Lessors, and Boyd Laughlin, Trustee, as Lessee, recorded in Book 32, at Page 64, of the records of Loving County, Texas, and in Book 336, at Page 596, of the records of Ward County, Texas, insofar, and only insofar, as said lease covers the following described lands in Loving and Ward Counties, Texas:

All of Section 68, Block 33, H & TC Ry. Co.  
Survey, containing 643.90 acres, more or less.

T-2888-A

That certain Oil and Gas Lease dated March 25, 1970, between Jewell Mitchell, as Lessor, and J. C. Williamson, as Lessee, recorded in Book 31, at Page 216, of the records of Loving County, Texas, and in Book 334, at Page 243, of the records of Ward County, Texas, insofar, and only insofar, as said lease covers the following described lands in Loving and Ward Counties, Texas:

All of Section 68, Block 33, H & TC Ry. Co.  
Survey, containing 643.90 acres, more or less.

RECEIVED

SEP 13 1973

General Land Office

THE STATE OF TEXAS )

COUNTY OF LOVING )

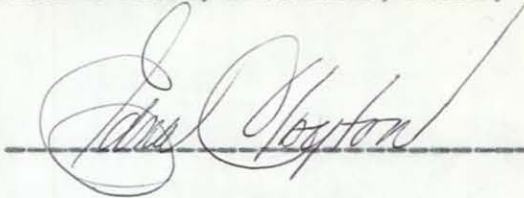
CLERK OF COURTS OFFICE

SEP 12 1973

RECEIVED

I, Edna Clayton, Clerk of the County Court of Loving County, Texas, do hereby certify that the foregoing is a true and correct copy of the original Partial Assignment of Oil and Gas Leases from El Paso Natural Gas Company to Forrest Oil Corporation, dated August 13, 1973, filed for record September 12, 1973 for recordation in the Oil and Gas Lease Records of Loving County, Texas.

Given under my hand and seal of office, at Mentone, Texas, on this 12th day of September, 1973.

  
Clerk

6.

M 64567

*Partial Assignment*

File Dated 9-13-73

Bob Armstrong, Commissioner

RECEIVED AS STATED

\$ 3.00

Date 10-23-73

Reg. No. FF-517

GENERAL LAND OFFICE





# FOREST OIL CORPORATION

*Forest Oil Building - Midland, Texas 79701*

24

June 28, 1973

RECEIVED

JUN 29 1973

General Land Office

Re: P4-6619  
WT/Pecos - Tunis  
C&A - Unitization

P4-6723  
WT/Loving and Ward - Mentone  
C&A - Unitization

General Land Office  
Austin, Texas 78701

Attention: Mr. Jack Howard

Dear Mr. Howard:

In connection with our request for a hearing for the unitization of leases in the two captioned areas, we enclose a copy of the Unitization Agreement to be used for each area and a plat for each unit.

In the case of Section 14 in the Tunis area, both the East and West halves of this Section are mineral classified land and each lease included in the unit carries a 1/8th royalty. In the case of the unit covering portions of Sections 70 and 71 in the Mentone area, Section 70 is State land and the lease covering same carries a 1/6th royalty. We have not yet picked specific locations for the wells to be drilled on these units but will advise you as soon as we do.

Unless plans are changed, we will be in your offices for the meeting on June 11, 1973. Your help in these matters is greatly appreciated.

Very truly yours,

FOREST OIL CORPORATION

  
W. E. Stortz  
Division Attorney

WES:jc  
Enclosures

cc w/encl: Mr. Wallace Scott

(9)

MF 64567  
Ltr. fr. Forest Oil  
Dated 6-28-72 jr



August 13, 1973

Forest Oil Corporation  
Forest Building  
Midland, Texas 79701

Attention: Mr. Bob Creech

Re: Mentone Unit  
Wildcat Field  
Loving & Ward Counties  
M-64567

Dear Mr. Creech:

The proposed pooling agreement was approved by the School Land Board, August 8, 1973, with the inclusion of reversioned acreage adjacent to state fee tract.

Upon receipt of executed agreement with this provision, this office will execute and the original will be returned to you.

Sincerely,

Bob Armstrong

By

Jack M. Howard, Director  
Exploration & Development Division

JMH/lf

(10)

MF 64567

Ltr. to Forest Oil

Dated 8-12-73-j



September 5, 1973

Forest Oil Corporation  
Forest Building  
Midland, Texas 79701

Attention: Mr. Bob Creech

Re: Brook-State Unit  
Vermejo Field  
Loving County

Gentlemen:

Enclosed is a provision to be included in the captioned unitization agreement approved by the School Land Board on August 21, 1973. Approval by the Board was conditional on the inclusion of this provision and if this office may be of assistance, please advise.

Sincerely,

Bob Armstrong

By

Jack M. Howard, Director  
Exploration and Development Division

JMH/lf  
Enclosure

(11)

MT 64567

Pt. to find Oil

Water 9-5-73 J





FOREST OIL CORPORATION

*Forest Oil Building - Midland, Texas 79701*

October 8, 1973

Re: P4-6723  
WT/Loving and Ward - Mentone  
Unitization Agreement -  
Rainbow State  
Your: M-64567 and 66110

General Land Office  
Austin, Texas 78710

Attention: Mr. Jack Howard

Gentlemen:

Enclosed are three copies of the Unitization Agreement and Declaration of Pooled Unit dated August 17, 1973, creating the 650-acre Rainbow State Unit. Please have all copies executed on behalf of the State and return two copies to this office.

Very truly yours,

FOREST OIL CORPORATION

*W. E. Stortz*  
W. E. Stortz  
Division Attorney

WES:jc  
Enclosures

cc: C. W. Ledebur/W. J. Stark

RECEIVED  
OCT 10 1973  
General Land Office

73-28  
Add. S.L.B.  
8-8-73

(12)

YMF 64567

St. J. Forest Oil  
dated 10-8-73 yr



October 16, 1973

Forest Oil Corporation  
Forest Oil Building  
Midland, Texas 79701

Attn: Mr. W. E. Stortz

RE: P4-6723  
WT/Loving and Ward - Mentone  
Unitization Agreement -  
Rainbow State  
Our: M-64567 and 66110

Dear Mr. Stortz:

Receipt of the captioned is acknowledged and it is requested that unit  
plats be submitted at your earliest convenience.

Cordially yours,

Bob Armstrong

By

Jack M. Howard, Director  
Exploration and Development Division

JMH:11

(13)

MF 64567

Pt. to Forest Oil

Date 10-16-73



24

FOREST OIL CORPORATION



*Forest Oil Building, Midland, Texas 79701*

RECEIVED

OCT 24 1973

General Land Office

October 22, 1973

Re: P4-6723  
WT/Loving and Ward - Mentone  
Unitization Agreement  
Rainbow-State  

---

Your: M-64567 and 66110

73-28  
ADD. S. & B.  
8-8-73

General Land Office  
Austin, Texas 78701

Attention: Mr. Jack M. Howard, Director  
Exploration and Development Division

Dear Mr. Howard:

Per your request, we are enclosing two copies of  
a plat showing the configuration of the Rainbow-State  
Unit.

Very truly yours,

FOREST OIL CORPORATION

W. E. Stortz  
Division Attorney

WES:jc  
Enclosures

(14)

MF 64567

Pt. J. Forest Oil

Dated 10-22-73



November 8, 1973

Forest Oil Corporation  
Forest Building  
Midland, Texas 79701

Attention: Mr. W. E. Stortz

Re: Mentone Unit  
Wildcat Field  
Loving and Ward Counties

Gentlemen:

Enclosed are two copies of the captioned unit agreement, fully executed by the Commissioner of the General Land Office. A copy has been retained for our files.

If we may be of further service, please advise.

Sincerely,

Bob Armstrong

By

H. E. White, Secretary  
School Land Board

HEW/lf  
Enclosures  
Phone 512 275-2138

(15)

MF 64567

Ltr. to Forest Oil

Dated 11-9-73 jr



DO NOT DESTROY

# 968

-MEMO-

Operator Forest Oil Corporation

Unit Name Mentone

County Loving and Ward

Effective Date \_\_\_\_\_

Unitized for: Oil \_\_\_\_\_ Gas X Oil & Gas \_\_\_\_\_

1. M.F. No. 64567

Area \_\_\_\_\_ Tr. 2

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

$\frac{20}{50} = .492307692 \times \frac{1}{16} = .0820513$   
 $\frac{320}{640} = .500000 \times \frac{1}{16} = .0833333$  %

2. M.F. No. 66110

Area \_\_\_\_\_ Tr. 3

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

$\frac{10}{50} = .015384616 \times \frac{1}{16} = .0025641$  %

3. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ . \_\_\_\_\_ %

4. M.F. No. \_\_\_\_\_

Area \_\_\_\_\_ Tr. \_\_\_\_\_

Sec. \_\_\_\_\_ Blk. \_\_\_\_\_ Survey \_\_\_\_\_

\_\_\_\_\_ x \_\_\_\_\_ . \_\_\_\_\_ %

REMARKS:

Prepared by CW Entered Unit Book \_\_\_\_\_

73-28  
ADD. 5. LB.  
8.8-73

GLO COPY

UNITIZATION AGREEMENT  
AND  
DECLARATION OF POOLED UNIT

THIS AGREEMENT is entered into this the 17<sup>th</sup> day of AUGUST, 1973, by and between BOB ARMSTRONG, The Commissioner of the General Land Office on behalf of the State of Texas, hereinafter called "Royalty Owner", FOREST OIL CORPORATION and EL PASO NATURAL GAS COMPANY, hereinafter jointly called "Lessee", 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:

I.

This agreement is made for the purpose of conservation and utilization of the pooled mineral to prevent waste, to facilitate orderly development, to preserve correlative rights, and to declare a pooled unit; to such ends 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 the interpretation and application shall, in all things, be subject thereto.

II.

The pooled unit shall consist of the East 320 acres of Section 71 (assuming that the boundary between Sections 70 and 71 runs due East and West) and the West 320 acres of Section 70 (assuming that the boundary between Sections 70 and 71 runs due

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East and West), all in Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, and that portion of Tract 8, Pecos River, Reeves and Ward Counties, Texas, bounded on the northwest by a southwesterly extension of the Northwest line of Section 70, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, and bounded on the Southeast by a southwesterly extension of the Southeast line of Section 70, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, containing ten (10) acres, more or less, containing an aggregate total unit acres of 650 acres. The land under which the State of Texas owns all the minerals subject to an Oil and Gas Lease described as No. II on Exhibit "A" attached and made a part hereof contains 640 acres, only a portion (320) acres of which is included in the pooled unit. The land under which the State of Texas owns all the minerals subject to an Oil and Gas Lease described as No. III on Exhibit "A" attached and made a part hereof contains 100 acres, more or less, only a portion (10 acres, more or less) of which is included in the pooled unit. The other mineral lease which is included within the pooled unit is also listed on the attached Exhibit "A" with the corresponding pooled land covered by such lease. All of the leases and the records thereof in the public records are referred to for all purposes.

320  
+ 10  
330  
330 + 65  
= 395

### III.

The mineral pooled and unitized hereby shall be the gas (including any condensate, distillate and other liquid hydrocarbons produced in connection with gas) found below the top of the Wolfcamp formation expected to be encountered at a depth of 10,500 feet beneath the surface of said pooled unit.

### IV.

The parties hereto commit all of their interests which are within the unit to the extent as above described into said pooled unit and unitize and pool hereunder the separate tracts

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described in said Exhibit "A" 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 and the terms of the respective leases or other contracts thereon in this agreement;
- (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 in 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 and in lieu of the actual production of the pooled mineral therefrom;
- (e) a shut-in gas well located upon any lease included within said unit shall be considered as a shut-in gas well located upon each lease included within

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said unit, provided, however, that shut-in gas well royalties due the State under the leases listed as No. II and III on Exhibit "A" hereof shall be paid to the State under the terms of such lease as though such shut-in gas well were located on the land covered by such lease and shown on Exhibit "A" hereof, it being agreed that the State's share of the shut-in royalties payable under such lease shall be paid to the State and shall not be shared with Lessors under the other tracts committed to this unit or otherwise diminished by reason of this agreement;

- (f) there shall be no obligation to drill internal offsets to any other well on separate tracts within the unit nor to develop the tracts separately as to the pooled mineral, except as provided herein;
- (g) notwithstanding any other provision hereof, it is expressly agreed that the leases listed as No. II and III on Exhibit "A" hereof may be maintained in force as to areas lying outside the pooled unit only as provided in 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 gas well, shall serve to hold such lease in force as to any area outside the pooled unit, regardless of whether the production or operations in the unit are actually located on such lease or not. "Area" as used in this paragraph shall be based on surface acres to the end that the area inside the pooled unit, if

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held, will be held as to all depths and horizons;

- (h) if the Railroad Commission of Texas (or any other regulatory body having jurisdiction) should adopt field rules providing for gas units of less than the acreage contained in the unit herein created, then Lessee agrees to either (1) reform the unit to comply with Railroad Commission Unit Rules, (2) drill to the density permitted by the Railroad Commission or (3) pay compensatory royalty to the State of Texas on the basis of its tracts included in the unit;
- (i) this agreement shall not relieve Lessee from the duty of protecting the above described leases from drainage from any well situated on privately owned land, but subject to such obligation, the 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;
- (j) should this agreement terminate, for any cause, in whole or in part, the leases and other contracts affecting the land 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 termination of this agreement.

V.

For the purpose of computing the royalty to which each Lessor shall be entitled, except the royalty to which the State

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is entitled as hereinafter provided, on production of the pooled mineral, there shall be allocated to each lease committed to the above described unit that pro rata portion of the pooled mineral produced from the pooled unit which the number of surface acres covered by each such lease and committed to the unit bears to the total number of surface acres included in the pooled unit.

VI.

This agreement shall become effective as of the date it is filed in the County Records of Loving and Ward Counties, Texas.

VII.

This agreement shall remain in effect as long as the pooled mineral is being produced hereunder, or so long as drilling or reworking operations are being prosecuted on the pooled unit with no more than sixty (60) days between cessation of either production or such operations and the beginning or resumption of either of them, as the case may be from time to time thereafter, or so long as all existing leases covering the pooled mineral are maintained in force insofar as they cover the pooled unit by payment or tender of shut-in gas well royalties, or by other means, in accordance with the terms of said leases.

VIII.

Insofar as the royalty interest of the State of Texas in and under any 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 Article 5382c, Vernon's Annotated Civil Statutes of Texas, authorizing the same after the prerequisites, findings and approval hereof, as provided in said Statute, having been duly considered, made and obtained.

IX.

The unit covered by this agreement may be dissolved by Lessee by an instrument filed for record in Loving and Ward

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Counties, Texas, and a certified copy thereof filed in the General Land Office, at any time after the cessation of production or the cessation of operations on said unit, or in the event a well on said unit is completed as a dry hole.

X.

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

XI.

All the leases described in Exhibit "A", except No. II and III, authorize the creation of the unit herein described, and there is no necessity for the Lessor named in said lease to execute this agreement.

In consideration of the premises and the mutual benefits to be derived herefrom, the undersigned Lessees, acting pursuant to the terms and provisions of the leases listed in Exhibit "A" attached hereto, the terms and provisions of this Unitization Agreement and Declaration of Pooled Unit, and the rules and regulations of the Railroad Commission of the State of Texas in force at the time of execution of this instrument, hereby POOL, COMBINE and UNITIZE said leases as to gas and gas distillate rights only, and as to all depths below the top of the Wolfcamp formation expected to be encountered at a depth of 10,500 feet below the surface, to form a unit comprising the land set out in Exhibit "A" attached hereto, containing 650 acres

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This instrument may be executed in any number of counter-  
parts, no one of which needs to be executed by all parties, and  
shall be binding upon all those parties who have executed such a  
counterpart with the same force and effect as if all such parties  
had signed the same instrument.

Audit JS  
Legal JS  
Geology JS  
Execution JS  
Engineering JS

Date 11-8-73

Bob Armstrong  
Bob Armstrong, Commissioner of  
the General Land Office of the  
State of Texas

"Royalty Owner"

ATTEST:

W. J. Hank  
Assistant Secretary

Date August 17, 1973

FOREST OIL CORPORATION

By: W. J. Hank  
Vice President

ATTEST:

Assistant Secretary

Date October 3, 1973

EL PASO NATURAL GAS COMPANY

By: T. W. Pittman  
~~Vice President~~  
Attorney-in-Fact

"Lessee"

CERTIFICATE

I, H. E. White, 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 8th day of  
August, 1973, the foregoing instrument was presented  
to and approved by said Board under the provisions of Article  
5382c, V.C.S., all of which is set forth in the minutes of the  
Board of which I am custodian.

IN WITNESS WHEREOF, witness my hand this the 30th day of  
October, 1973.

H. E. White  
Secretary of the School Land Board

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THE STATE OF TEXAS X  
COUNTY OF TRAVIS X

BEFORE ME, the undersigned authority, on this day personally appeared BOB ARMSTRONG, Commissioner of the General Land Office of the State of Texas, 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 on this the 8th day of November, 1973.



Linda M. Fisher  
Notary Public in and for Travis  
County, Texas

THE STATE OF TEXAS X  
COUNTY OF BEXAR X

BEFORE ME, the undersigned authority, on this day personally appeared C. W. LEDEBUR, Vice President of FOREST OIL CORPORATION, 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, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 17th day of August, 1973.

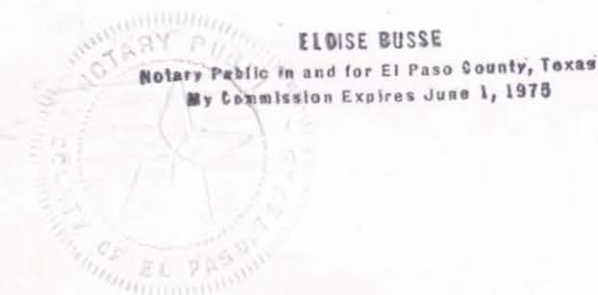


Agnes King  
Notary Public in and for  
Bexar County, Texas

THE STATE OF TEXAS X  
COUNTY OF El Paso X

BEFORE ME, the undersigned authority, on this day personally appeared T. H. Bittick, ~~Vice President~~ <sup>Attorney-in-Fact</sup> of EL PASO NATURAL GAS 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, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 3 day of October, 1973.



ELOISE BUSSE

Notary Public in and for El Paso County, Texas  
My Commission Expires June 1, 1978

Eloise Busse  
Notary Public in and for  
El Paso County, Texas

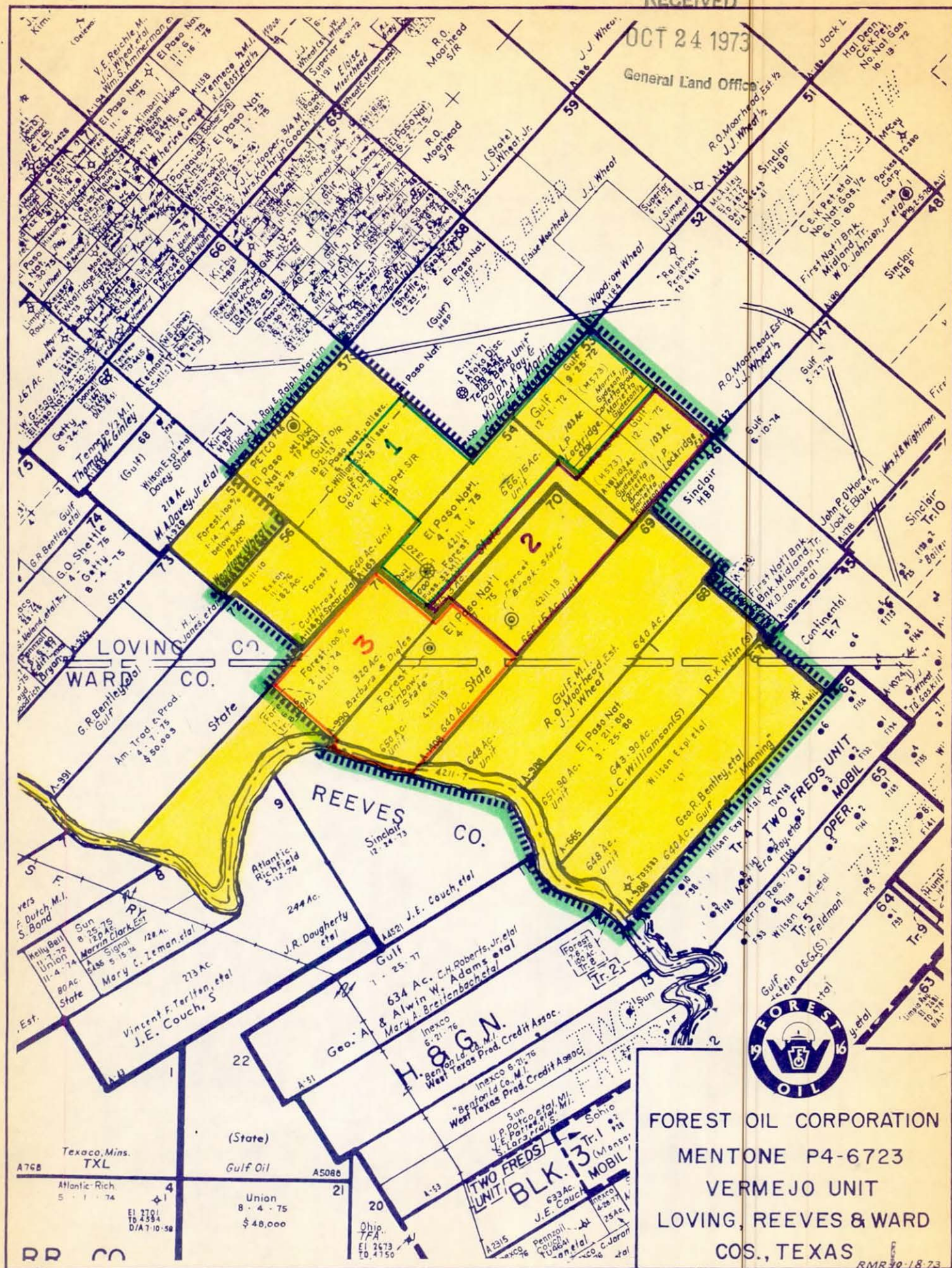
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FOREST OIL CORPORATION  
MENTONE P4-6723  
VERMEJO UNIT  
LOVING, REEVES & WARD  
COS., TEXAS

RMR 30-18-73



POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: August 2, 1973

APP. S.L.B. 8-8-73  
\* with inclusion of riverbed adj.  
to unit 11-8-73

OPERATOR: Forest Oil Corporation

COUNTY Loving and Ward

UNIT NAME: Mentone

FIELD Wildcat

| FILE NUMBER | TOTAL ACRES | ACRES IN UNIT |
|-------------|-------------|---------------|
| M-64567     | 640         | 320           |
| M-66110     | 50          | 10            |
|             |             |               |
|             |             |               |

Unitized for:

Kind of land:

Oil \_\_\_\_\_  
Gas X - Below top of Wolfcamp  
Oil and Gas \_\_\_\_\_

State Owned X  
Relinquishment Act \_\_\_\_\_  
Free Royalty \_\_\_\_\_

Size of Unit ~~640.00~~ 650.00 Acres  
State owned ~~320.00~~ 330.00 Acres  
Privately owned ~~320.00~~ 320.00 Acres

Well location:  
State land X  
Private land \_\_\_\_\_

Participation:

Railroad Commission Field Rules:

Basis Surface acreage  
Royalty 1/6

Spacing No rules  
Well factor \_\_\_\_\_  
Acreage factor \_\_\_\_\_

Agrees to drill to density of field rules: Yes X No \_\_\_\_\_  
Holds only acreage included in unit past  
primary term: Yes X No \_\_\_\_\_  
Satisfactory geological data furnished: Yes X No \_\_\_\_\_

REMARKS: This operator is to drill a 21,900' well on a State fee tract to test deep sands which are being tested for gas in this area.

The School Land Board on 9-5-72 approved a gas unit, adjacent to this unit proposal, which gives the State 50% unit participation.

Gas pooling as requested is recommended with the inclusion and/or participation of that portion of the riverbed lease which appears to be productive and is contiguous to this unit and prospective units.

APPROVAL: Recommended X

Not Recommended

Linward Shivers

Jack M. Howard



EXHIBIT "A"

Attached to and made a part of Unitization Agreement and Declaration of Pooled Unit dated the 17<sup>th</sup> day of AUGUST, 1973

Land Description of Unit Area:

- Tract 1 - The East 320 acres of Section 71 (assuming that the boundary between Sections 70 and 71 runs due East and West), Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.
- Tract 2 - The West 320 acres of Section 70 (assuming that the boundary between Sections 70 and 71 runs due East and West), Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas.
- Tract 3 - That portion of Tract 8, Pecos River, Reeves and Ward Counties, Texas, bounded on the northwest by a southwesterly extension of the northwest line of Section 70, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, and bounded on the Southeast by a southwesterly extension of the Southeast line of Section 70, Block 33, H&TC Ry. Co. Survey, Loving and Ward Counties, Texas, containing ten (10) acres, more or less,

containing an aggregate total unit acres of 650 acres.

I. Forest Oil Corporation Lease contributed to the Unit insofar as same covers Tract 1:

Oil, Gas and Mineral Lease dated February 15, 1972, between Glenn Salisbury, Lessor, and Forest Oil Corporation, Lessee, recorded in Volume 34, page 280, Oil and Gas Lease Records, Loving County, Texas, and recorded in Volume 359, pages 417-18, Deed Records, Ward County, Texas, and ratified by instrument dated June 14, 1973, from Barbara Salisbury Digles, recorded in Volume \_\_\_\_\_, page \_\_\_\_\_, Oil and Gas Lease Records of Loving County, Texas, and recorded in Volume 373, page 10, Deed Records of Ward County, Texas.

II. El Paso Natural Gas Company and Forest Oil Corporation Lease contributed to the Unit Area insofar as same covers Tract 2:

Oil and Gas Lease (No. 64567), dated April 7, 1970, between the State of Texas, Lessor, and El Paso Natural Gas Company, Lessee, recorded in Volume 31, page 381, Oil and Gas Lease Records, Loving County, Texas, and recorded in Volume 335, pages 418-21, Deed Records of Ward County, Texas.

III. Forest Oil Corporation Lease contributed to the Unit insofar as same covers Tract 3:

Oil and Gas Lease (No. 66110) dated July 6, 1971, between the State of Texas, Lessor, and Forest Oil Corporation, Lessee, recorded in Volume 306, page 815, Oil and Gas Lease Records, Reeves County, Texas, and in Volume 350, page 290, Deed Records Loving County, Texas.

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(16)

MF 64567

Feeling Agreement  
Dated 11-9-73 J





① M.F. 64567

Rental Payment

Filed 3-8 1974

BOB ARMSTRONG, COMMISSIONER

76  
Clerk



011 M-64568 State Fee  
64567

RAILROAD COMMISSION OF TEXAS

FORM W-1  
(3-1-70)

LEAVING DIST. 3  
API NO. 42 301 30022

OIL AND GAS DIVISION

SPS

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: ☒ DRILL ☐ DEEPEN ☐ PLUG BACK ☐ OTHER (Specify)

W-9/13/73

1. Operator  
**FOREST OIL CORPORATION**  
2. Address (Including City and Zip Code)  
**P. O. Box 4486  
Midland, Texas**  
3. Is Form P-5 (Organisation Report) in Exact Operator Name Filed?  
YES ☒ NO ☐

4. Lease Name  
**Rainbow-State**  
5. Location (Sec., Blk., Survey)  
**Sec. 70, Blk. 33, H&TC Ry. Co. Survey**  
6. This well is to be located 4 miles SE  
Direction from **Mentone**  
Nearest Post Office or Town.

7. RRC District  
**8**  
8. County  
**Loving**  
9. Well Number  
**1**  
10. Number of Acres in Lease  
**650**  
11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)  
**900'**

EACH PROPOSED COMPLETION

| 12                                                                                                                         | 13               | 14                                     | 15                                                                                                                     | 16                                                                                  | 17                                             | 18                                                                                                         | 19                                                                                                                      | 20                                      | 21                                     | 22                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------|
| FIELD NAME (Exactly as shown on R. R. C. Location Schedule including Reservoir if applicable.) If Wildcat, so state below. | Completion Depth | RRC Lease or ID Number (If applicable) | Field Rule Specifying Pattern (Distance to Lease Line & distance between wells. If no special rules indicate Rule 37.) | Field Rule Proportion Unit (Pattern) (Acres. If no special rules indicate Rule 38.) | Number of Acres in Drilling Unit for this Well | Is this acreage presently assigned to another well in same field? (Yes or No. If yes, explain in remarks.) | Distance from proposed location to nearest drilling completed or applied for well in same reservoir or same lease (ft.) | Is this a Regular Location? (Yes or No) | Oil, Gas, or other Type Well (Specify) | Number of Wells or Permitted Locations on this Lease in same Reservoir for which this Permit is Requested. |
| Vermejo (Ellenburger)                                                                                                      | 22,000           |                                        | 37                                                                                                                     | 38                                                                                  | 40                                             | No                                                                                                         | --                                                                                                                      | Yes                                     | Gas                                    | --                                                                                                         |
| Vermejo (Fusselman)                                                                                                        | 22,000           |                                        | 37                                                                                                                     | 38                                                                                  | 40                                             | No                                                                                                         | --                                                                                                                      | Yes                                     | Gas                                    | --                                                                                                         |

NOTICE  
NO ALLOWABLE WILL BE ASSIGNED TO any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

CERTIFICATE  
I declare under penalties prescribed in Article 6036c, N. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

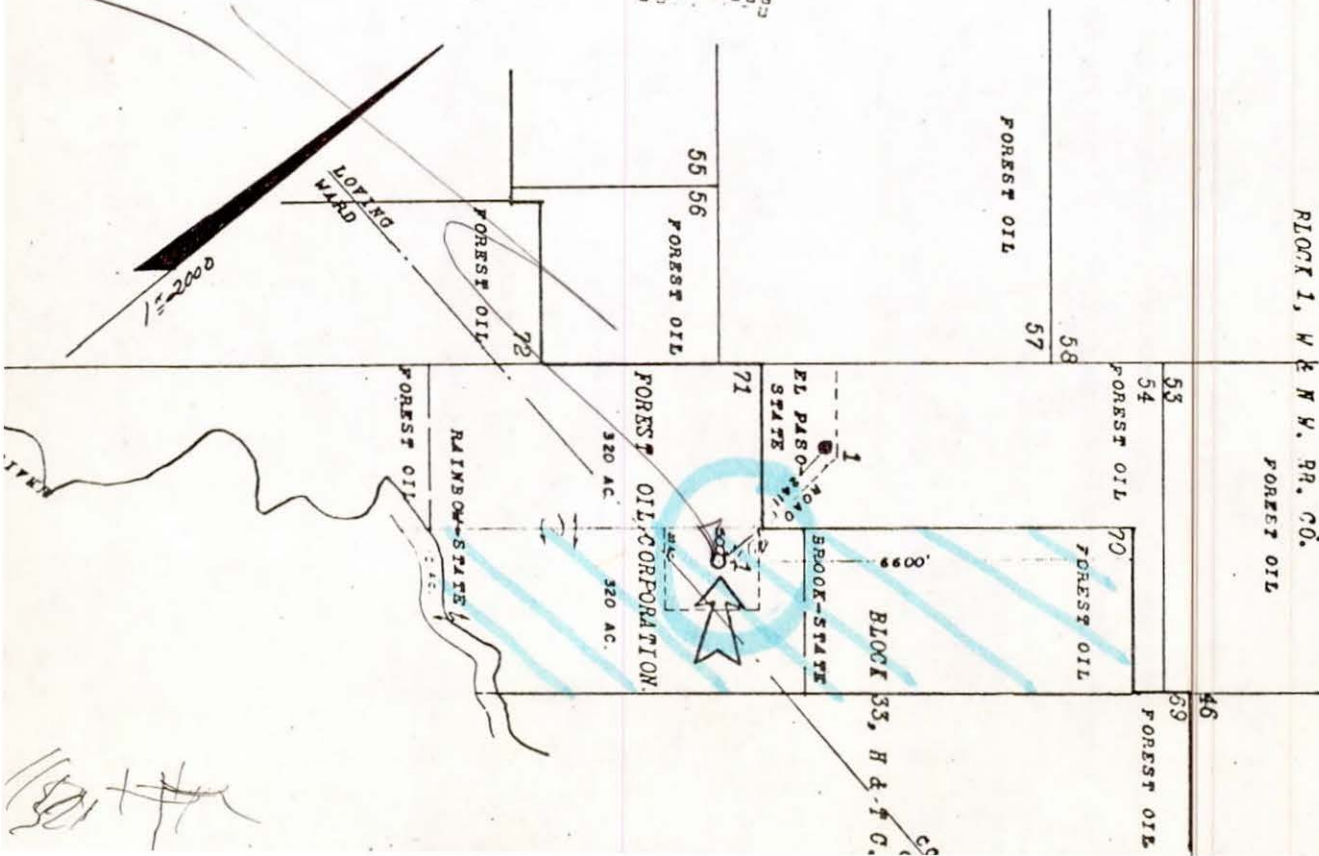
REMARKS: **6600' FNEL & 500' FNWL Section 70, Block 33, H&TC Ry. Co. Survey**

Signature  
**Robert J. Castor**  
Title  
**Robert J. Castor, District Landman**  
Date  
**August 22, 1973**  
Telephone: Area Code **915** **683-1851**

Comp: 3-17-74 (FWST)  
pfs: 18,744-19,094  
1P: CADF 41,500 MCFGD  
TD: 21,547

- OVER -

AUG 22 1973  
R.R.C. TEXAS



SCALE OF MAP

1 inch = 1,000 feet  
1 inch = 2,000 feet  
1 inch = 3,000 feet  
1 inch = 4,000 feet  
1 inch = 500 feet



Statewide PLAT SERVICE  
P. O. DRAWER 1887, AUSTIN, TEXAS 78787

8-29-73

INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Rainbow-State

WELL NO. 1 FIELD Wildcat

COUNTY Loving

SPUD DATE 8-22-73 DRILLING DEPTH 0 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

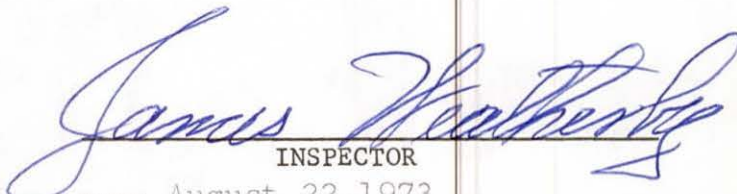
POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? Yes

REMARKS Pete: I do not have a Form #1 on this location but they are  
rigged up on this location on Section 70, Blk 33, Survey-H&TC RY  
Loving County. They are to Spud in TODAY but they have already  
drilled the surface pipe & rathole anyway ???

JMH/jr

3-21-60

  
INSPECTOR  
DATE August 22, 1973









## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE      Rainbow State

WELL NO. 1 FIELD Vermejo Ellen.

COUNTY Loving

SPUD DATE 8-29-73 DRILLING DEPTH 11,985 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

| COMPLETION DATE | PERFS |
|-----------------|-------|
| 12/1/78         | 100   |
| 12/1/79         | 100   |
| 12/1/80         | 100   |
| 12/1/81         | 100   |
| 12/1/82         | 100   |
| 12/1/83         | 100   |
| 12/1/84         | 100   |
| 12/1/85         | 100   |
| 12/1/86         | 100   |
| 12/1/87         | 100   |
| 12/1/88         | 100   |
| 12/1/89         | 100   |
| 12/1/90         | 100   |
| 12/1/91         | 100   |
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| 12/1/97         | 100   |
| 12/1/98         | 100   |
| 12/1/99         | 100   |
| 12/1/00         | 100   |
| 12/1/01         | 100   |
| 12/1/02         | 100   |
| 12/1/03         | 100   |
| 12/1/04         | 100   |
| 12/1/05         | 100   |
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| 12/1/07         | 100   |
| 12/1/08         | 100   |
| 12/1/09         | 100   |
| 12/1/10         | 100   |
| 12/1/11         | 100   |
| 12/1/12         | 100   |
| 12/1/13         | 100   |
| 12/1/14         | 100   |
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| 12/1/36         | 100   |
| 12/1/37         | 100   |
| 12/1/38         | 100   |
| 12/1/39         | 100   |
| 12/1/40         | 100   |
| 12/1/41         | 100   |
| 12/1/42         | 100   |
| 12/1/43         | 100   |
| 12/1/44         | 100   |
| 12/1/45         | 100   |
| 12/1/46         | 100   |
| 12/1/47         | 100   |
| 12/1/48         | 100   |
| 12/1/49         | 100   |
| 12/1/50         | 100   |
| 12/1/51         | 100   |
| 12/1/52         | 100   |
| 12/1/53         | 100   |
| 12/1/54         | 100   |
| 12/1/55         | 100   |
| 12/1/56         | 100   |
| 12/1/57         | 100   |
| 12/1/58         | 100   |
| 12/1/59         | 100   |
| 12/1/60         | 100   |
| 12/1/61         | 100   |
| 12/1/62         | 100   |
| 12/1/63         | 100   |
| 12/1/64         | 100   |
| 12/1/65         | 100   |
| 12/1/66         | 100   |
| 12/1/67         | 100   |
| 12/1/68         | 100   |
| 12/1/69         | 100   |
| 12/1/70         | 100   |
| 12/1/71         | 100   |
| 12/1/72         | 100   |
| 12/1/73         | 100   |
| 12/1/74         | 100   |
| 12/1/75         | 100   |
| 12/1/76         | 100   |
| 12/1/77         | 100   |
| 12/1/78         | 100   |
| 12/1/79         | 100   |
| 12/1/80         | 100   |
| 12/1/81         | 100   |
| 12/1/82         | 100   |
| 12/1/83         | 100   |
| 12/1/84         | 100   |
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| 12/1/86         | 100   |
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| 12/1/88         | 100   |
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| 12/1/90         | 100   |
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| 12/1/93         | 100   |
| 12/1/94         | 100   |
| 12/1/95         | 100   |
| 12/1/96         | 100   |
| 12/1/97         | 100   |
| 12/1/98         | 100   |
| 12/1/99         | 100   |
| 12/1/00         | 100   |
| 12/1/01         | 100   |
| 12/1/02         | 100   |
| 12/1/03         | 100   |
| 12/1/04         | 100   |
| 12/1/05         | 100   |
| 12/1/06         | 100   |
| 12/1/07         | 100   |
| 12/1/08         | 100   |
| 12/1/09         | 100   |
| 12/1/10         | 100   |
| 12/1/11         | 100   |
| 12/1/12         | 100   |
| 12/1/13         | 100   |
| 12/1/14         | 100   |
| 12/1/15         | 100   |
| 12/1/16         | 100   |
| 12/1/17         | 100   |

POTENTIAL T. D.

IS THIS THE FIRST REPORT ON THIS WELL? 3rd

REMARKS

JMH/jr

3-21-60

James Weatherly  
INSPECTOR  
DATE Oct 17, 1973

INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Rainbow State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

SPUD DATE 8-29-73 DRILLING DEPTH 13,390 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 4 th

REMARKS Pete: This area is Hotter than a pistol on Saturday NITE  
and they were making two new locations pad in this area today  
but no legal as yet ??

JMH/jr

3-21-60

  
INSPECTOR  
DATE Nov 1, 1973



## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE      Rainbow State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY      Loving

|           |         |                |             |
|-----------|---------|----------------|-------------|
| SPUD DATE | 8-29-73 | DRILLING DEPTH | 15,504 feet |
|-----------|---------|----------------|-------------|

| CORE DEPTH | LOGS (DEPTH) |
|------------|--------------|
| 0          | 0            |
| 1          | 1            |
| 2          | 2            |
| 3          | 3            |
| 4          | 4            |
| 5          | 5            |
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| 94         | 94           |
| 95         | 95           |
| 96         | 96           |
| 97         | 97           |
| 98         | 98           |
| 99         | 99           |
| 100        | 100          |

| COMPLETION DATE | PERFS |
|-----------------|-------|
| 12/1/77         | 100   |
| 12/1/78         | 100   |
| 12/1/79         | 100   |
| 12/1/80         | 100   |
| 12/1/81         | 100   |
| 12/1/82         | 100   |
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| 12/1/84         | 100   |
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| 12/1/86         | 100   |
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| 12/1/97         | 100   |
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| 12/1/02         | 100   |
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| 12/1/12         | 100   |
| 12/1/13         | 100   |
| 12/1/14         | 100   |
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| 12/1/17         | 100   |
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| 12/1/19         | 100   |
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| 12/1/41         | 100   |
| 12/1/42         | 100   |
| 12/1/43         | 100   |
| 12/1/44         | 100   |
| 12/1/45         | 100   |
| 12/1/46         | 100   |
| 12/1/47         | 100   |
| 12/1/48         | 100   |
| 12/1/49         | 100   |
| 12/1/50         | 100   |
| 12/1/51         | 100   |
| 12/1/52         | 100   |
| 12/1/53         | 100   |
| 12/1/54         | 100   |
| 12/1/55         | 100   |
| 12/1/56         | 100   |
| 12/1/57         | 100   |
| 12/1/58         | 100   |
| 12/1/59         | 100   |
| 12/1/60         | 100   |
| 12/1/61         | 100   |
| 12/1/62         | 100   |
| 12/1/63         | 100   |
| 12/1/64         | 100   |
| 12/1/65         | 100   |
| 12/1/66         | 100   |
| 12/1/67         | 100   |
| 12/1/68         | 100   |
| 12/1/69         | 100   |
| 12/1/70         | 100   |
| 12/1/71         | 100   |
| 12/1/72         | 100   |
| 12/1/73         | 100   |
| 12/1/74         | 100   |
| 12/1/75         | 100   |
| 12/1/76         | 100   |
| 12/1/77         | 100   |
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| 12/1/14         | 100   |
| 12/1/15         | 100   |
| 12/1/16         | 100   |

POTENTIAL T. D.

IS THIS THE FIRST REPORT ON THIS WELL? 4<sup>th</sup>

REMARKS

JMH/jr

3-21-60

*James Weatherly*  
INSPECTOR

DATE Nov 12, 1973

## INSPECTOR'S WELL STATUS REPORT

Forest Oil Corp.  
OPERATOR

LEASE Rainbow-State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

SPUD DATE 8-29-73 DRILLING DEPTH 16,400 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 5<sup>th</sup>

REMARKS

JMH/jr

3-21-60

James Heatherly  
INSPECTOR  
DATE Nov 28, 1973





## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE                  Rainbow-State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

|           |         |                |             |
|-----------|---------|----------------|-------------|
| SPUD DATE | 8-29-73 | DRILLING DEPTH | 18,579 feet |
|-----------|---------|----------------|-------------|

| CORE DEPTH | LOGS (DEPTH) |
|------------|--------------|
| 0          | 0            |
| 1          | 1            |
| 2          | 2            |
| 3          | 3            |
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| 99         | 99           |
| 100        | 100          |

COMPLETION DATE PERFS

POTENTIAL T. D.

IS THIS THE FIRST REPORT ON THIS WELL? 7<sup>th</sup>

REMARKS

JMH/jr

3-21-60

James Heathcote  
INSPECTOR  
DATE Jan 15, 1974

DATE Jan 15, 1974



## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Rainbow-State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

SPUD DATE 8-29-73

DRILLING DEPTH

| CORE DEPTH | LOGS (DEPTH) |
|------------|--------------|
| 0          | 0            |
| 1          | 1            |
| 2          | 2            |
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| 4          | 4            |
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| 98         | 98           |
| 99         | 99           |
| 100        | 100          |

COMPLETION DATE PERFS 21,289--21,480 feet

POTENTIAL T. D. 21,547 feet

IS THIS THE FIRST REPORT ON THIS WELL? 8<sup>th</sup>

|         |                                                                                   |
|---------|-----------------------------------------------------------------------------------|
| REMARKS | They were flaring gas this date but would not say how much gas it was flaring ??? |
|---------|-----------------------------------------------------------------------------------|

[illegible]

JMH/jr

3-21-60

James Weatherly  
INSPECTOR  
DATE March 5, 1974

DATE March 5, 1974





18.

M. F. 64567  
APPLICATION TO DRILL

WELL # 1

FILED 3-14- 1974  
BOB ARMSTRONG, COMMISSIONER

BY: mhd

June 17, 1974

Forest Oil Corporation  
1300 National Bank of Commerce Building  
San Antonio, Texas 78205

Attention: Mr. Michael L. McReynolds  
Legal Department

RE: State Lease M-64567  
Rainbow State No. 1 Well  
Loving & Ward Counties, Texas  
Property No. P4-6723

Dear Mr. McReynolds:

This letter is in response to your May 28, 1974 Division Order covering the above captioned lease. The Division Order's statement of unit participation for the State of Texas appears to be in error. According to the records of this office, the unit participation factor should be 1/6 of .5076923 rather than 1/6 of .492-307-692. Upon receipt of a corrected Division Order, it will be processed immediately.

If you have any questions regarding this matter, please let us hear from you.

Sincerely yours,

Bob Armstrong

BY: Barbara Fry, Attorney  
Resource Accounting

BF/mic



19

M-64567

St. G.:

Forrest (see)

6-17-74

encl



# FOREST OIL CORPORATION

*1300 National Bank of Commerce Building San Antonio, Texas 78205*

June 18, 1974

121

The General Land Office  
Austin, Texas 78701

Attention: Barbara Fry, Esq.  
Resource Accounting

Re: P4-6723, Rainbow State  
Division Order-WT/Loving & Ward  
State Leases Nos. M-64567 & M-66110

Dear Ms. Fry:

Your letter of June 17, 1974 indicated a possible error in Forest Oil's captioned division order and requested a corrected copy for processing.

Please let me clarify the apparent discrepancy between your records and our division order.

The Rainbow State Gas Unit consists of three tracts, which contain an aggregate total acreage of 650 acres. Tract 1 is held under private lease and contains 320 acres. Tract 2 is held under State Lease M-64567 and contains 320 acres. Tract 3 is held under State Lease M-66110 and contains 10 acres.

For the purpose of interest computations we have structured our division order on the basis of these three tracts, so that Tracts 1 and 2 each receive 320/650 (.492-307-692) of unit production and Tract 3 receives 10/650 (.015-384-616).

Since the State of Texas has contributed two of the three tracts, its royalty interest is shown on our division order in two places--once for Tract 2 and once for Tract 3. The Tract 2 interest figure, shown on page 1 of Exhibit "A", is 1/6 of .492-307-692. The Tract 3 interest figure, shown on page 2 of Exhibit "A", is 1/6 of .015-384-616.

If these two interest figures are combined, the State's total royalty interest is shown as 1/6 of .507-692-308, which corresponds with that indicated by your records.

RECEIVED

JUN 19 1974

General Land Office

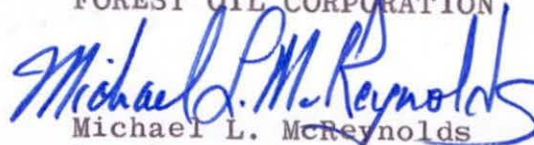


The General Land Office  
June 18, 1974  
Page 2

I trust that the above will be sufficient to satisfy your inquiry, but if not, please let us hear further from you.

Very truly yours,

FOREST OIL CORPORATION

  
Michael L. McReynolds  
Legal Department

MLM:jo

RECEIVED

JUN 19 1974

General Land Office



# FOREST OIL CORPORATION

*1300 National Bank of Commerce Building, San Antonio, Texas 78205*

May 28, 1974

RECEIVED

MAY 29 1974

General Land Office

121

TO: OWNERS OF AN INTEREST UNDER  
THE RAINBOW STATE NO. 1 WELL

Gentlemen:

By instrument recorded in Volume 46 at Page 508 of the Deed Records of Loving County, Texas, and in Volume 377 at Page 95 in the Deed Records of Ward County, Texas, a 650 acre unit was created for the gas production from the Rainbow State No. 1 well. The East 320 acres of Section 71 and the West 320 acres of Section 70 (assuming as to both tracts that the boundary between Sections 70 and 71 runs due East and West), all in Block 33, M&TC Ry. Co. Survey, Loving and Ward Counties, Texas, and that ten acre portion of Tract 8 of the Pecos River, Reeves and Ward Counties, Texas, bounded on the Northwest by a southwesterly extension of the Northwest line of said Section 70 and bounded on the Southeast by a southwesterly extension of the Southeast line of said Section 70, were combined to form a 650 acre unit.

We have prepared and enclosed herewith our Division Order covering the Rainbow State Unit and request that you verify your interest and address. If your interest and address are shown correctly on the Division Order, please execute one copy and return it to this office. To make proper execution, simply sign the back of the top page where indicated and supply your Social Security or tax payer number. Witnesses are not necessary. If you have a question or correction, please contact us at the same office.

We will appreciate your early attention to this matter.

Very truly yours,

FOREST OIL CORPORATION

*Michael L. McReynolds*

Michael L. McReynolds  
Legal Department

MLM:jo  
Encs. 2

M-64567  
M-66110



DIVISION ORDER

RECEIVED

MAY 29 1974

Date May 28 General Land Office  
Property No. P4-6723, 19 74

To: Forest Oil Corporation  
1300 National Bank of Commerce Building  
San Antonio, Texas 78205

The undersigned, and each of us, as Sellers, severally but not jointly, guarantee and warrant that we are the legal owners in the proportions set out below, of all the oil and gas produced from the Rainbow State No. 1 well ~~100%~~ unit insofar as same covers and includes the following described land in Loving, Ward & Reeves Counties, State of Texas, viz:

That certain 650 acre unit designated by Forest Oil Corporation et al in a Unitization Agreement and Declaration of Pooled Unit dated August 17, 1973 and recorded in Volume 46 at Page 508 of the Deed Records of Loving County, Texas, and in Volume 377 at Page 95 of the Deed Records of Ward County, Texas.

SEE ATTACHED EXHIBIT "A"

Effective as of 7:00 A.M. on the 1st day of production, 19 74, and until further notice from the undersigned you are authorized to give credit, in the manner set out on Exhibit A hereto, to the undersigned for their respective interests in all of the proceeds derived from the sale of oil and gas from said property, subject, however, to the terms, conditions, covenants and directions herein contained, viz:

1. The term "oil" as used herein is defined to include crude oil, distillate, condensate and all other liquid hydrocarbons; and the word "gas" as used herein is defined to include natural gas, casinghead gas and all other gaseous substances.

2. All oil and gas, or either of them, run in pursuance of this division order shall become the property of Forest Oil Corporation (hereinafter variously called or referred to as "Forest" or as the "Purchaser") upon delivery thereof to it, or to any pipeline or other carrier designated by it.

3. The oil shall be paid for at the market price in effect in the field on dates of delivery, for oil of the same grade and gravity. If, however, the oil should be sold by the Purchaser to another purchaser, settlement therefor shall be based upon the price received by Forest less transportation costs, if any, to the point of sale. Payment for oil purchased hereunder shall be made monthly by mailing or delivering to Sellers or their heirs, legal representatives, successors, or assigns, at the address shown on Exhibit A hereto, Purchaser's check or draft.

4. In making settlements for the interest of the undersigned in the proceeds from the sale of gas, Purchaser is authorized to use the market value at the wells for the gas sold or used off the property (as to all gas sold by Forest, as owner or operator of the oil and gas leasehold estate in the above described land, to a non-affiliated buyer, under a long term gas contract entered into in good faith, the contract price received by Forest shall be conclusively presumed to be the market value at the wells of the gas so sold), or the net proceeds received by Purchaser for the gas sold at the wells. Purchaser is authorized to make a fair and reasonable charge for gathering and transporting the gas and making such gas merchantable, said charge to be deducted from the gross amount received by the Purchaser to determine the market value at the well currently payable as royalty. Payment for gas purchased hereunder shall be made monthly by mailing or delivering to Sellers or their heirs, legal representatives, successors and assigns, at the addresses shown on Exhibit A hereto, Purchaser's check or draft.

5. All claims or demands by any governmental authority on Purchaser for severance, production, occupation or other tax on account of Sellers' interests in the oil or gas run pursuant to this division order may be paid by Purchaser for the account of Sellers, and any taxes so paid by Purchaser for the account of any Seller may be withheld from the proceeds accruing to such Seller hereunder.

6. If any portion of the proceeds derived from the sale of gas is subject to refund under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Forest may hold without interest the portion of the proceeds subject to refund unless indemnity satisfactory to Forest has been furnished, or until Forest's refund obligation has been finally determined. If any portion of the proceeds derived from the sale of gas and paid over by Forest to the undersigned, is thereafter required to be refunded by Forest under any order, rule or regulation of the Federal Power Commission or the provisions of the Natural Gas Act, Forest is authorized to recover the amount of the refund applicable to the interest of each of the undersigned from future payments, or at Forest's election, it may invoice the undersigned therefor, plus the legal rate of interest Forest is required to pay in connection with the undersigned's portion of the refund.

7. No change in ownership of the oil and gas, or in the proceeds thereof, shall be binding upon Purchaser until it shall have been furnished with satisfactory evidence thereof.

8. If an adverse claim of title should be asserted to the land above described, or to all or any part of the oil and gas delivered hereunder, Purchaser, without liability for the conversion of the oil and gas, and without obligation to pay interest on the amount withheld, may withhold payment of any sums due hereunder until such adverse claim has been settled and determined. If any equitable, reversionary or contingent interest is owned or retained by any party to this division order, such party hereby relieves the Purchaser from any obligation to determine if and when payment for such interest shall commence, agrees to notify Purchaser in writing not more than 30 days prior to the date on which such payment shall commence, and will hold Forest harmless for any erroneous payment of such interest prior to its receipt of said written notification.

9. If the above land is presently within or becomes a part of any drilling or production unit or units established by order or orders of any governmental body having jurisdiction (or in the event any such unit or units be revised by order of any such governmental body) the undersigned agree that this division order is and shall be subject to any such order or orders and that each of them will be entitled to receive their interests, as set forth in Exhibit A hereto, in the production from any such unit or units in accordance with and on the basis fixed by such order or orders.

10. It is agreed that should the proceeds accruing to any interest hereunder amount to less than \$5.00 at any settlement date, Forest may withhold payment, without interest, and, in lieu of the scheduled payments, make payments at annual intervals.

11. This division order shall become valid and binding on each party executing the same as soon as it is signed by such owner, regardless of whether or not any other of the owners listed on Exhibit A hereto has so signed.

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Social Security or Owner  
Identification Number. \_\_\_\_\_)

\_\_\_\_\_  
(Social Security or Owner  
Identification Number. \_\_\_\_\_)

\_\_\_\_\_  
(Social Security or Owner  
Identification Number. \_\_\_\_\_)

\_\_\_\_\_  
(Social Security or Owner  
Identification Number. \_\_\_\_\_)

Please have signature witnessed by two persons, and please insert correct mailing address on Exhibit A hereto attached.

The Forest leases affected hereby are: 4211-7, 9 and 19



RECEIVED

MAY 29 1974

General Land Office

EXHIBIT "A"

Attached to and made a part of Division Order  
covering the Rainbow State Gas Unit in Loving,  
Ward and Reeves Counties, Texas

| TRACT 1                                                                       | UNIT PARTICIPATION                                                                                       | .492-307-692      |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------|
| Barbara Salisbury Digles<br>2233 Gabriel Drive<br>Las Vegas, Nev. 89109       | 1/4 of .492-307-692                                                                                      | .123-076-923 RI   |
| Exxon Corporation<br>P. O. Box 1600<br>Midland, Texas 79701                   | 50% of .003-761-409                                                                                      | .001-880-705 ORRI |
| Gulf Oil Corporation<br>Drawer 1150<br>Midland, Texas 79701                   | .219-876-218 of 7/8<br>of .492-307-692                                                                   | .094-715-909 WI   |
| El Paso Natural Gas Company<br>Box 1492<br>El Paso, Texas 79999               | .219-876-218 of 7/8<br>of .492-307-692                                                                   | .094-715-909 WI   |
| Clayton W. Williams, Jr.<br>P. O. Box 1621<br>Fort Stockton, Texas 79735      | .006-613-465 of 7/8<br>of .492-307-692                                                                   | .002-848-877 WI   |
| M. McDonnold, Jr., Trustee<br>P. O. Box 409<br>Midland, Texas 79701           | .001-608-157 of 7/8<br>of .492-307-692                                                                   | .000-692-745 WI   |
| Forest Oil Corporation                                                        | .552-025-942 of 7/8<br>of .492-307-692,<br>LESS .001-880-705,<br>and LESS 1/8 of<br>.492-307-692         | .174-376-624 WI   |
| TRACT 2                                                                       | UNIT PARTICIPATION                                                                                       | .492-307-692      |
| ✓ State of Texas <i>m-64567</i><br>General Land Office<br>Austin, Texas 78711 | 1/6 of .492-307-692                                                                                      | .082-051-282 RI   |
| Exxon Corporation                                                             | 50% of .003-761-409                                                                                      | .001-880-704 ORRI |
| Gulf Oil Corporation                                                          | .219-876-218 of 7/8<br>.492-307-692                                                                      | .094-715-909 WI   |
| El Paso Natural Gas Company                                                   | .219-876-218 of 7/8<br>of .492-307-692,<br>LESS 1/2 of 1/24 of<br>.492-307-692                           | .084-459-499 WI   |
| Clayton W. Williams, Jr.                                                      | .006-613-465 of 7/8<br>of .492-307-692                                                                   | .002-848-877 WI   |
| M. McDonnold, Jr., Trustee                                                    | .001-608-157 of 7/8<br>of .492-307-692                                                                   | .000-692-745 WI   |
| Forest Oil Corporation                                                        | .552-025-942 of 7/8<br>of .492-307-692,<br>LESS .001-880-704,<br>and LESS 1/2 of 1/24<br>of .492-307-692 | .225-658-676 WI   |

RECEIVED

MAY 29 1974

General Land Office

| TRACT 3                       | UNIT PARTICIPATION                     | .015-384-616      |
|-------------------------------|----------------------------------------|-------------------|
| State of Texas <i>M-66110</i> | 1/6 of .015-384-616                    | .002-564-102 RI ✓ |
| Gulf Oil Corporation          | .219-876-218 of 5/6<br>of .015-384-616 | .002-818-926 WI   |
| El Paso Natural Gas Company   | .219-876-218 of 5/6<br>of .015-384-616 | .002-818-926 WI   |
| Clayton W. Williams, Jr.      | .006-613-465 of 5/6<br>of .015-384-616 | .000-084-788 WI   |
| M. McDonnold, Jr., Trustee    | .001-608-157 of 5/6<br>of .015-384-616 | .000-020-618 WI   |
| Forest Oil Corporation        | .552-025-942 of 5/6<br>of .015-384-616 | .007-077-256 WI   |

x x x x x x x





June 20, 1974

Forest Oil Corporation  
1300 National Bank of Commerce Building  
San Antonio, Texas 78205

RE: State Lease No. M-64567 966110  
Rainbow State No. 1 Well  
Section 70, Blk. 33, H&TC Ry. Co. Survey  
Loving and Ward Counties, Texas  
Property No. P4-6723 (Oil and Gas D/O)

Gentlemen:

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

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

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

Sincerely yours,

Lanvil Gilbert, Senior Attorney  
Finance, Audit and Investment  
Telephone No. 512-475-6749  
Enclosure

BF/glc

(20)

DIVISION ORDERS

CORRESPONDENCE FILE

To: 64567

From: Forest Dir

Dated: 6-20-74



64567

BLV-10





## General Land Office

AUSTIN, TEXAS 78701  
BOB ARMSTRONG, COMMISSIONER

June 24, 1974

El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79978

ATTENTION: Accounting Manager

RE: State Lease M-64367  
Rainbow State #1 Lease  
Vermejo Field  
Loving County, Texas

Gentlemen:

In accordance with the provisions set forth in our Oil or Gas Lease Form, 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,

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

HF/sjp  
Enclosure

21

M. F. 645.67  
CORRESPONDENCE FILE

To El Paso  
From

Dated 6-24-74sp



Exploration and Development

Lease Status Report

DO NOT DESTROY

DATE

NAME

TO: Mineral Acctg. 8-20-74 M. H. JANSZEN

A.F. No. 64567

Lease BROOK-STATE

County LOVING

Operator FOREST OIL CORP.

Effective Date

☐ P & A (Last Well on Lease) \_\_\_\_\_

☐ First Producing Well on <sup>Unit 2</sup> ~~Lease~~ 8-12-74

☐ Commingle Production \_\_\_\_\_

☐ Unit & Pooling Agreements \_\_\_\_\_

☐ Amendments to Units \_\_\_\_\_

☐ Other: Note Below \_\_\_\_\_

On M-64567 (STATE FEE)

LIVING  
API NO.DIST. 8  
42 301 30024RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISIONFORM W-1  
(3-1-70)

RM

7

|                                                                                                                                                                                                  |  |                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------|
| <b>SPS</b><br>Check one: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OTHER (Specify) <u>W-10/24/73</u> |  | 7. RRC District<br><b>8</b>                                                                 |
| 1. Operator<br><b>FOREST OIL CORPORATION</b>                                                                                                                                                     |  | 8. County<br><b>Loving</b>                                                                  |
| 2. Address (Including City and Zip Code)<br><b>P. O. Box 4486<br/>Midland, Texas 79701</b>                                                                                                       |  | 9. Well Number<br><b>1</b>                                                                  |
| 3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?<br><b>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></b>                                                 |  | 10. Number of Acres in Lease<br><b>666.15</b>                                               |
| 4. Lease Name<br><b>Brook-State</b>                                                                                                                                                              |  | 11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)<br><b>1000'</b> |
| 5. Location (Sec., Blk., Survey)<br><b>Sec. 70, Blk. 33, H&amp;TC Ry. Co. Survey</b>                                                                                                             |  |                                                                                             |
| 6. This well is to be located <b>4</b> miles <b>SE</b><br>Direction from <b>Mentone</b><br>Nearest Post Office or Town.                                                                          |  |                                                                                             |

| EACH PROPOSED COMPLETION                                                                                                         |                      |                                            |                                                                                                                          |                                                                                        |                                                    |                                                                                                                |                                                                                                                             |                                             |                                            |                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 12. FIELD NAME (Exactly as shown on R. R. C. Production Schedule including Reservoir if applicable.) If Wildcat, so state below. | 13. Completion Depth | 14. RRC Lease or ID Number (if applicable) | 15. Field Rule Spacing (Pattern, Distance to lease line & distance between wells. If no special rules indicate Rule 37.) | 16. Field Rule Production Unit Pattern (Acres). If no special rules, indicate Rule 38. | 17. Number of Acres in Drilling Unit for this Well | 18. Is this acreage presently assigned to another well in same field? (Yes or No. If yes, explain in remarks.) | 19. Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.) | 20. Is this a Regular Location? (Yes or No) | 21. Oil, Gas, or other Type Well (Specify) | 22. Number of Wells or Permitted locations on this lease in same Reservoir for which this Permit is Requested. |
| Vermejo (Fusselman) Field                                                                                                        | 18,700               |                                            | 37                                                                                                                       | 38                                                                                     | 40                                                 | No                                                                                                             | --                                                                                                                          | Yes                                         | Gas                                        | ---                                                                                                            |
| Wildcat ( <del>ABOVE 20,730</del> )                                                                                              | 20,730               |                                            | 37                                                                                                                       | 38                                                                                     | 40                                                 | No                                                                                                             | --                                                                                                                          | Yes                                         | Gas                                        | ---                                                                                                            |
| <div style="display: flex; justify-content: space-between;"> <div>SEP 18 1973</div> <div>RECEIVED<br/>SEP 17 1973</div> </div>   |                      |                                            |                                                                                                                          |                                                                                        |                                                    |                                                                                                                |                                                                                                                             |                                             |                                            |                                                                                                                |

NO ALLOWABLE WILL BE ASSIGNED TO any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS: 4200' FSEL & 1000' FSEL Section 70,  
Block 33, H&TC Ry. Co. Survey, Loving  
County, Texas

CERTIFICATE  
I declare under penalties prescribed in Article 80362, V.T.C. 5A that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature  
Robert J. Castor  
Robert J. Castor, District Landman  
Date  
September 17, 1973

Telephone: Area Code 915 683-1851

Comp: 8/14/74 (FWST)

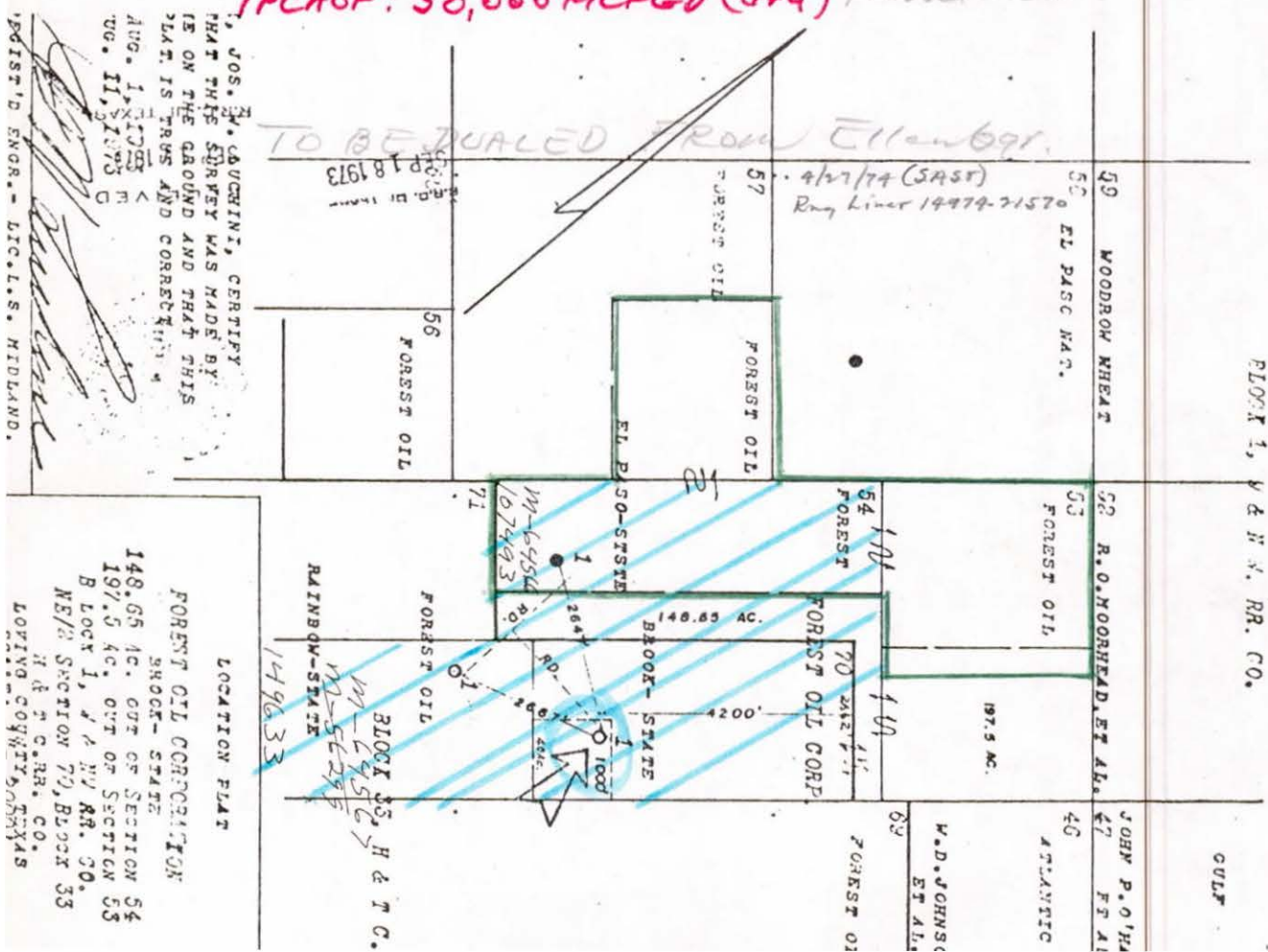
pfs: 18,829-19,084

1PCAOF: 58,000 MCFGD (dry)

- OVER -

SCALE OF MAP

1 inch = 1,000 feet  
1 inch = 2,000 feet  
1 inch = 3,000 feet  
1 inch = 4,000 feet  
1 inch = 500 feet



JOSEPH A. LAURINI, CERTIFY  
THAT THIS SURVEY WAS MADE BY  
ME ON THE GROUND AND THAT THIS  
PLAN IS TRUE AND CORRECT.

FOREST OIL CORPORATION  
BROOK-STATE  
148.65 AC. OUT OF SECTION 54  
197.0 AC. OUT OF SECTION 53  
BLOCK 33, H & T C.  
NEW SECTION 70, BLOCK 33  
H & T C. RR. CO.  
LOVING COUNTY, TEXAS

Statewide PLAT SERVICE

9-19-73

P. O. DRAWER 1887, AUSTIN, TEXAS 78767



INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brooks-State

WELL NO. 1 FIELD Wildcat Vermejo Ellen.

COUNTY Loving

SPUD DATE 9-26-73 Ellen. DRILLING DEPTH 4350 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 2nd

REMARKS Pete- I do not have a Form #1 on this location being drilled  
on Section 70, Blk 33, Survey-H&TC RY-Loving County.

JMH/jr

3-21-60

  
INSPECTOR  
DATE Oct 17, 1973





INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brook~~s~~- State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

SPUD DATE 9-26-73 DRILLING DEPTH 11,191 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 3rd

REMARKS Pete: They say they will Total Depth this location at  
11,300 feet ?????

JMH/jr

3-21-60

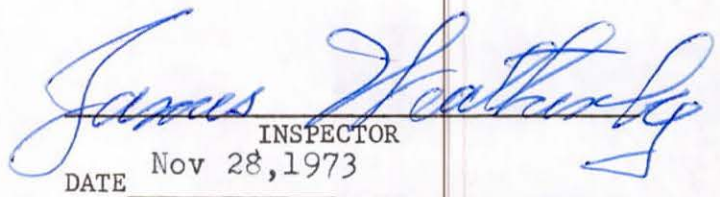
  
INSPECTOR  
DATE Nov 12, 1973

INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.  
LEASE Brook-State  
WELL NO. 1 FIELD Vermejo Fusselman  
COUNTY Loving  
SPUD DATE 9-26-73 DRILLING DEPTH 11,975 feet  
CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_  
COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_  
POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_  
IS THIS THE FIRST REPORT ON THIS WELL? 4 th  
REMARKS \_\_\_\_\_  
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JMH/jr

3-21-60

  
INSPECTOR  
DATE Nov 28, 1973





INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.  
LEASE Brook-State  
WELL NO. 1 FIELD Vermejo Fusselman  
COUNTY Loving  
SPUD DATE 9-26-73 DRILLING DEPTH 16,940 feet  
CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_  
COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_  
POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_  
IS THIS THE FIRST REPORT ON THIS WELL? 6 th  
REMARKS \_\_\_\_\_  
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JMH/jr

3-21-60

  
INSPECTOR  
DATE Jan 15, 1974



INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brook-State

WELL NO. 1 FIELD Vermejo-Fusselman

COUNTY Loving

SPUD DATE 9-26-73 DRILLING DEPTH 18,048 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 7<sup>th</sup>

REMARKS

JMH/jr

3-21-60

James Healy  
INSPECTOR  
DATE March 5, 1974

## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE      Brook-State

WELL NO. 1 FIELD Vermejo Ellenburger

COUNTY Loving

SPUD DATE 9-26-73 DRILLING DEPTH 18,836 feet

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

| COMPLETION DATE | PERFS |
|-----------------|-------|
| 12/1/79         | 100   |
| 12/1/80         | 100   |
| 12/1/81         | 100   |
| 12/1/82         | 100   |
| 12/1/83         | 100   |
| 12/1/84         | 100   |
| 12/1/85         | 100   |
| 12/1/86         | 100   |
| 12/1/87         | 100   |
| 12/1/88         | 100   |
| 12/1/89         | 100   |
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| 12/1/43         | 100   |
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| 12/1/46         | 100   |
| 12/1/47         | 100   |
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| 12/1/68         | 100   |
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| 12/1/71         | 100   |
| 12/1/72         | 100   |
| 12/1/73         | 100   |
| 12/1/74         | 100   |
| 12/1/75         | 100   |
| 12/1/76         | 100   |
| 12/1/77         | 100   |
| 12/1/78         | 100   |
| 12/1/79         | 100   |
| 12/1/80         | 100   |
| 12/1/81         | 100   |
| 12/1/82         | 100   |
| 12/1/83         | 100   |
| 12/1/84         | 100   |
| 12/1/85         | 100   |
| 12/1/86         | 100   |
| 12/1/87         | 100   |
| 12/1/88         | 100   |
| 12/1/89         | 100   |
| 12/1/90         | 100   |
| 12/1/91         | 100   |
| 12/1/92         | 100   |
| 12/1/93         | 100   |
| 12/1/94         | 100   |
| 12/1/95         | 100   |
| 12/1/96         | 100   |
| 12/1/97         | 100   |
| 12/1/98         | 100   |
| 12/1/99         | 100   |
| 12/1/00         | 100   |
| 12/1/01         | 100   |
| 12/1/02         | 100   |
| 12/1/03         | 100   |
| 12/1/04         | 100   |
| 12/1/05         | 100   |
| 12/1/06         | 100   |
| 12/1/07         | 100   |
| 12/1/08         | 100   |
| 12/1/09         | 100   |
| 12/1/10         | 100   |
| 12/1/11         | 100   |
| 12/1/12         | 100   |
| 12/1/13         | 100   |
| 12/1/14         | 100   |
| 12/1/15         | 100   |
| 12/1/16         | 100   |
| 12/1/17         | 100   |
| 12/1/18         | 100   |

POTENTIAL \_\_\_\_\_ T. D. \_\_\_\_\_

IS THIS THE FIRST REPORT ON THIS WELL? 8<sup>th</sup>

REMARKS

JMH/jr

3-21-60

INSPECTOR

DATE March 18, 1974



### INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE                      Brook-State

WELL NO. 1 FIELD Vermejo Ellen.

COUNTY Loving

|           |         |                |             |
|-----------|---------|----------------|-------------|
| SPUD DATE | 9-26-73 | DRILLING DEPTH | 20,329 feet |
|-----------|---------|----------------|-------------|

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

| COMPLETION DATE | PERFS |
|-----------------|-------|
|-----------------|-------|

POTENTIAL T. D.

IS THIS THE FIRST REPORT ON THIS WELL? 9<sup>th</sup>

REMARKS

JA/bs

3-21-60

INSPECTOR

DATE April 1, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.  
LEASE Brook-State  
WELL NO. 1 FIELD Vermejo Fusselman  
COUNTY Loving  
SPUD DATE 9-26-73 DRILLING DEPTH \_\_\_\_\_  
CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_  
COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_  
POTENTIAL \_\_\_\_\_ T. D. 21,570 feet  
IS THIS THE FIRST REPORT ON THIS WELL? 10 th  
REMARKS Have run liner(5 inch) from 14,974 to 21,570 feet ?

JMH/jr

3-21-60

  
INSPECTOR  
DATE May 1, 1974



INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brook-State

WELL NO. 1 FIELD Vermejo Ellen.

COUNTY Loving

SPUD DATE 9-26-73 DRILLING DEPTH \_\_\_\_\_

CORE DEPTH \_\_\_\_\_ LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_ PERFS \_\_\_\_\_

POTENTIAL \_\_\_\_\_ T. D. 21,570 feet

IS THIS THE FIRST REPORT ON THIS WELL? 12 th

REMARKS They have run liner but the rig is still on the location  
this date. They are having trouble after running liner from:  
14,974-21,570 feet but they know they have a gas well in this  
location;its just how good a gas well it will turn in to ???

JMH/jr

3-21-60

  
INSPECTOR  
DATE May 20, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brook-State

WELL NO. 1 FIELD Vermejo Fusselman

COUNTY Loving

SPUD DATE 9-26-73

DRILLING DEPTH \_\_\_\_\_

CORE DEPTH \_\_\_\_\_

LOGS (DEPTH) \_\_\_\_\_

COMPLETION DATE \_\_\_\_\_

PERFS none as yet

POTENTIAL \_\_\_\_\_

T. D. 21,570 feet

IS THIS THE FIRST REPORT ON THIS WELL? 12 th

REMARKS I went and talked to the Forest Oil Corp. gas man in  
Ft Stockton, Texas this date and he told me they had not been able  
to test this location due to not having any tubing to run in to  
this location as yet. He said they were almost sure it was a  
gas well but have not been able to test it ???

JMH/jr

3-21-60

  
INSPECTOR  
DATE June 25, 1974



## INSPECTOR'S WELL STATUS REPORT

OPERATOR Forest Oil Corp.

LEASE Brook-State

WELL NO. 1 FIELD Vermejo Ellen.

COUNTY Loving

SPUD DATE 9-26-73

DRILLING DEPTH

CORE DEPTH\_

LOGS (DEPTH)

COMPLETION DATE \_\_\_\_\_ PERFS 18,829--19,084 feet

POTENTIAL 58-M.C.F/D of gas T. D. 21,570 feet

|            |       |
|------------|-------|
| Calculated | 13 th |
|------------|-------|

IS THIS THE FIRST REPORT ON THIS WELL?

|         |                                                            |
|---------|------------------------------------------------------------|
| REMARKS | They say they used a 1 inch choke and it was wide open ??? |
|---------|------------------------------------------------------------|

JMH/jr

3-21-60

INSPECTOR

DATE August 12, 1974

22

M. F. 64567  
APPLICATION TO DRILL

WELL # 1 (Unit 2)

FILED 8720 19 74  
BOB ARMSTRONG, COMMISSIONER

BY: MHS



MINERAL ACCOUNTING  
MEMORANDUM

(File in "B" File)

RE: M- 64567

Operator \_\_\_\_\_

Lease \_\_\_\_\_

County Loving & Ward

Split from M- \_\_\_\_\_  
which is

☐

Producing

☐

Nonproducing

FROM: Mineral Accounting

Date

4-10-75

Name

JCF

TO: Exploration & Development

TO: Legal

NONPRODUCING

\_\_\_\_ Delay Rental Due On \_\_\_\_\_ Not Received

☒ Primary Term Expired 4-7-75

*Non Unit Acreage only*  
*There is no non-unit acreage. max 4/6/75*

PRODUCING STATUS

OIL: No production reported from \_\_\_\_\_ through \_\_\_\_\_  
mo./year mo./year

Oil Royalty Status: ☐ Due \$ \_\_\_\_\_ ☐ Royalty paid in full

Name \_\_\_\_\_

GAS: No production reported from \_\_\_\_\_ through \_\_\_\_\_  
mo./year mo./year

Gas Royalty Status: ☐ Due \$ \_\_\_\_\_ ☐ Royalty paid in full

*There is gas production from both units*  
Name on a Washington

RENTAL: *Only one unit filed this date - Are wells currently producing or shut-in?*

MAPS: *There is no non unit acreage in this tract - it is all included in 2 different units. 4-14-75*  
*CWF*

(26) 7n 64567

Det. Thoms

4/10/95 mau



# FOREST OIL CORPORATION

*Forest Oil Building. P.O. Box 1916 Midland, Texas 79701*

January 14, 1976

P4-6723 WT/Loving-Reeves-Ward - Mentone  
Forest Oil Corporation -  
Rainbow State Well No. 1  
Loving County, Texas

Honorable Bob Armstrong  
Commissioner of General Land Office  
Austin, Texas 78701

Dear Sir:

In connection with your file No. M-66110 and M-64567  
this is to advise that captioned well was shut in on or  
about September 18, 1975 and remedial operations commenced  
immediately thereafter. Workover operations are still in  
progress on subject well.

Yours very truly,

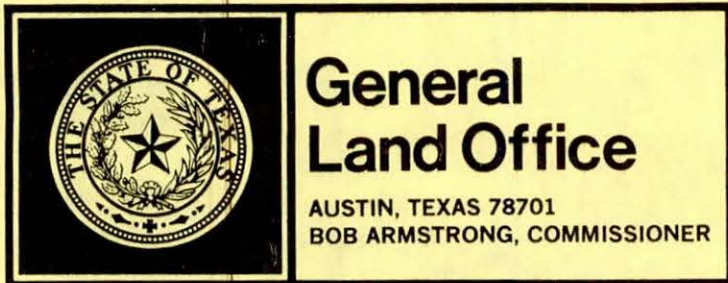
FOREST OIL CORPORATION

Robert J. Castor  
Division Landman

RJC:wh

RECEIVED  
JAN 16 1976  
General Land Office





March 16, 1976

El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79978

RE: State Lease M-64567 and M-66110  
650 Acres, Sections 70 and 71, Blk.33  
H & TC Ry. Co. Survey  
Loving and Ward Counties, Texas  
Gas Division Order No.6703-C

Gentlemen:

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

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

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

Very truly yours,

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

EL PASO NATURAL GAS COMPANY

MAR 11 1976

DIVISION ORDER

General Land Office

To: El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79999

Date March 4, 1976

Division Order No. 6703-C

Supersedes and replaces Division Order No. 6703-B.

The undersigned, and each of us, certify and guarantee that we are the legal owners in the proportions set out below (or on the schedule attached hereto and made a part hereof) of an interest in the natural gas and components thereof, and are authorized to sell such interest in all gas produced from the hereinafter described land, including the royalty interest, which may be purchased by you from wells now or hereafter completed on the following described land:

PROPERTY IDENTITY CODE: SLC NOS. 96-017-06634, 06635, 06636 RAINBOW STATE #1 (FUSSELMAN):  
SLC NOS. 96-028-06634, 06635, 06636 RAINBOW STATE #1 (ELLENBURGER)

650 acres out of Sections 70 and 71, Block 33, H&TC Ry. Co. Survey,

Loving and Ward Counties  
Effective See Attached Exhibit "A" and until further written notice from you or us, you are hereby authorized to take into your pipe line the natural gas and components thereof produced from the above described acreage and make payment therefor as follows, in accordance with the terms of that certain Gas Purchase Agreement between El Paso Natural Gas Company and See Attached Exhibit "A"

and all renewals or modifications thereof, subject to the following conditions as to payment:

| PAYEE<br>CODE NO. | CONTRACT<br>CODE | CREDIT TO | ADDRESS | DIVISION OF<br>INTEREST |
|-------------------|------------------|-----------|---------|-------------------------|
|-------------------|------------------|-----------|---------|-------------------------|

See Attached Exhibit "A"

NOTICE - SETTLEMENT INFORMATION - Settlement will be made in accordance with this instrument and will be identified on check stubs and Settlement Statements by PROPERTY IDENTITY (SLC Nos.), PAYEE AND CONTRACT CODES. These codes should be maintained for payment identification. Questions concerning settlement, should include reference to the above assigned codes, to the attention of Gas Accounting Division.



FIRST - Payment for the natural gas and all components thereof purchased and received by you pursuant to said Gas Purchase Agreement shall be made in accordance with the terms of said Gas Purchase Agreement and shall be paid for to the undersigned or their assigns in proportion to their respective interest shown above, at the applicable price specified in said Gas Purchase Agreement. Settlement therefor shall be made by mailing or delivering to the persons above named in the division of interest, their heirs, assigns, or legal representatives, on or before the day provided for in said Gas Purchase Agreement, a check or draft for the amount due on account of the natural gas and components so purchased. It is agreed that if, at any settlement date, the amount payable to any party hereunder shall be less than Ten Dollars, you may withhold payment until the amount payable to such party equals or exceeds the sum of Ten Dollars, in which event payment shall be made at the next regular settlement date. Upon termination of this agreement, payment shall be made to the respective parties entitled thereto regardless of the amount or amounts due.

SECOND - In the event of any adverse claim or dispute arising at any time concerning title to said land or to the natural gas and components thereof produced therefrom, or concerning the right to share in the proceeds from the sale of said natural gas and components thereof, you are authorized to withhold, to the extent which you deem necessary for your protection, the proceeds accruing from purchases hereunder, without interest and without liability (except as a stakeholder), until indemnity satisfactory to you has been furnished or until such dispute or claim has been settled to your satisfaction. Each undersigned party, as to the interest of such party hereunder, respectively agrees, in the event suit is filed in any court affecting title to said natural gas and components thereof or proceeds thereof either before or after severance, to indemnify and save you harmless against any and all liability for loss, cost, damage, and expense which you may suffer or incur on account of receiving and paying said party the proceeds derived from the sale of said gas and all components thereof.

THIRD - The undersigned severally agree to notify you of any change of ownership, and no transfer of interest shall be binding upon you until a proper transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfer of interest shall be made effective not earlier than the first day of the calendar month following receipt of such notice by you. You are hereby relieved of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interests, and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to EL PASO NATURAL GAS COMPANY, Post Office Box 1492, El Paso, Texas 79999, when any such money or other payments have been completed or discharged, or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that, in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from, any and all damage or loss which might arise out of any overpayment or payment to a party whose interest has terminated.

~~FOURTH - As a condition of recommendation to us, you are hereby authorized to deduct and pay to the proper taxing authorities any and all taxes, including but not limited to ad valorem taxes, which may be levied on the interest in the above described land and components thereof or on the proceeds of natural gas and components thereof produced from the above described lands, unless and in the event the undersigned furnish you with written instructions not to pay such taxes and furnish indemnity satisfactory to you against loss resulting from such failure to pay taxes.~~

FIFTH - This order shall become valid and binding on each owner named above as soon as signed by each such owner, regardless of whether or not all of the owners have so signed.

SIXTH - In case of any inconsistency or conflict between the above mentioned Gas Purchase Agreement and this Division Order, the Gas Purchase Agreement shall prevail.

WITNESSES  
(Sign Below)

OWNERS  
(Sign Below)

ATTEST:

FOREST OIL CORPORATION

By:

ATTEST:

GULF OIL CORPORATION

By:

Witness:

Commissioner of the General Land Office  
of the State of Texas

Witness:

M. McDonnold, Jr., Trustee

BF



RECEIVED

## EL PASO NATURAL GAS COMPANY

MAR 11 1976

Exhibit "A"

General Land Office

Attached to and Made a Part of Division Order No. 6703-C

Page 1 of 2

| PAYEE<br>CODE NO.                                                 | CONTRACT<br>CODE | CREDIT TO                                                                     | ADDRESS                                                     | DIVISION OF<br>INTEREST                     |
|-------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------|
| <u>Effective Date September 1, 1975 Through December 31, 1975</u> |                  |                                                                               |                                                             |                                             |
| 16211                                                             | 8253             | Commissioner of the General<br>Land Office of the State<br>of Texas           | Austin, TX 78701                                            | 8.461538%<br>RI<br>(Tax Exempt)             |
| 28248                                                             | 7944             | Forest Oil Corporation                                                        | 1500 Colorado National<br>Bank Building<br>Denver, CO 80202 | 50.950502%<br>Gross WI<br>(Including Taxes) |
| 33878                                                             | 8128             | Gulf Oil Corporation                                                          | P. O. Drawer 1150<br>Midland, TX 79701                      | 20.293980%<br>Gross WI<br>(Including Taxes) |
| 24890                                                             | 2776             | El Paso Natural Gas<br>Company                                                | P. O. Box 1492<br>El Paso, TX 79978                         | 18.929679%<br>Net WI<br>(Including Taxes)   |
| 28248                                                             | 2776             | Forest Oil Corporation for<br>A/C of Fee Royalty<br>Applicable to EPNG Co. WI | 1500 Colorado National<br>Bank Building<br>Denver, CO 80202 | 1.364301%<br>Fee RI<br>(Less Taxes)         |
|                                                                   |                  |                                                                               |                                                             | <u>100.000000%</u>                          |
| <u>Effective Date January 1, 1976</u>                             |                  |                                                                               |                                                             |                                             |
| 16211                                                             | 8253             | Commissioner of the General<br>Land Office of the State<br>of Texas           | Austin, TX 78701                                            | 8.461538%<br>RI<br>(Tax Exempt)             |
| 28248                                                             | 7944             | Forest Oil Corporation                                                        | 1500 Colorado National<br>Bank Building<br>Denver, CO 80202 | 50.868019%<br>Gross WI<br>(Including Taxes) |
| 33878                                                             | 8128             | Gulf Oil Corporation                                                          | P. O. Drawer 1150<br>Midland, TX 79701                      | 20.261126%<br>Gross WI<br>(Including Taxes) |
| 54315                                                             | 8250             | M. McDonnold, Jr., Trustee                                                    | 822 Building of the<br>Southwest<br>Midland, TX 79701       | .148191%<br>Gross WI<br>(Including Taxes)   |
| 24890                                                             | 2776             | El Paso Natural Gas<br>Company                                                | P. O. Box 1492<br>El Paso, TX 79978                         | 18.899034%<br>Net WI<br>(Including Taxes)   |
| 28248                                                             | 2776             | Forest Oil Corporation for<br>A/C of Fee Royalty<br>Applicable to EPNG Co. WI | 1500 Colorado National<br>Bank Building<br>Denver, CO 80202 | 1.362092%<br>Fee RI<br>(Less Taxes)         |
|                                                                   |                  |                                                                               |                                                             | <u>100.000000%</u>                          |

RECEIVED

## EL PASO NATURAL GAS COMPANY

MAR 11 1976

General Land Office

Exhibit "A"

Attached to and Made a Part of Division Order No. 6703-C

Page 2 of 2

| PAYEE<br>CODE NO. | CONTRACT<br>CODE | CREDIT TO | ADDRESS | DIVISION OF<br>INTEREST |
|-------------------|------------------|-----------|---------|-------------------------|
|-------------------|------------------|-----------|---------|-------------------------|

Note: Under terms of the Gas Balancing Agreement attached as Exhibit "A" to the Operating Agreement dated August 12, 1973, any party desiring to take delivery of gas which has remained in storage, shall upon notification to the operator be entitled to take, or deliver to a purchaser a volume of gas equal to its share, plus fifty percent of the overproduced parties' volume until its share of gas is balanced.

Forest Oil Corporation, as operator, shall advise El Paso as to the volumes of gas attributable to the underproduced parties' share so that balancing percentages may be established to account for their take of gas.

Each of the above parties assumes the responsibility for the payment of or the arrangement for the payment of all working interests, royalties, overriding royalties and other similar interests in production applicable to its interest in the above described acreage.

Gas Purchase Contract With State of Texas Dated September 1, 1975  
Gas Purchase Contract With Forest Oil Corporation Dated April 2, 1974  
Gas Purchase Contract With Gulf Oil Corporation Dated July 15, 1975  
Gas Purchase Contract With M. McDonnold, Jr., Trustee Dated January 1, 1976



64367

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M.F. CORRESPONDENCE FILE

To

DIVISION ORDER

From BF

Dated 3-16-76 rsm

September 29, 1977  
GLO 463

Forest Oil Corporation  
P. O. Box 1916  
Midland, Texas 79701

ATTENTION: Mac Williams

RE: State Lease M-64567  
Vermejo Field  
Loving and Ward Counties, Texas

Gentlemen:

The Gas Purchase Agreement between you, as seller, and El Paso Gas Transportation, as buyer, dated April 2, 1974, includes the above State Lease. The price is due to be renegotiated on April 3, 1978.

Please furnish this office a copy of the document covering gas sales after April 3, 1978. If it is your intent not to renegotiate at this time, please advise.

Sincerely yours,

Harry T. Fannell, Supervisor  
Resource Accounting  
Phone: 512 475-4541

HF/lg



(33)  
M. F. 64567

CORRESPONDENCE FILE  
To Forest Oil Corp  
From

Dated 9-29-77

FOREST OIL CORPORATION



*Forest Oil Building. P.O. Box 1916 Midland, Texas 79701*

December 7, 1977

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

64547

Re: Mentone Prospect - Vermejo  
Field, Loving and Ward  
Counties, Texas  
El Paso-State Unit Well No. 1  
Rainbow-State Unit Well No. 1  
Catfish Unit Well No. 1

El Paso Gas Transportation Company,  
A Division of El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas 79978

Attention: Mr. R. E. Johnson, Director,  
Gas Purchases

Gentlemen:

Relative to the above, this is to notify you of the exercise of Forest's election to redetermine price to the "fair value" of gas sold from Forest's interest in the above wells. The applicable Gas Purchase Agreements relating to each respective well are as follows:

El Paso-State Unit Well No. 1: dated April 1, 1974;  
Rainbow-State Unit Well No. 1: dated April 2, 1974; and  
Catfish Unit Well No. 1: dated March 12, 1976.

The effective dates of escalation under the above Agreements are:

El Paso-State Unit Well No. 1: April 3, 1978;  
Rainbow-State Unit Well No. 1: April 3, 1978; and  
Catfish Unit Well No. 1: March 12, 1978.

Under each applicable Agreement, Forest, as Seller, and El Paso, as Buyer, are required to meet to begin the consideration of all relevant factors determining "fair value"; and, we

El Paso Gas Transportation Company  
El Paso, Texas 79978

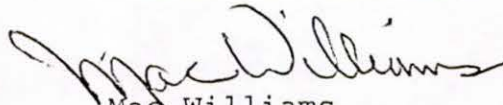
Page 2  
December 7, 1977

request that you contact Forest suggesting a time and place  
for such a meeting.

Thank you for your attention in this matter.

Very truly yours,

FOREST OIL CORPORATION



Mac Williams  
Regional Attorney

MW:jc

cc: John C. Dorn  
Jack D. Riggs  
Dale F. Dorn  
W. J. Stark  
Dick Cassin/Tom Scott  
C. K. McLaughlin  
Marshall W. Keathley



33A.

M. F. 64567

CORRESPONDENCE FILE

To *Front Oil Corp.*

From

Dated 12-7-77

4 33



## General Land Office

AUSTIN, TEXAS 78701  
BOB ARMSTRONG, COMMISSIONER

June 5, 1978  
GLO 463

Forest Oil Corporation  
P. O. Box 1916  
Midland, Texas 79701

ATTENTION: Mac Williams

SECOND REQUEST

RE: State Lease M-64567  
Vermejo Field  
Loving and Ward Counties, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated **September 29, 1977** and as of this date we have not received a reply to this letter.

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

Your prompt attention to this matter is requested.

Sincerely yours,

Harry T. Finnell, Supervisor  
Resource Accounting  
Telephone No. 512 475-4541  
Enclosure

HF/1g

34

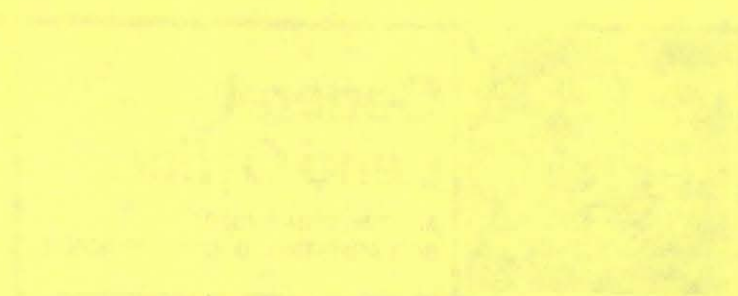
M. F. 64-561

COMMUNICATION FILE

To Forest Dept.

From

Dated 6-5-78







**FOREST OIL CORPORATION**

Forest Building, Midland, Texas

Date

Oct. 9, 1978

To

Harry T. Finnell

From

Mrc Williams

☐ For Approval

☐ For Perusal

☐ For Signature

☐ For Comments

☐ For Your File

☐ For Reply

Remarks:

☐ For Appropriate Action

m-64567

per your request

Man Williams

Return To

35

M. F.

64567

CORRESPONDENCE FILE

To *Forest Oil Corp*

From

Dated

10-9-78

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                  |                          |                        |                                        |                                                        |                      |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------|--------------------------|------------------------|----------------------------------------|--------------------------------------------------------|----------------------|---|
| THIS CHECK<br>TENDERED IN<br>PAYMENT OF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       | PERIOD           |                          | EPNG FILE REFERENCE    |                                        | UNDER TERMS OF LEASE<br>MORE FULLY DESCRIBED<br>BELOW. |                      | H |
| SHUT-IN-ROYALTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | NO. OF<br>MOS.   | BEGINNING<br>MO. DA. YR. | REG.                   | ST.                                    | FILE NO.                                               |                      |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | 12               | 05-25-79                 | MID                    | TX                                     | 2858                                                   |                      |   |
| LESSOR NAME OR AGENCY NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                  |                          |                        | EFFECTIVE DATE LSE.                    |                                                        | CHECK NO.            |   |
| STATE OF TEXAS #64567                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |                  |                          |                        | 04-07-70                               |                                                        | 0060159              |   |
| COUNTY OR PARISH                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | STATE | LEASE RECORDED   |                          | GROSS<br>ACRES         |                                        | TOTAL ACRES<br>REQUIRING<br>PAYMENT                    |                      |   |
| LOVING & WARD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TX    | DATE<br>05-26-70 | BOOK<br>31               | PAGE<br>381            |                                        |                                                        |                      |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       | 06-03-70         | 335                      | 418                    | 640.00                                 | 640.00                                                 |                      |   |
| PAID ON BEHALF OF:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |       |                  |                          | PAID ON BEHALF OF:     |                                        |                                                        |                      |   |
| 122<br>EL PASO NATURAL GAS COMPANY<br><i>El Paso</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |       |                  |                          | FOREST OIL CORPORATION |                                        |                                                        |                      |   |
| FOR CREDIT OF:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |                  |                          |                        | BANK ACCOUNT NO.                       |                                                        | AMOUNT               |   |
| STATE OF TEXAS #64567                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |       |                  |                          |                        |                                        |                                                        | ✓ 6,400.00<br>124577 |   |
| RAINBOW STATE #1 WELL<br>BROOK STATE #1 WELL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |       |                  |                          |                        | <i>Refunded<br/>per Daniel Gilbert</i> |                                                        |                      |   |
| NOTE TO DEPOSITORY: YOU HAVE BEEN DESIGNATED DEPOSITORY FOR RENTALS PAY-<br>ABLE UNDER THE ABOVE DESCRIBED LEASE(S). PLEASE CREDIT THIS CHECK IN THE FULL<br>AMOUNTS INDICATED ABOVE. SHOULD YOU REQUIRE A HANDLING CHARGE, OR SHOULD<br>OTHER DIFFICULTY ARISE, DO NOT RETURN CHECK, BUT COMMUNICATE WITH US AFTER<br>CREDITING (TO A SPECIAL ACCOUNT IF NECESSARY). THE AMOUNTS AS INDICATED. THE<br>BANK RECEIPTS ONLY FOR THE AMOUNTS DEPOSITED AND INCURS NO RESPONSIBILITY<br>AS TO THE ACCURACY OF THE AMOUNTS SET FORTH. |       |                  |                          |                        | TOTAL AMOUNT DUE                       |                                                        | 6,400.00             |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |       |                  |                          |                        | BANK SERVICE CHARGE                    |                                                        | 0.00                 |   |

PLEASE DETACH BEFORE PRESENTING THIS CHECK  
A COPY IS INCLUDED FOR YOUR RECORDS.



|                                              |       |                        |                          |                     |                     |                                                        |           |
|----------------------------------------------|-------|------------------------|--------------------------|---------------------|---------------------|--------------------------------------------------------|-----------|
| THIS CHECK<br>TENDERED IN<br>PAYMENT OF      |       | PERIOD                 |                          | EPNG FILE REFERENCE |                     | UNDER TERMS OF LEASE<br>MORE FULLY DESCRIBED<br>BELOW. |           |
| SHUT-IN-ROYALTY                              |       | NO. OF<br>MOS.         | BEGINNING<br>MO. DA. YR. | REG.                | ST.                 | FILE NO.                                               |           |
|                                              |       | 12                     | 05-25-79                 | MID                 | TX                  | 2858                                                   |           |
| LESSOR NAME OR AGENCY NUMBER                 |       |                        |                          |                     | EFFECTIVE DATE LSE. |                                                        | CHECK NO. |
| STATE OF TEXAS #64567                        |       |                        |                          |                     | 04-07-70            |                                                        | 0060159   |
| COUNTY OR PARISH                             | STATE | LEASE RECORDED         |                          | GROSS<br>ACRES      |                     | TOTAL ACRES<br>REQUIRING<br>PAYMENT                    |           |
|                                              |       | DATE                   | BOOK                     | PAGE                |                     |                                                        |           |
| LOVING & WARD                                | TX    | 05-26-70               | 31                       | 381                 |                     |                                                        |           |
|                                              |       | 06-03-70               | 335                      | 418                 | 640.00              | 640.00                                                 |           |
| PAID ON BEHALF OF:                           |       | PAID ON BEHALF OF:     |                          |                     |                     |                                                        |           |
| EL PASO NATURAL GAS COMPANY                  |       | FOREST OIL CORPORATION |                          |                     |                     |                                                        |           |
| FOR CREDIT OF:                               |       | BANK ACCOUNT NO.       |                          |                     |                     | AMOUNT                                                 |           |
| STATE OF TEXAS #64567                        |       |                        |                          |                     |                     | 6,400.00                                               |           |
| RAINBOW STATE #1 WELL<br>BROOK STATE #1 WELL |       |                        |                          |                     |                     | 124577                                                 |           |
|                                              |       |                        |                          | TOTAL AMOUNT DUE    |                     | 6,400.00                                               |           |
|                                              |       |                        |                          | BANK SERVICE CHARGE |                     | 0.00                                                   |           |

NOTE TO DEPOSITORY: YOU HAVE BEEN DESIGNATED DEPOSITORY FOR RENTALS PAY-  
ABLE UNDER THE ABOVE DESCRIBED LEASE(S). PLEASE CREDIT THIS CHECK IN THE FULL  
AMOUNTS INDICATED ABOVE. SHOULD YOU REQUIRE A HANDLING CHARGE, OR SHOULD  
OTHER DIFFICULTY ARISE, DO NOT RETURN CHECK, BUT COMMUNICATE WITH US AFTER  
CREDITING (TO A SPECIAL ACCOUNT IF NECESSARY). THE AMOUNTS AS INDICATED. THE  
BANK RECEIPTS ONLY FOR THE AMOUNTS DEPOSITED AND INCURS NO RESPONSIBILITY  
AS TO THE ACCURACY OF THE AMOUNTS SET FORTH.

THIS COPY IS INCLUDED FOR YOUR RECORDS



**El Paso** NATURAL GAS  
COMPANY  
P.O. BOX 1492 • EL PASO, TEXAS 79978

DATE JULY 18, 1979

IN PAYMENT FOR THE ITEM(S) DESCRIBED ABOVE.

CHECK  
NUMBER L- 0060159

**This instrument is non-negotiable**

\$\*\*\*6,400.00

Pay  
To  
The  
Order Of

COMMISSIONER OF THE  
GENERAL LAND OFFICE  
STATE OF TEXAS  
AUSTIN, TX 78711

IN AMOUNT EXACTLY\*\*\*\*\*6,400\*DOLLARS AND 00 CENTS

*receipt sent  
7/23/79*



PAYEE COPY



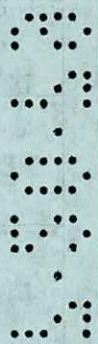
7M-64567

Shut in receipt

7-20-79

36.

124223





# FOREST OIL CORPORATION

*Forest Oil Building · P.O. Box 1916 · Midland, Texas 79702*

*M-64567*

September 7, 1982

Re: P2-6723 WT/Loving, Reeves, Ward -  
Mentone  
FOC Rainbow-State No. 1 Well  
FOC L.4211-19 (State Lse. #64567)  
Covering Section 70, Block 33,  
H&TC Ry. Co. Survey, Loving and  
Ward Counties, Texas; and  
FOC L.4211-7 (State Lse. #66110)  
Covering Riverbed Tract No. 8,  
Reeves and Ward Counties, Texas

The Honorable Bob Armstrong  
Commissioner of The General  
Land Office  
17th and Congress  
Austin, Texas 78701

Dear Sir:

In accordance with the terms and provisions of the captioned leases, this is to serve as notice from Forest Oil Corporation to the Commissioner of the General Land Office that the Forest Oil Corporation Rainbow-State No. 1 well located 500' FNWL and 6600' FNEL of Section 70, Block 33, H&TC Ry. Co. Survey, Loving County, Texas ceased producing gas on or about August 23, 1982 at 10:00 A.M. Forest Oil Corporation, subject to its Management's approval, plans to commence rework operations on the Rainbow-State No. 1 well and to re-establish production from said well.

Should you have any questions or need any additional information, then please contact the undersigned.

Very truly yours,

Forest Oil Corporation

*R. M. McCommon, Jr.*  
R. M. McCommon, Jr.  
Landman

RMM:mh



Rainbow-State No. 1 Well  
September 7  
Page 2

xc: Gulf Oil Corporation  
P. O. Box 1150  
Midland, TX 79702  
Att'n: Mr. R. E. Griffith

El Paso Natural Gas Company  
1800 Wilco Building  
Midland, TX 79701  
Att'n: Mr. R. D. Janssen

Mr. Clayton W. Williams, Jr.  
P. O. Box 1621  
Ft. Stockton, TX 79735

Mr. M. McDonnold, Jr., Trustee  
505 N. Big Spring  
Suite 204  
Midland, TX 79701

Mr. W. J. Stark  
Forest Oil Corp.  
Denver, Colorado 80202

67 M-64567

Ltr from Betty R. V. PHIPPS

SEP 13 1982

3. 3.05



# FOREST OIL CORPORATION

*Forest Oil Building · P.O. Box 1916 · Midland, Texas 79702*

October 29, 1982

Re: P2-6723 WT/Loving, Reeves, Ward -  
Mentone,  
Forest Oil Corporation  
Rainbow-State No. 1 Well  
FOC L.4211-19 (State Lse. #64567)  
covering Section 70, Block 33,  
H&TC Ry. Co. Survey, Loving and  
Ward Counties, Texas; and  
FOC L.4211-7 (State Lse. #66110)  
covering Riverbed Tract No. 8,  
Reeves and Ward Counties, Texas

The Honorable Bob Armstrong  
Commissioner of The General  
Land Office  
1700 N. Congress  
Austin, Texas 78701

Dear Sir:

Pursuant to my conversation this date with your Mr. Lanvil Gilbert and in accordance with the terms and provisions of the captioned Oil and Gas Leases, this is to serve as notice from Forest Oil Corporation to The General Land Office that production from the Forest Oil Corporation Rainbow-State No. 1 well, located 500' FNWL and 6600' FNEL of Section 70, Block 33, H&TC Ry. Co. Survey, Loving County, Texas, was re-established as of the morning of September 10, 1982, and production from said well was continuous until the morning of September 13, 1982, when at such time production ceased. Forest Oil Corporation has received its Management's approval to conduct rework operations on the Rainbow-State No. 1 well in order to re-establish production. Such rework operations, however, are now pending our working interest partners approval. Whether our partners elect to participate or go non-consent in such rework operations, we will advise you should Forest Oil Corporation commence rework operations on the Rainbow-State No. 1 well.

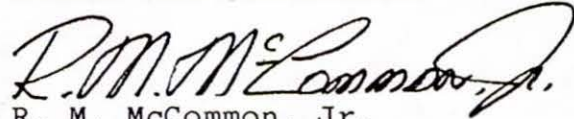


Rainbow-State No. 1 Well  
October 29, 1982  
Page 2

Your cooperation in this matter is appreciated. Should you have any questions or need any additional information, please contact the undersigned.

Very truly yours,

FOREST OIL CORPORATION



R. M. McCommon, Jr.  
Landman

RMM:mh

cc: Mr. Lanvil Gilbert  
The General Land Office  
Austin, Texas

64567

copy: letter from Forest

File Dated 10-29-82

Del. Armstrong, Commissioner

10.30.82

161

# FOREST OIL CORPORATION



*Forest Oil Building · P.O. Box 1916 · Midland, Texas 79702*

November 15, 1982

Re: P2-6723 WT/Loving, Reeves, Ward -  
Mentone  
Forest Oil Corporation  
Rainbow-State No. 1 Well  
FOC L.4211-19 (State Lse. #64567)  
Covering Section 70, Block 33,  
H&TC Ry. Co. Survey, Loving and  
Ward Counties, Texas; and  
FOC L.4211-7 (State Lse. #66110)  
Covering Riverbed Tract No. 8,  
Reeves and Ward Counties, Texas

The Honorable Bob Armstrong  
Commissioner of The General  
Land Office  
1700 N. Congress  
Austin, Texas 78701

Dear Sir:

In accordance with the terms of the captioned Oil and Gas Leases, this is to serve as notice from Forest Oil Corporation to The General Land Office that on November 8, 1982 at 7:00 A.M., Forest Oil Corporation commenced rework operations on the Forest Rainbow-State No. 1 well, located 500' FNWL and 6600' FNEL of Section 70, Block 33, H&TC Ry. Co. Survey, Loving County, Texas. Enclosed for your files is a plat of said premises showing the location of the Forest Rainbow-State No. 1 well.

Should you have any questions or need any additional information please contact the undersigned.

Very truly yours,

FOREST OIL CORPORATION

R. M. McCommon, Jr.  
Landman

RMM:mh  
Enclosure



(BLOCK 1, W & N W. RR. CO)

FOREST OIL

46

53

69

54

FOREST OIL

FOREST OIL

70

FOREST OIL

58

57

FOREST OIL

BLOCK 33, H & T C.

1  
EL PASO-  
STATE  
ROAD

BROOK-STATE

71

500'

LOCATION  
OF FOREST  
RAINBOW-STATE  
No. 1 well

55 56

FOREST OIL

FOREST OIL CORPORATION

320 AC.

320 AC.

72

FOREST OIL

RAINBOW-STATE

10 AC.

FOREST OIL

LOVING  
WARD

PECOS RIVER

I, JOS. W. LUCHINI, CERTIFY  
THAT THIS SURVEY WAS MADE BY  
ME ON THE GROUND AND THAT THIS  
PLAT IS TRUE AND CORRECT.

JULY 30, 1973

LOCATION PLAT

FOREST OIL CORPORATION  
RAINBOW-STATE  
SW/2 SECTION 70 &  
NE/2 SECTION 71  
BLOCK 33, H & T C. RR  
LOVING COUNTY, TEXAS

SCALE: 1" = 2000'

REGISTER'D ENGR.-LIC. L.D.D.

LOVING, TEX.

(69) M-64567

Highway Forest  
5-30-83 RVD

507.1



# FOREST OIL CORPORATION

*Forest Oil Building · P.O. Box 1916 · Midland, Texas 79702*

May 24, 1983

P2-6723 WT/Loving-Reeves-Ward -  
Mentone

Forest Oil Corporation  
Rainbow-State No. 1 Well  
FOC L.4211-9 (State Lse. #64567)   
covering Section 70, Block 33,  
H&TC Ry. Co. Survey, Loving and  
Ward Counties, Texas; and  
FOC L.4211-7 (State Lse. #66110)  
covering Riverbed Tract No. 8,  
Reeves and Ward Counties, Texas

The Honorable Garry Mauro  
Commissioner of The  
General Land Office  
1700 N. Congress  
Austin, Texas 78701

Dear Sir:

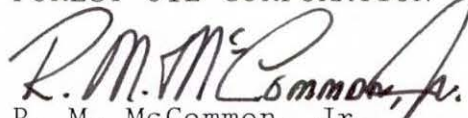
In accordance with the terms and provisions of the captioned Oil and Gas Leases, this is to serve as notice from Forest Oil Corporation to The General Land Office of the following concerning the Forest Oil Corporation Rainbow-State No. 1 Well located 500' FNWL and 660' FNEL of Section 70, Block 33, H&TC Ry. Co. Survey, Loving County, Texas:

- 1) Forest Oil Corporation commenced rework operations on the Rainbow-State No. 1 Well on March 21, 1983 at 8:00 A.M. for the purpose of re-establishing production.
- 2) Production from the Forest Oil Corporation Rainbow-State No. 1 Well was re-established on April 6, 1983 at 7:45 A.M. and since such time production from said well has been continuous.

Should you have any questions concerning the above or need any additional information, please contact me.

Very truly yours,

FOREST OIL CORPORATION

  
R. M. McCommon, Jr.  
Landman

RMM:ms

xc: Mr. Lanvil Gilbert  
The General Land Office  
1700 N. Congress  
Austin, Texas 78701



00000000

Go M-64567.  
St. John Forest  
6-2-83 - R18

101

# FOREST OIL CORPORATION



*Forest Oil Building · P.O. Box 1916 · Midland, Texas 79702*

RECEIVED

MAR 14 1983

GENERAL LAND OFF.

March 9, 1983

Re: P2-6723 WT/Loving, Reeves, Ward -  
Mentone  
Forest Oil Corporation  
Rainbow-State No. 1 Well  
FOC L.4211-9 (State Lse. #64567)  
Covering Section 70, Block 33,  
H&TC Ry. Co. Survey, Loving and  
Ward Counties, Texas; and  
FOC L.4211-7 (State Lse. #66110)  
Covering Riverbed Tract No. 8,  
Reeves and Ward Counties, Texas

The Honorable Garry Mauro  
Commissioner of The General  
Land Office  
1700 N. Congress  
Austin, Texas 78701

Dear Sir:

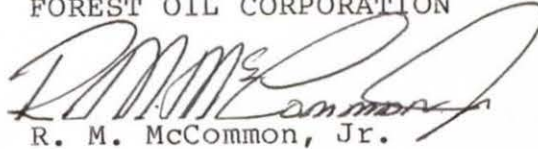
In accordance with the terms and provisions of the captioned Oil and Gas Leases, this is to serve as notice from Forest Oil Corporation to The General Land Office that as a result of our recent workover operation, production from the Forest Oil Corporation Rainbow-State No. 1 well, located 500' FNWL and 6600' FNEL of Section 70, Block 33, H&TC Ry. Co. Survey, Loving County, Texas, was re-established as of 9:15 p.m., February 26, 1983, and production from said well was continuous until 5:00 a.m., February 28, 1983 when at such time production ceased. Forest Oil Corporation, subject to its Management's approval, plans to conduct rework operations on the Rainbow-State No. 1 well in order to re-establish production. We will advise you should Forest commence rework operations on the Rainbow-State No. 1 well.

The Honorable Garry Mauro  
March 9, 1983  
Page 2

Should you have any questions or need any information concerning the above, please contact the undersigned. Your cooperation in this matter is greatly appreciated.

Very truly yours,

FOREST OIL CORPORATION



R. M. McCommon, Jr.  
Landman

RMM:mh

xc: Mr. Lanvil Gilbert  
The General Land Office  
1700 N. Congress  
Austin, Texas 78701



00115

AL F. 64567  
CORRESPONDENCE FILE  
To  
From  
Dated 3-9-83

LMC:s1

TX 8005

EL PASO NATURAL GAS COMPANY  
NATURAL GAS DIVISION ORDERTO: EL PASO NATURAL GAS COMPANY  
c/o MERIDIAN OIL  
801 CHERRY STREET  
FORT WORTH, TEXAS 76102

March 21, 1988

The undersigned, and each of us, certify and guarantee that, as of the date of this order, we are the legal owners in the proportions set out below (or on the schedule attached hereto and made a part hereof) of an interest in the natural gas and components thereof (if the undersigned is a working interest owner), or of an interest in the proceeds of the natural gas and components thereof (if the undersigned is other than a working interest owner) which may be produced and saved (not used for lease operations) from wells now or hereafter completed on the following described land:

650.00 acres out of Section 70 & 71  
Blk 33, H & TC Ry. Co Survey

Loving, Reeves &amp; Ward

COUNTIES  
COUNTRY,

STATE OF Texas

03-01-88

Effective as of ~~date of first production~~ and until further written notice from you or us, you are hereby authorized to take into your pipeline the natural gas and components produced from the above described acreage and make payment therefor as follows, subject to and in accordance with the following conditions:

| CREDIT TO | ADDRESS | DIVISION OF INTEREST |
|-----------|---------|----------------------|
|-----------|---------|----------------------|

See Schedule "A" attached  
hereto and made a part  
hereof.

FIRST - Each of the undersigned agrees that the settlement price hereunder for natural gas and components thereof is the price specified by the effective Gas Purchase Contract applicable to the undersigned's interest. If no Gas Purchase Contract is applicable, the settlement price hereunder for natural gas and components thereof shall be the applicable area rate established from time to time by the Federal Energy Regulatory Commission, or any other governmental body having jurisdiction, for the area for gas and components thereof of like quality and pressure. It is hereby understood and agreed that the settlement price hereunder for natural gas and components thereof shall be the price at the wellhead.

Rainbow State #1  
(Forest Oil Corporation - Operator)

See "Schedule of Leases" attached hereto and made a part hereof.

SECOND - The quantity of natural gas and components thereof produced and saved shall be determined in accordance with the effective Gas Purchase Contract, or if no Gas Purchase Contract is applicable to the undersigned's interest, then by applying the same provisions for measurement and the same method of calculating volumes as is used by El Paso Natural Gas Company in purchasing gas from producers in the same area.

THIRD - Settlement shall be made monthly by mailing or delivering, on or before the last day of each month to the party entitled thereto, a bank check or draft for the amount due for the next preceding month, provided, however, that you are authorized to withhold payment due any individual payee until at least Ten Dollars (\$10.00) has accumulated to the credit of said payee.

FOURTH - In the event of any adverse claim or dispute arising at any time concerning title to said land or to the natural gas and components thereof produced therefrom, or concerning the right to share in the proceeds from the sale of said natural gas and components thereof, you are authorized to withhold, to the extent which you in good faith deem necessary for your protection, the proceeds accruing from purchases hereunder, without interest and without liability (except as a stakeholder), until indemnity satisfactory to you has been furnished or until such dispute or claim has been settled to your satisfaction. Each undersigned party, as to the interest of such party hereunder, respectively agrees, in the event suit is filed in any court affecting title to said natural gas and components thereof or proceeds thereof either before or after severance, to indemnify and save you harmless against any and all liability for loss, cost, damage, and expense which you may suffer or incur on account of receiving and paying said party the proceeds derived from the sale of natural gas and all components thereof.

FIFTH - The undersigned severally agree to notify you of any change of ownership, and no transfer of interest shall be binding upon you until a proper transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfer of interest shall be made effective not earlier than the first day of the calendar month following receipt of such notice by you. You are hereby relieved of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interests, and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to MERIDIAN OIL, 801 Cherry Street, Suite 700, Fort Worth, Texas 76102, when any such money or other payments have been completed or discharged, or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that, in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from, any and all damage or loss which might arise out of any overpayment.

SIXTH - As a matter of accommodation to us, you are hereby authorized to deduct and to pay to the proper taxing authorities, all production and severance taxes required to be paid applicable to the respective interest of the undersigned in the natural gas and components thereof produced from the above described lands.

SEVENTH - This order shall become valid and binding on each owner named above as soon as signed by such owner, regardless of whether or not all the above named owners have so signed.

OWNERS  
(Sign below)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

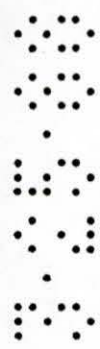
\_\_\_\_\_  
Social Security or Tax ID Number



SCHEDULE OF LEASES  
RAINBOW STATE #1-U

PAGE 1  
DO#: 82090100

| APPLICABLE LEASE   | FILE NUMBER     | LEASE PERCENT<br>OF THE WELL |
|--------------------|-----------------|------------------------------|
| A) TX-64567        | TX-8005         | 49.230769%                   |
| B) TX-66110        | TX-8031         | 1.538462%                    |
| C) GLENN SALISBURY | OWNED BY OTHERS | 49.230769%                   |
|                    | TOTAL           | 100.000000%                  |



MERIDIAN OIL PRODUCTION INC.

EXHIBIT 'A'  
RAINBOW STATE #1-U  
LOVING, TEXAS

PAGE 1  
PID# 2053250A  
DO# 820901-00

\*\*\*\*\*

\* OFFICE USE \*

\* PC OWNER# \* NAME AND ADDRESS

LSE TRT

INTEREST %

ROYALTY INTEREST

|              |                                                                                                                                                                         |        |                      |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------------|
| 1. 1 1000700 | COMMISSIONER OF THE GENERAL<br>LAND OFFICE OF THE STATE OF<br>TEXAS<br>1700 N. CONGRESS AVE<br>STEPHEN F. AUSTIN BLDG.<br>AUSTIN, TX 78701<br>SSN OR TAX ID: [REDACTED] | A<br>B | 2.378725<br>0.074335 |
|              |                                                                                                                                                                         | TOTAL  | 2.453060             |

|              |                                                                                          |   |          |
|--------------|------------------------------------------------------------------------------------------|---|----------|
| 2. 3 5509024 | BARBARA DIGLES<br>2233 GABRIEL DRIVE<br>LAS VEGAS, NV 89109<br>SSN OR TAX ID: [REDACTED] | C | 1.353084 |
|--------------|------------------------------------------------------------------------------------------|---|----------|

\*\*\* ROYALTY INTEREST

TOTAL ---->

3.806144

WORKING INTEREST

|              |                                    |             |                                    |
|--------------|------------------------------------|-------------|------------------------------------|
| 3. 3 5506096 | PAID BY OTHERS<br>SSN OR TAX ID: - | A<br>B<br>C | 38.406094<br>1.200191<br>38.406094 |
|              |                                    | TOTAL       | 78.012379                          |

|              |                                                                                                 |             |                                  |
|--------------|-------------------------------------------------------------------------------------------------|-------------|----------------------------------|
| 4. 1 6000125 | MERIDIAN OIL PRODUCTION INC<br>801 CHERRY ST<br>FT WORTH, TX 76102<br>SSN OR TAX ID: [REDACTED] | A<br>B<br>C | 8.445950<br>0.263936<br>9.471591 |
|              |                                                                                                 | TOTAL       | 18.181477                        |

\*\*\* WORKING INTEREST

TOTAL ---->

96.193856

\*\*\* DIVISION ORDER TOTAL

100.000000

Garry Mauro  
Commissioner  
General Land Office



March 28, 1988

El Paso Natural Gas Company  
c/o Meridian Oil  
801 Cherry Street  
Fort Worth, Texas 76102-6803

ATTENTION: Land Department

RE: State Lease M-64567  
Loving, Reeves & Ward Counties  
650.00 acres out of Section 70 & 71  
Blk 3B, H&TC Ry. Co Survey

To Whom It May Concern:

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

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

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

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

Sincerely,

Jeff Dusenbury, Manager  
Royalty Management & Compliance  
Texas General Land

JD/MH/db

Enclosure  
Copy of Division Order



MF

ITEM

TO

FROM

DATE

64567

Division Ad. &amp; Letter

El Paso Natural Gas Co.

Straight P/O/ER

3-28-88

1

LMC:s1

PLEASE RETURN TO  
LAND DEPARTMENT

EL PASO NATURAL GAS COMPANY  
NATURAL GAS DIVISION ORDER

TO: EL PASO NATURAL GAS COMPANY  
c/o MERIDIAN OIL  
801 CHERRY STREET  
FORT WORTH, TEXAS 76102

March 21, 1988

M - 64566  
M - 64567

The undersigned, and each of us, certify and guarantee that, as of the date of this order, we are the legal owners in the proportions set out below (or on the schedule attached hereto and made a part hereof) of an interest in the natural gas and components thereof (if the undersigned is a working interest owner), or of an interest in the proceeds of the natural gas and components thereof (if the undersigned is other than a working interest owner) which may be produced and saved (not used for lease operations) from wells now or hereafter completed on the following described land:

E/320 acres, out of Section 70,  
Blk 33, H & TC Ry. Co Survey,  
S/197.50 acres out of Section 53,  
S/148.65 acres out of Section 54,  
Blk 1, W & NW Survey  
Containing 666.15 acres, more or less

This well is producing from the Ellenburger formation.

Loving COUNTY,

STATE OF Texas

Effective as of 03-01-88 and until further written notice from you or us, you are hereby authorized to take into your pipeline the natural gas and components produced from the above described acreage and make payment therefor as follows, subject to and in accordance with the following conditions:

| CREDIT TO | ADDRESS | DIVISION OF INTEREST |
|-----------|---------|----------------------|
|-----------|---------|----------------------|

See Schedule "A" attached  
hereto and made a part  
hereof.

FIRST - Each of the undersigned agrees that the settlement price hereunder for natural gas and components thereof is the price specified by the effective Gas Purchase Contract applicable to the undersigned's interest. If no Gas Purchase Contract is applicable, the settlement price hereunder for natural gas and components thereof shall be the applicable area rate established from time to time by the Federal Energy Regulatory Commission, or any other governmental body having jurisdiction, for the area for gas and components thereof of like quality and pressure. It is hereby understood and agreed that the settlement price hereunder for natural gas and components thereof shall be the price at the wellhead.

Brook State #1  
(Forest Oil Corporation - Operator)

See "Schedule of Leases" attached hereto and made a part hereof.

SCHEDULE OF LEASES  
BROOK STATE #1

PAGE 1  
DO#: 8209030

| APPLICABLE LEASE | FILE NUMBER     | LEASE PERCENT<br>OF THE WELL |
|------------------|-----------------|------------------------------|
| A) TX-64567      | TX-8005         | 48.037229%                   |
| B) TX-64566      | TX-8004         | 22.314794%                   |
| C) VARIOUS       | OWNED BY OTHERS | 29.647977%                   |
|                  | TOTAL           | 100.000000%                  |



EXHIBIT  
BROOK STATION  
LOVING, TEXASPAGE 1  
PID# 2052896A  
DD# 820903-00

\*\*\*\*\*

\* OFFICE USE \*

\* PC OWNER# \*

\* NAME AND ADDRESS

LSE TRT

INTEREST %

## ROYALTY INTEREST

| 1.           | 2.                                                                                                                                                                      | 3.              | 4.                               | 5. | 6. | 7. |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------|----|----|----|
| 1. 1 1000700 | COMMISSIONER OF THE GENERAL<br>LAND OFFICE OF THE STATE OF<br>TEXAS<br>1700 N. CONGRESS AVE<br>STEPHEN F. AUSTIN BLDG.<br>AUSTIN, TX 78701<br>SSN OR TAX ID: [REDACTED] | A<br>B<br>TOTAL | 2.321057<br>1.078204<br>3.399261 |    |    |    |
| 2. 3 5505823 | M MCDONNOLD JR<br>505 N BIG SPRING<br>204 ENERGY SQUARE<br>MIDLAND, TX 79701<br>SSN OR TAX ID: [REDACTED]                                                               | C               | 0.014324                         |    |    |    |
| 3. 3 5525420 | HASSIE MAE ANDERSON<br>3108 KERBEY LANE<br>AUSTIN, TX 78703<br>SSN OR TAX ID: [REDACTED]                                                                                | C               | 0.009549                         |    |    |    |
| 4. 3 5525421 | ANNA GAMMEL BLANKENBECKLER<br>247 STARBOARD<br>ROCKPORT, TX 78382<br>SSN OR TAX ID: [REDACTED]                                                                          | C               | 0.009549                         |    |    |    |
| 5. 3 5525422 | CARLETTA G BROWN<br>2412 BIRKDALE<br>KERRVILLE, TX 78028<br>SSN OR TAX ID: [REDACTED]                                                                                   | C               | 0.047038                         |    |    |    |
| 6. 3 5525423 | ELLA U DINKINS<br>315 SOUTH LAKE DRIVE<br>PALM BEACH, FL 33480<br>SSN OR TAX ID: [REDACTED]                                                                             | C               | 0.015279                         |    |    |    |
| 7. 3 5525424 | MARY ROSS GRAHAM<br>2701 REVERE #235<br>HOUSTON, TX 77098<br>SSN OR TAX ID: [REDACTED]                                                                                  | C               | 0.033953                         |    |    |    |

\*\*\*\*\*

\* OFFICE USE \*

\* \* \*

\* PC OWNER \* \*

NAME AND ADDRESS

LSE TRT

INTEREST %

ROYALTY INTEREST

|               |                                                                                                                 |   |          |
|---------------|-----------------------------------------------------------------------------------------------------------------|---|----------|
| 8. 3 5525425  | MORRIS GYDESON<br>BOX 139 ROUTE 3<br>HEMPSTEAD, TX 77445<br>SSN OR TAX ID: [REDACTED]                           | C | 0.094077 |
| 9. 3 5525426  | MARY LILLIAN HAIGHT<br>155 EAST 82ND STREET<br>NEW YORK, NY 10028<br>SSN OR TAX ID: [REDACTED]                  | C | 0.022069 |
| 10. 3 5525427 | LOS ALAMOS NATIONAL BANK<br>A/C ELSIE G HALL<br>P O BOX 60<br>LOS ALAMOS, NM 87544<br>SSN OR TAX ID: [REDACTED] | C | 0.009549 |
| 11. 3 5525428 | GRETCHEN U HILL<br>481 OLD LONG RIDGE ROAD<br>STAMFORD, CT 06903<br>SSN OR TAX ID: [REDACTED]                   | C | 0.015279 |
| 12. 3 5525429 | DOROTHY LOCHRIDGE HILL<br>700 JONQUIL<br>MCALLEN, TX 78501<br>SSN OR TAX ID: [REDACTED]                         | C | 0.135810 |
| 13. 3 5525430 | BEN LEWIS<br>107 WEST SHORE DRIVE<br>RICHARDSON, TX 75080<br>SSN OR TAX ID: [REDACTED]                          | C | 0.000943 |
| 14. 3 5525431 | LLOYD P LOCHRIDGE JR TRUSTEE<br>P O BOX 63<br>AUSTIN, TX 78767<br>SSN OR TAX ID: [REDACTED]                     | C | 0.135810 |
| 15. 3 5525432 | SUE NAHKUNST<br>519 SUMMIT DRIVE<br>RICHARDSON, TX 75081<br>SSN OR TAX ID: [REDACTED]                           | C | 0.003772 |

\*\*\*\*\*  
\* OFFICE USE \*

\* PC OWNER# \* NAME AND ADDRESS LSE TRT INTEREST %

ROYALTY INTEREST

|               |                                                                                                                                                  |   |          |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---|----------|
| 16. 3 5525433 | VIRGINIA U PROUT<br>20A TURTLE CREEK<br>TEQUESTA, FL 33458<br>SSN OR TAX ID: [REDACTED]                                                          | C | 0.015279 |
| 17. 3 5525434 | JAMES B ROSS<br>307 NORTH MARSHALL STREET<br>HENDERSON, TX 75652<br>SSN OR TAX ID: [REDACTED]                                                    | C | 0.031123 |
| 18. 3 5525435 | LINDA LLOYD BYRD SEELY<br>1722 SOUTH GESSNER<br>HOUSTON, TX 77063<br>SSN OR TAX ID: [REDACTED]                                                   | C | 0.094077 |
| 19. 3 5525436 | GRETCHEN STACY<br>#36 ANTELOPE TRAIL<br>KERVILLE, TX 78028<br>SSN OR TAX ID: [REDACTED]                                                          | C | 0.047038 |
| 20. 3 5525437 | CHARLES C WHITENER<br>9729 BUXHILL STREET<br>DALLAS, TX 75238<br>SSN OR TAX ID: [REDACTED]                                                       | C | 0.000943 |
| 21. 3 5525438 | JAMES ROSS TRUSTEE<br>307 NORTH MARSHALL STREET<br>HENDERSON, TX 75652<br>SSN OR TAX ID: [REDACTED]                                              | C | 0.031123 |
| 22. 3 5525439 | BRUCE R CARTER JR ESTATE<br>HELEN LOUISE CARTER INDEPEN<br>DENT EXECUTRIX<br>806 OLD LAKE ROAD<br>HOUSTON, TX 77057<br>SSN OR TAX ID: [REDACTED] | C | 0.033953 |
| 23. 3 5628247 | FOREST OIL CORPORATION<br>950 17TH STREET<br>1500 COLORADO NATL BLDG<br>DENVER, CO 80202<br>SSN OR TAX ID: [REDACTED]                            | C | 0.014324 |



\*\*\*\*\*

\* OFFICE USE \*

\* \* \*

| PC OWNER# | NAME AND ADDRESS | LSE | TRT | INTEREST % |
|-----------|------------------|-----|-----|------------|
|-----------|------------------|-----|-----|------------|

-----  
 ROYALTY INTEREST  
 -----

|                      |             |          |
|----------------------|-------------|----------|
| *** ROYALTY INTEREST | TOTAL ----> | 4.214122 |
|----------------------|-------------|----------|

-----  
 WORKING INTEREST  
 -----

|               |                  |       |           |
|---------------|------------------|-------|-----------|
| 24. 3 5506096 | PAID BY OTHERS   | A     | 37.474984 |
|               |                  | B     | 17.408301 |
|               | SSN OR TAX ID: - | C     | 23.129092 |
|               |                  | TOTAL | 78.012377 |

|               |                             |       |           |
|---------------|-----------------------------|-------|-----------|
| 25. 1 6000125 | MERIDIAN OIL PRODUCTION INC | A     | 8.241188  |
|               | 801 CHERRY ST               | B     | 3.828289  |
|               | FT WORTH, TX 76102          | C     | 5.704024  |
|               | SSN OR TAX ID: [REDACTED]   | TOTAL | 17.773501 |

|                      |             |           |
|----------------------|-------------|-----------|
| *** WORKING INTEREST | TOTAL ----> | 95.785878 |
|----------------------|-------------|-----------|

|                                  |  |            |
|----------------------------------|--|------------|
| **** DIVISION ORDER TOTAL -----> |  | 100.000000 |
|----------------------------------|--|------------|

Garry Mauro  
Commissioner  
General Land Office



April 27, 1988

El Paso Natural Gas Company  
c/o Meridian Oil  
801 Cherry Street  
Fort Worth, TX 76102-6801

Re: Loving County - E/320 acres, out of Section 70, Blk 33, H & TC Ry. Co Survey, S/197.50 acres out of Section 53, S/148.65 acres out of Section 54, Blk 1, W & NW Survey. Containing 666.15 acres, more or less. This well is producing from the Ellenburger formation.

TO WHOMEVER IT MAY CONCERN:

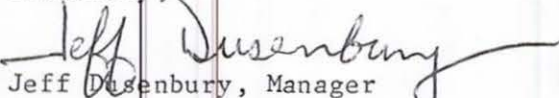
This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

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

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

Should you have any questions, please call Joe King at 512/463-5042.

Sincerely,

  
Jeff Dusenbury, Manager  
Royalty Management & Compliance

JD/JK/krl

Enclosure

(74)

64567

MF  
ITEM  
TO  
FROM  
DATE

Division Order & Letter  
El Paso Natural Gas Co.  
Bright 6-10/ER  
4-28-88



UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

• Print your name, address, and ZIP Code in this box •

**General Land Office**  
**1700 Congress Avenue** #600  
**Austin, Texas 78701**

May M-64567



**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "*Return Receipt Requested*" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address  
 2. ☐ Restricted Delivery

Consult postmaster for fee.

**3. Article Addressed to:**

Forest Oil  
 1600 Broadway #2200  
 Denver CO 80202

**4a. Article Number**

P622212048

**4b. Service Type**

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☐ Return Receipt for Merchandise ☐ COD

**7. Date of Delivery**

FEB 17 1999

**5. Received By: (Print Name)**

J. CARNAHAN

**6. Signature: (Addressee or Agent)**

X

J. Carnahan

**8. Addressee's Address (Only if requested and fee is paid)**

**Texas General  
Land Office**



**David Dewhurst  
Commissioner**

Certified Mail No. PL622212048  
Return Receipt Requested

February 8, 1999

FOREST OIL CORP.  
1600 BROADWAY  
SUITE 2200  
DENVER, CO 80202

RE: Notice of Underpayment on State Lease M-64567

Dear Sir or Madam:

The Royalty Management Division of the Texas General Land Office has completed a limited review of the above referenced lease operated by Forest Oil Corp. Through this review, it was determined that \$12,980.37 has been underpaid to the State for the reporting periods September 1989 through August 1993. This amount comprises \$5948.56 in additional royalty, \$594.86 in penalty and \$6436.95 in interest, which has been computed through March 5, 1999, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- ° A brief summary of our review (Attachment I);
- ° Schedule supporting our royalty, penalty and interest calculations (Attachment II);
- ° Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. We will prepare the GLO-2 Reports for correction of the delinquent amounts reflected in this notice. In order to ensure proper credit, your payment should be mailed along with a copy of this letter.

Stephen F. Austin Building

1700 North  
Congress Avenue

Austin, Texas  
78701-1495

512-463-5001



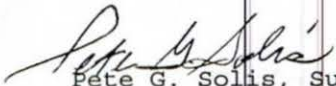
Forest Oil Corp.  
February 8, 1999

Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by Forest Oil Corp. or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Mike May at (512) 463-5379.

Sincerely,



Pete G. Solis, Supervisor  
Royalty Management/Energy Resources

Enclosures  
Attachments

ATTACHMENT I

REVIEW SUMMARY

State Lease M-64567

We have reviewed our records for the period of September 1989 through August 1993, to determine whether or not royalty for Gas Production, etc., has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that gas royalties were not paid as indicated on the attached schedules.

Therefore, we have concluded that additional royalty revenue is due in the following amount.

| Royalty     | Penalty    | Interest    | Total       |
|-------------|------------|-------------|-------------|
| \$28,249.08 | \$2,824.90 | \$30,585.81 | \$61,659.79 |

(See Attachment II for supporting calculations)

ATTACHMENT III

**SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES  
FOR DELINQUENT ROYALTIES AND DELINQUENT  
REQUIRED REPORTS OR DOCUMENTS**

|                                                                                                     | <b>DUE BEFORE 10-1-75<br/>(Production Prior to 8-1-75)</b>                  | <b>DUE AFTER 10-1-75 AND<br/>BEFORE 9-1-85<br/>(Production 8-1-75 thru 6-30-85)</b> | <b>DUE AFTER 9-1-85<br/>(Production 7-1-85 Forward)</b>                                     |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <u><b>PENALTY (3)</b></u> <ul style="list-style-type: none"><li>For delinquent royalty</li></ul>    | NONE                                                                        | The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency    | For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00 |
| <ul style="list-style-type: none"><li>For delinquent report, affidavit, or other document</li></ul> | NONE                                                                        | \$5.00 per document for each 30-day period of delinquency                           | \$10.00 per document for each 30-day period of delinquency                                  |
| <u><b>INTEREST</b></u> <ul style="list-style-type: none"><li>For delinquent royalty</li></ul>       | 6% per year, compounded annually; accrual begins 30 days after due date (1) | 6% per year, compounded annually; accrual begins 30 days after due date (1)         | 12% per year, simple; accrual begins 60 days after due date (2)                             |

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent. The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

November 08, 1994

H:\users\psolis\winword\billing ltrs\pen&int.doc



FOREST OIL CORP.  
STATE LEASE M-064567  
RAINBOW STATE 1 LEASE  
VERMEJO FIELD  
LOVING COUNTY, TEXAS  
RRC GAS WELL #08-57786  
STATE'S ROYALTY DECIMAL

0.1667

ATTACHMENT II

AUDITOR: MM  
FILE: H:/USERS/MMAY/64567-G.XLS  
02/05/99

PENALTY/  
INTEREST DATE:  
03/05/99

|                | (1)    | (2)   | (3)   | (4)                               | (5)                               | (6)                    | (7)                   | (8)                    | (9)                             |
|----------------|--------|-------|-------|-----------------------------------|-----------------------------------|------------------------|-----------------------|------------------------|---------------------------------|
| MONTH/<br>YEAR | VOLUME | PRICE | BTU   | GROSS<br>VALUE<br>(1) X (2) x (3) | ROYALTY<br>DUE<br>(4) X (.166667) | NUMBER OF<br>DAYS LATE | PENALTY<br>DUE<br>(C) | INTEREST<br>DUE<br>(C) | TOTAL<br>DUE<br>(5) + (7) + (8) |
|                | (A)    | (B)   | (B)   |                                   |                                   |                        | (C)                   | (C)                    |                                 |
| Oct-89         | 13,966 | 1.24  | 0.957 | 16,573.17                         | 2,762.20                          | 3367                   | 276.22                | 3,004.06               | 6,042.48                        |
| Nov-89         | 16,077 | 1.24  | 0.959 | 19,118.13                         | 3,186.36                          | 3336                   | 318.64                | 3,432.89               | 6,937.89                        |
| TOTALS         | 30,043 |       |       | \$35,691.30                       | \$5,948.56                        |                        | \$594.86              | \$6,436.95             | \$12,980.37                     |

COMMENTS:

- (A) DISPOSITION VOLUMES OBTAINED FROM GLO-2 REPORTS
- (B) PRICE AND BTU OBTAINED FROM GLO-2 REPORTS
- (C) SEE ATTACHMENT III "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES",  
FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.



# FOREST OIL CORPORATION

RECEIVED  
1600 Broadway • Suite 2200  
Denver, Colorado 80202 (303) 812-1400

EX-111 April 22, 1999

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

RE: Notice of Underpayment on State Lease M-64566 & M-64567

Dear Pete G. Solis:

After reviewing the two letters received 2/17/99 & 2/24/99 regarding underpayment of M-64566 & M-64567, Forest Oil Corporation has found the following. Forest Oil Corporation did not underpay royalties for M-64566 & M-64567. For October and November 1989, Texas General Land Office was take-in-kind on M-64566 & M-64567, until November 1, 1997. Please review attached documentation. Thank you.

Sincerely,

Suezet Johnson  
Revenue Staff Accountant

5500

M.I. 064527 (12)  
Correspondence File  
To Forest Oil  
From ( )  
Dated 4/22/58



Texas General  
Land Office



David Dewhurst  
Commissioner

May 3, 1999

FORREST OIL CORPORATION  
MR. DENNIS SaBELL  
1600 BROADWAY  
SUITE 2200  
DENVER, CO 80202

RE: Billing Notices on State Leases M-064566, M-064567, M-064568

Dear Mr. SaBell:

We have reviewed your responses to the above mentioned billing notices and agree with your findings. Royalties are not due and no further action will be taken regarding these audits. Your cooperation in supplying the proper documentation is appreciated.

A copy of this letter will be placed in the appropriate files along with your responses. If you have any questions please call Mike May at 512-463-5379.

Sincerely,

Pete G. Solis, Supervisor  
Accounts Examiner  
Royalty Management/Energy Resources

PS/mm

Stephen F. Austin Building

1700 North  
Congress Avenue

Austin, Texas  
78701-1495

512-463-5001

72

M.I. 064527

Correspondence File

TO Forrest - Oil

FROM

Dated 5/3/59

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 25, 2004

Forest Oil Corp  
1600 Broadway, Suite 2200  
Denver, Co 80202-9365

Re: State Lease MF064567  
Rainbow State #4  
267023.301

The General Land Office has received and filed the division order submitted for the above-referenced state lease. Please be advised that the payment of royalties attributable to state-owned mineral interests is set by statute. As the execution of division orders may, in some cases, affect the manner in which such payments are paid or calculated, it is the policy of this office not to execute them.

Subject to applicable state law and the state's right to take its production in-kind, the General Land Office acquiesces to the sale of oil and gas under the terms and conditions set out in the oil and gas lease. If you should have questions concerning this matter, please feel free to call me at (512) 463-6521.

Sincerely,

Beverly Boyd, Lease Analyst  
Mineral Leasing Division

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)





DIVISION ORDER

MF064567  
Unit 968

TO: **FOREST OIL CORPORATION**  
**1600 Broadway, Suite 2200**  
**Denver, Colorado 80202**

Property No. **267023.301**

Date: June 21, 2004

The undersigned hereby certifies the ownership of their decimal interest in production or proceeds as described below payable by Forest Oil Corporation (FOC) in the proportions hereinafter stated, in all production from the **RAINBOW STATE #4**, located in the County of Loving, State of Texas, described as follows (the "Lands"):

SECTION 70, BLOCK 33, H&TC RY CO SURVEY

Effective FIRST SALES and until further written notice, FOC is hereby authorized to make payment of and/or give credit for all proceeds derived therefrom as follows:

| Owner No. | Credit To                                              | Decimal Interest |
|-----------|--------------------------------------------------------|------------------|
|           | See 'Exhibit A' attached hereto and made a part hereof |                  |

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

FOC is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse FOC any amount attributable to an interest to which the undersigned is not entitled.

FOC may accrue proceeds until the total amount equals one hundred dollars, or pay twice each year, in May and November, whichever occurs first, or as required by applicable state statute.

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

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

The Owners expressly waive any claim against FOC for any and all amounts owed to the Owners from any third party for Oil or Gas produced from the Lands prior to the effective date hereof.

Owner(s) Signature \_\_\_\_\_  
Owner(s) Tax ID # \_\_\_\_\_  
Owner's Address \_\_\_\_\_  
Owner's Telephone # \_\_\_\_\_ Owner's FAX # \_\_\_\_\_

Federal Law requires you to furnish your Social Security or Taxpayer Identification Number.  
Failure to comply will result in 31% tax withholding and will not be refundable by Payor.

KMS

**PLEASE KEEP THIS COPY FOR YOUR RECORDS**

Unit 968

Exhibit A

267023.301 - RAINBOW STATE #4

| Owner No. | Credit To                                                                         | Type | Interest                   |
|-----------|-----------------------------------------------------------------------------------|------|----------------------------|
| 101978    | COMMISSIONER OF GENERAL<br>LAND OFFICE<br>1700 N CONGRESS AVE<br>AUSTIN, TX 78701 | RI   | 0.16666667<< Your Interest |

267023.301

000000

File No.

W-064567

79.

Division Order

Date Filed:

6/25/04

Jerry E. Patterson, Commissioner

By







# Texas General Land Office

## Reconciliation Billing

PO Box 12873  
Austin, TX 78711-2873  
(800) 998-4456  
7:30 - 5:30 M-F

Jerry Patterson, Commissioner

**FILE COPY**

SANDRIDGE EXPLORATION AND PRODUCTION LLC  
123 ROBERT S KERR AVENUE  
OKLAHOMA CITY, OK 73102 6406

Billing Date: 4/12/2011  
**Billing Due Date: 5/12/2011**  
Customer Number: C000043941

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty    | Interest | Total Due          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 11I00744  | MF064567     | \$0.00      | \$39.39     | \$50.00    | \$15.10  | \$104.49           |
| 11I00745  | MF064567     | \$22,104.30 | \$0.00      | \$2,210.42 | \$319.10 | \$24,633.82        |
| 11I00746  | MF064567     | \$3,928.36  | \$0.00      | \$427.64   | \$143.38 | \$4,499.38         |
| Total Due |              | \$26,032.66 | \$39.39     | \$2,688.06 | \$477.58 | <b>\$29,237.69</b> |

Penalty and interest have been calculated thru 4/30/2011. Payment remitted after 4/30/2011 will result in additional penalty and interest charges.

Contact Info: Shirley Chou (512) 463-5408 or shirley.chou@glo.state.tx.us

### NOTICE

The new Land Office Royalty Reporting System is set to 'Go Live' on May 20, 2011 and will work with the April 2011 Production Year Month reporting time period.

Please visit <http://www.glo.texas.gov> for up-to-date information needed to be prepared for the 'Go Live' date. If you have any questions, call (512) 463-6850 or e-mail us at [glo123@glo.texas.gov](mailto:glo123@glo.texas.gov). Thank you.

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

**SANDRIDGE EXPLORATION AND PRODUCTION LLC**

Billing Date: 4/12/2011

Billing Due Date: 5/12/2011

**Customer Number: C000043941**

**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          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 11I00744  | MF064567     | \$0.00      | \$39.39     | \$50.00    | \$15.10  | \$104.49           |
| 11I00745  | MF064567     | \$22,104.30 | \$0.00      | \$2,210.42 | \$319.10 | \$24,633.82        |
| 11I00746  | MF064567     | \$3,928.36  | \$0.00      | \$427.64   | \$143.38 | \$4,499.38         |
| Total Due |              | \$26,032.66 | \$39.39     | \$2,688.06 | \$477.58 | <b>\$29,237.69</b> |
| Amt. Paid |              |             |             |            |          |                    |

Customer ID: C000043941

Invoice Number:

Glo Lease: MF064567

GLO Review: SANDRIDGE EXPLORATION AND PRODUCTION LLC

Review Period: JUNE 2007 THROUGH APRIL 2008

Auditor/AE: schou

Billing Date: 4/11/2011

P&I Calculation Date: 4/30/2011

Royalty Rate: 16.67%

| (1)<br>Month / Year | (2)<br>Oil Volume | (3)<br>Tract<br>Participation<br>Rate | (4)<br>Price  | (5)<br>Gross Value | (6)<br>Royalty Due | (7)<br>Royalty Paid | (8)<br>Additional<br>Royalty Due | (9)<br>Number of<br>Days Late | (10)<br>Penalty<br>From Additional<br>Royalty | (11)<br>Interest<br>From Additional<br>Royalty | (12)<br>Revenue Due |
|---------------------|-------------------|---------------------------------------|---------------|--------------------|--------------------|---------------------|----------------------------------|-------------------------------|-----------------------------------------------|------------------------------------------------|---------------------|
| (A)                 | (A)*.4803         | (B)                                   | (2)x(3)       | (4) * Royalty Rate |                    |                     |                                  |                               | (C)                                           | (C)                                            | (7)+(9)+(10)        |
| Jun-07              | 4.00              | 2                                     | \$ 67.020000  | \$128.76           | \$21.46            | \$0.00              | \$21.46                          | 1364                          | \$25.00                                       | \$9.21                                         | \$55.67             |
| Apr-08              | 2.00              | 1                                     | \$ 112.000000 | \$107.59           | \$17.93            | \$0.00              | \$17.93                          | 1059                          | \$25.00                                       | \$5.89                                         | \$48.82             |
| TOTALS              | 6.00              |                                       |               | \$236.35           | \$39.39            | \$0.00              | \$39.39                          |                               | \$50.00                                       | \$15.10                                        | \$104.49            |

COMMENTS: (A) VOLUME - REPRESENTS SKIM OIL VOLUME FROM RRC 08-059221 ( BROOK STATE UNIT 966).

(B) PRICE- OBTAINED FROM THE NYMEX PRICE LIST DUE TO NO GLO-1E PRODUCTION REPORT RECEIVED.

(C) SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

NOTE 1 : PAYMENT OF THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY ROYALTY PAYMENTS, THE PAYMENT CAN BE SUBMITTED BY A HAND CHECK OR A WIRE, DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

NOTE 2: NEED TO FILE THE AMENDED GLO-1E PRODUCTION REPORTS.

ATTENTION: MELODIE MOSS

CERTIFIED MAIL: 70070710000053806248



Customer ID: C000043941

Invoice Number:

Glo Lease: MF064567

GLO Review: SANDRIDGE EXPLORATION AND PRODUCTION LLC

Review Period: FEB 2010 THROUGH SEP 2010

Auditor/AE: schou

Billing Date: 4/11/2011

P&I Calculation Date: 4/30/2011

Royalty Rate: 16.67%

|              | (1)        | (2)                      | (3)         | (4)      | (5)         | (6)                | (7)          | (8)                    | (9)                 | (10)                            | (11)                             |               |
|--------------|------------|--------------------------|-------------|----------|-------------|--------------------|--------------|------------------------|---------------------|---------------------------------|----------------------------------|---------------|
| Month / Year | Gas Volume | Tract Participation Rate | Price       | BTU      | Gross Value | Royalty Due        | Royalty Paid | Additional Royalty Due | Number of Days Late | Penalty From Additional Royalty | Interest From Additional Royalty | Revenue Due   |
|              | (A)        | (A)*.4923                | (B)         | (B)      | (2)x(3)x(4) | (5) * Royalty Rate |              |                        |                     | (C)                             | (C)                              | (8)+(10)+(11) |
| Feb-10       | 18981      | 9344                     | \$ 2.438679 | 1.000000 | \$22,787.86 | \$3,797.98         | \$21.54      | \$3,776.44             | 380                 | \$377.64                        | \$141.15                         | \$4,295.23    |
| Aug-10       | 454        | 224                      | \$ 4.610900 | 1.000000 | \$1,030.56  | \$171.76           | \$79.00      | \$92.76                | 197                 | \$25.00                         | \$1.49                           | \$119.25      |
| Sep-10       | 421        | 207                      | \$ 3.404850 | 1.000000 | \$705.68    | \$117.61           | \$58.45      | \$59.16                | 166                 | \$25.00                         | \$0.74                           | \$84.90       |
| TOTALS       | 19856      |                          |             |          | \$24,524.10 | \$4,087.35         | \$158.99     | \$3,928.36             |                     | \$427.64                        | \$143.38                         | \$4,499.38    |

COMMENTS: (A) VOLUME - REPRESENTS TRANSMISSION LINE VOLUME FROM RRC 08-205027( RAINBOW STATE, UNIT 968).

(B) PRICE, BTU - OBTAINED FROM THE GLO-2E PRODUCTION REPORT.

(C) SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

NOTE 1 : PAYMENT OF THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY ROYALTY PAYMENTS, THE PAYMENT CAN BE SUBMITTED BY A HAND CHECK OR A WIRE, DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

NOTE 2: NEED TO FILE THE AMENDED GLO-2E PRODUCTION REPORTS.

ATTENTION: MELODIE MOSS

CERTIFIED MAIL: 70070710000053806248



Customer ID: C000043941

Invoice Number:

Glo Lease: MF064567

GLO Review: SANDRIDGE EXPLORATION AND PRODUCTION LLC

Review Period: JUNE 2010 THROUGH NOV 2010

Auditor/AE: schou

Billing Date: 4/11/2011

P&I Calculation Date: 4/30/2011

Royalty Rate: 16.67%

| Month / Year | (1)<br>Gas Volume | (2)<br>Tract<br>Participation<br>Rate | (3)<br>Price | (4)<br>BTU | (5)<br>Gross Value | (6)<br>Royalty Due | (7)<br>Royalty Paid | (8)<br>Additional<br>Royalty Due | (9)<br>Number of<br>Days Late | (10)<br>Penalty<br>From Additional<br>Royalty | (11)<br>Interest<br>From Additional<br>Royalty | Revenue Due   |
|--------------|-------------------|---------------------------------------|--------------|------------|--------------------|--------------------|---------------------|----------------------------------|-------------------------------|-----------------------------------------------|------------------------------------------------|---------------|
|              | (A)               | (A)*.4803                             | (B)          | (B)        | (2)x(3)x(4)        | (5) * Royalty Rate |                     |                                  |                               | (C)                                           | (C)                                            | (8)+(10)+(11) |
| Jun-10       | 34673             | 16653                                 | \$ 4.279806  | 1.000000   | \$71,273.50        | \$11,878.94        | \$8,131.02          | \$3,747.92                       | 258                           | \$374.79                                      | \$86.84                                        | \$4,209.55    |
| Aug-10       | 31882             | 15313                                 | \$ 7.201381  | 1.000000   | \$110,274.20       | \$18,379.07        | \$7,387.43          | \$10,991.64                      | 197                           | \$1,099.16                                    | \$176.62                                       | \$12,267.42   |
| Oct-10       | 24516             | 11775                                 | \$ 4.789179  | 1.000000   | \$56,392.75        | \$9,398.81         | \$4,912.91          | \$4,485.90                       | 136                           | \$448.59                                      | \$40.22                                        | \$4,974.71    |
| Nov-10       | 21923             | 10530                                 | \$ 3.918899  | 1.000000   | \$41,264.51        | \$6,877.43         | \$3,998.59          | \$2,878.84                       | 105                           | \$287.88                                      | \$15.42                                        | \$3,182.14    |
| TOTALS       | 112994            |                                       |              |            | \$279,204.96       | \$46,534.25        | \$24,429.95         | \$22,104.30                      |                               | \$2,210.42                                    | \$319.10                                       | \$24,633.82   |

COMMENTS: (A) VOLUME - REPRESENTS TRANSMISSION LINE VOLUME FROM RRC 08-059221,216649 ( BROOK STATE , UNIT 966).

(B) PRICE, BTU - OBTAINED FROM THE GLO-2E PRODUCTION REPORT.

(C) SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

NOTE 1 : PAYMENT OF THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY ROYALTY PAYMENTS, THE PAYMENT CAN BE SUBMITTED BY A HAND CHECK OR A WIRE, DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

NOTE 2: NEED TO FILE THE AMENDED GLO-2E PRODUCTION REPORTS.

ATTENTION: MELODIE MOSS

CERTIFIED MAIL: 70070710000053806248

80

File No. MF- 064567

Reconciliation Ctr

Date Filed: 4/12/11

Jerry E. Patterson, Commissioner

By Mar

**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

MF 064567

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                         |                                                                                                                                                                                            |                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| PERMIT NUMBER<br>713978                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | DATE PERMIT ISSUED OR AMENDED<br>(AMENDED) Sep 07, 2011 | DISTRICT<br>* 08                                                                                                                                                                           |                                |
| API NUMBER<br>42-301-31588                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | FORM W-1 RECEIVED<br>Sep 02, 2011                       | COUNTY<br>LOVING                                                                                                                                                                           |                                |
| TYPE OF OPERATION<br>NEW DRILL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | WELLBORE PROFILE(S)<br>Horizontal                       | ACRES<br>640                                                                                                                                                                               |                                |
| OPERATOR<br>ENERGEN RESOURCES CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         | 252002                                                                                                                                                                                     |                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                         | NOTICE<br>This permit and any allowable assigned may be<br>revoked if payment for fee(s) submitted to the<br>Commission is not honored.<br>District Office Telephone No:<br>(432) 684-5581 |                                |
| LEASE NAME<br>RAINBOW STATE 33-70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | WELL NUMBER<br>1                                        |                                                                                                                                                                                            |                                |
| LOCATION<br>5.3 miles SE direction from MENTONE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | TOTAL DEPTH<br>11500                                    |                                                                                                                                                                                            |                                |
| Section, Block and/or Survey<br>SECTION ◀ 70                      BLOCK ◀ 33                      ABSTRACT ◀<br>SURVEY ◀ H&TC RR CO                                                                                                                                                                                                                                                                                                                                                                                                     |                                                         |                                                                                                                                                                                            |                                |
| DISTANCE TO SURVEY LINES<br>567 ft. NW    400 ft. NE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                         | DISTANCE TO NEAREST LEASE LINE<br>567 ft.                                                                                                                                                  |                                |
| DISTANCE TO LEASE LINES<br>567 ft. NW    400 ft. NE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                         | DISTANCE TO NEAREST WELL ON LEASE<br>See FIELD(s) Below                                                                                                                                    |                                |
| FIELD(s) and LIMITATIONS:<br>* SEE FIELD DISTRICT FOR REPORTING PURPOSES *                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                         |                                                                                                                                                                                            |                                |
| FIELD NAME<br>LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ACRES<br>NEAREST LEASE                                  | DEPTH<br>NEAREST LEASE                                                                                                                                                                     | WELL #<br>NEAREST WE      DIST |
| TWO GEORGES (BONE SPRING)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 640.00                                                  | 11,000                                                                                                                                                                                     | 1      08                      |
| RAINBOW STATE 33-70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 567                                                     |                                                                                                                                                                                            | 0                              |
| WELLBORE PROFILE(s) FOR FIELD: Horizontal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                         |                                                                                                                                                                                            |                                |
| RESTRICTIONS: Lateral: TH1<br>Penetration Point Location<br>Lease Lines:            567.0 F NW L<br>1100.0 F NE L<br>Terminus Location<br>BH County: LOVING<br>Section: 70              Block: 33              Abstract:<br>Survey: H&TC RR CO<br>Lease Lines:            5527.0 F NE L<br>567.0 F NW L<br>Survey Lines:        5527.0 F NE L<br>567.0 F NW L                                                                                                                                                                           |                                                         |                                                                                                                                                                                            |                                |
| THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS<br>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. |                                                         |                                                                                                                                                                                            |                                |



MF 064567

Groundwater  
Advisory Unit

## GROUNDWATER PROTECTION DETERMINATION

Date September 20, 2011GAU File No.: SC- 2559API Number 30131588RRC Lease No. 000000Attention: TRACE J CHERRY

SC\_252002\_30131588\_000000\_2559.pdf

--Measured--

567 ft FNWL

400 ft FNEL

MRL:SECTION

ENERGEN RESOURCES CORP  
3300 N -A-  
BLDG 4 STE 100  
MIDLAND TX 79705

P-5# 252002

Digital Map Location:

X-coord/Long 103.52275Y-coord/Lat 31.66600Datum 27 Zone County LOVINGLease & Well No. RAINBOW STATE 33-70 #1Purpose NDLocation SUR-H&TC, BLK-33, SEC-70, --[TD=11500], [RRC 8], [PSC#2512]

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

Water-bearing strata from the land surface to a depth of 350 feet and the RUSTLER, which is estimated to occur from 500 to 1000 feet must be protected.

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

If you have any questions, please contact us at 512-463-2741, [gau@rrc.state.tx.us](mailto:gau@rrc.state.tx.us), or by mail.

Sincerely,

Digitally signed by Jack Oswalt  
DN: c=US, st=TEXAS, l=Austin,  
o=Railroad Commission of Texas,  
cn=Jack Oswalt,  
email=jack.oswalt@rrc.state.tx.us  
Date: 2011.09.20 15:38:06 -05'00'

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit  
Oil & Gas Division0061R Transition Form  
Rev. 9/1/2011

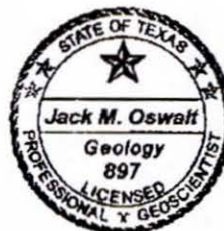
P.O. Box 12967

Austin, Texas 78711-2967

512-463-2741

Internet address: [www.rrc.state.tx.us](http://www.rrc.state.tx.us)

GEOLOGIST SEAL

The seal appearing on this document was authorized by Jack M. Oswalt on 9/20/2011  
Note: Alteration of this electronic document will invalidate the digital signature.



Texas Commission  
on Environmental Quality  
Surface Casing Program

# DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

Date **April 14, 2011**

TCEQ File No.: SC- **2512**

API Number **30100000**

RRC Lease No. **000000**

Attention: **TRACIE J CHERRY**

**SC\_252002\_30100000\_000000\_2512.pdf**

**ENERGEN RESOURCES CORPORATION**  
**3300 N -A-**  
**BLDG 4 STE 100**  
**MIDLAND TX 79705**

--Measured--

**250 ft FNWL**

**280 ft FNEL**

**MRL: SURVEY**

Digital Map Location:

X-coord/Long **103.52327**

Y-coord/Lat **31.66682**

Datum **83** Zone

**P-5# 252002**

County **LOVING**

Lease & Well No. **RAINBOW STATE 33-70 #1**

Purpose **ND**

Location **SUR-H&TC, BLK-33, SEC-70, -- [TD=1100], [RRC 8],**

To protect usable-quality ground water at this location, the Texas Commission on Environmental Quality recommends:

**Water-bearing strata from the land surface to a depth of 250 feet and the RUSTLER, which is estimated to occur from 500 to 1000 feet must be protected.**

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. Approval of the well completion methods for protection of this groundwater falls under the jurisdiction of the Railroad Commission of Texas. **This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).**

If you have any questions, please contact us at 512-239-0515, [sc@tceq.state.tx.us](mailto:sc@tceq.state.tx.us), or by mail MC-151.

Sincerely,

Digitally signed by Jack Oswalt  
DN: c=US, st=Texas, o=Surface  
Casing, ou=Texas Commission on  
Environmental Quality, cn=Jack Oswalt,  
email=joswalt@tceq.state.tx.us  
Date: 2011.04.14 10:16:04 -0500

**Jack M. Oswalt, P.G.**

Geologist, Surface Casing Team  
Waste Permits Division

GEOLOGIST SEAL



The seal appearing on this document was authorized by Jack M. Oswalt on 4/14/2011  
Note: Alteration of this electronic document will invalidate the digital signature.



APPLICATION FOR ALTERNATE SURFACE CASING PROGRAM  
Statewide Rule 13(b)(2)(g)  
RRC District 8/8A

7/03

|                                                                                                                              |                                  |                  |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------|
| Operator's Name and Address:<br><br>ENERGEN RESOURCES CORPORATION<br>3300 NORTH "A" ST, BLDG 4, STE 100<br>MIDLAND, TX 79705 | Lease: Rainbow State 33-70       | Well No.: 1      |
|                                                                                                                              | Field: TWO GEORGES (BONE SPRING) |                  |
|                                                                                                                              | Drilling Permit No.: 713978      |                  |
|                                                                                                                              | County: REEVES                   | RRC District: 08 |
|                                                                                                                              | Location: Sec. 70 Block 33       | Sur H&TC Twp.    |
| Proposed TD: 11000                                                                                                           |                                  |                  |

Distance and Direction from nearest town: NA

Proposed Injection or disposal well? ☐ Yes ☒ No NOTE: Special conditions may apply. See PROVISIONS below.

Usable-quality water strata (as determined by TCEQ  
"Waterboard" letter) occur to a depth of 250 ft, and  
from 500 ft to 1000 ft, and from \_\_\_\_\_ ft to \_\_\_\_\_ ft.

Note: Please submit copy of TCEQ "Waterboard"  
letter with this request. Request cannot be  
processed without this information.

Distance and direction of nearest water well (within 1/4 mile): NA

Type of water well (domestic, public, irrigation, stock, etc.): \_\_\_\_\_ Depth: \_\_\_\_\_

**Proposed Casing and Cementing Program**

Note: You may attach a wellbore diagram or cementing proposal to this application.

This application is for (check applicable boxes): ☐ Short surface casing ☒ excess surface casing ☐ no surface casing

The proposed surface casing depth: 5000' TVD Multi-Stage tool depth (if applicable): 2000'

Intermediate or production casing depth: 14500' MD 10500' TVD Multi-Stage tool depth (if applicable):

Centralizer number and placement: 1 centralizer/Jt on bottom 3 Jts then 1 every 3rd Jt thereafter.

Does the cement across the critical zone have 72-hr compressive strength of at least 1,200 psi? ☒ Yes ☐ No

Does the filler cement have 24-hr compressive strength of at least 250 psi? ☒ Yes ☐ No

Do you plan on circulating cement to the surface on all casing strings protecting usable-quality water? ☒ Yes ☐ No

Reason for this request: Economics.

**PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:**

1. Caution: If this well is being drilled for injection or disposal purposes, an injection or disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
2. Centralizers must be used through all usable-quality waters. Refer to Rule 13(b)(2)(F).
3. Notify District Office 8 hours prior to setting casing.

RECEIVED  
RRC OF TEXAS  
APR 15 2011

O&G  
MIDLAND

Signature: Tracie J Cherry Print Name: Tracie J Cherry Date: 4-15-11 Phone: 432/684-3692  
Asst. Supv. Regulatory/Admin

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST IMMEDIATELY CONTACT THE DISTRICT 8/8A OFFICE AT 432-684-5581, AND FOLLOW THE PROCEDURES AS SET OUT IN RULE 13(B)(2)(g)(III) OR AS RECOMMENDED BY THE DISTRICT OFFICE.

RRC Use Only ▶

|                                                                        |                                                          |                                 |                                   |
|------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------|-----------------------------------|
| RRC District Office Action:                                            |                                                          |                                 |                                   |
| <input type="checkbox"/> Approved                                      | <input checked="" type="checkbox"/> Approved as Modified | <input type="checkbox"/> Denied | By: <u>W. Allen</u> Date: 4-15-11 |
| Remarks/Modifications: Critical Zone Slurry required across Waterboard |                                                          |                                 |                                   |



|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--|
| API No. <u>42-301-31588</u><br>Drilling Permit # <u>713978</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                                       |                        | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               | <b>FORM W-1</b> 07/2004<br>Permit Status: <b>Approved</b> |  |
| 1. RRC Operator No. <u>252002</u>                                                                                                                                                                                                                                                                                                                                           |                        | 2. Operator's Name (as shown on form P-5, Organization Report)<br><b>ENERGEN RESOURCES CORPORATION</b>                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                   | 3. Operator Address (include street, city, state, zip): _____                                                                                                                 |                                                           |  |
| 4. Lease Name<br><b>RAINBOW STATE 33-70</b>                                                                                                                                                                                                                                                                                                                                 |                        | 5. Well No. <u>1</u>                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 6. Purpose of filing (mark ALL appropriate boxes):<br><input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter<br><input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 7. Wellbore Profile (mark ALL appropriate boxes):<br><input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack                                                                                                                   |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 8. Total Depth<br><u>11500</u>                                                                                                                                                                                                                                                                                                                                              |                        | 9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                   | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                    |                                                           |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 11. RRC District No. <u>08</u>                                                                                                                                                                                                                                                                                                                                              |                        | 12. County <u>LOVING</u>                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                   | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |                                                           |  |
| 14. This well is to be located <u>5.3</u> miles in a <u>SE</u> direction from <u>Mentone</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                                      |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 15. Section<br><u>70</u>                                                                                                                                                                                                                                                                                                                                                    | 16. Block<br><u>33</u> | 17. Survey<br><u>H&amp;TC RR CO</u>                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                   | 18. Abstract No.<br><u>A-</u>                                                                                                                                                 | 19. Distance to nearest lease line:<br><u>567</u> ft      |  |
| 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>640</u>                                                                                                                                                                                                                                                                                         |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 21. Lease Perpendiculars: <u>567</u> ft from the <u>NW</u> line and <u>400</u> ft from the <u>NE</u> line.                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 22. Survey Perpendiculars: <u>567</u> ft from the <u>NW</u> line and <u>400</u> ft from the <u>NE</u> line.                                                                                                                                                                                                                                                                 |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                              |                        | 24. Unitization Docket No: _____                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                   | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                    |                                                           |  |
| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line.                                                                                                                                                                                                                                                               |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                                        | 27. Field No.          | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           | 29. Well Type                                                                                                                                                                                                                                                                                                                     | 30. Completion Depth                                                                                                                                                          | 31. Distance to Nearest Well in this Reservoir            |  |
| 08                                                                                                                                                                                                                                                                                                                                                                          | 92100050               | TWO GEORGES (BONE SPRING)                                                                                                                                                                                                                                                                                                  | Oil Well                                                                                                                                                                                                                                                                                                                          | 11000                                                                                                                                                                         | 0.00                                                      |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)                                                                                                                                                                                                                            |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |
| <b>Remarks</b><br>[FILER Sep 2, 2011 2:32 PM]: Amend permit approved 08-04-11 to change bottom hole location.; [RRC STAFF Sep 2, 2011 4:22 PM]: No spud date; surface location same.                                                                                                                                                                                        |                        |                                                                                                                                                                                                                                                                                                                            | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br>Tracie Cherry, Asst. Supervisor<br>Reg/Admin<br>Name of filer _____ Date submitted <u>Sep 02, 2011</u><br><u>(432)6843692</u> <u>midlandrrc@energen.com</u><br>Phone E-mail Address (OPTIONAL) |                                                                                                                                                                               |                                                           |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: <u>Sep 9, 2011 9:41 AM (Current Version)</u>                                                                                                                                                                                                                                                                                |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                               |                                                           |  |

Permit Status: **Approved**

*The RRC has not approved this application.  
Duplication or distribution of information is  
at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**Form W-1H**

07/2004

**Supplemental Horizontal Well Information**

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

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

Permit # **713978**

Approved Date: **Sep 07, 2011**

|                                      |                                                                                                                |                                             |                         |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------|
| 1. RRC Operator No.<br><b>252002</b> | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br><b>ENERGEN RESOURCES CORPORATION</b> | 3. Lease Name<br><b>RAINBOW STATE 33-70</b> | 4. Well No.<br><b>1</b> |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------|

**Lateral Drainhole Location Information**

|                                                                                                                                        |                       |                                    |             |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------|-------------|------------------------------------|
| 5. Field as shown on Form W-1 <b>TWO GEORGES (BONE SPRING) (Field # 92100050, RRC District 08)</b>                                     |                       |                                    |             |                                    |
| 6. Section<br><b>70</b>                                                                                                                | 7. Block<br><b>33</b> | 8. Survey<br><b>H&amp;TC RR CO</b> | 9. Abstract | 10. County of BHL<br><b>LOVING</b> |
| 11. Terminus Lease Line Perpendiculars<br><b>5527</b> ft. from the <b>NE</b> line, and <b>567</b> ft. from the <b>NW</b> line          |                       |                                    |             |                                    |
| 12. Terminus Survey Line Perpendiculars<br><b>5527</b> ft. from the <b>NE</b> line, and <b>567</b> ft. from the <b>NW</b> line         |                       |                                    |             |                                    |
| 13. Penetration Point Lease Line Perpendiculars<br><b>567</b> ft. from the <b>NW</b> line, and <b>1100</b> ft. from the <b>NE</b> line |                       |                                    |             |                                    |

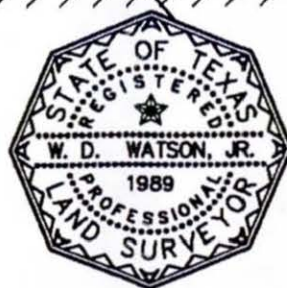
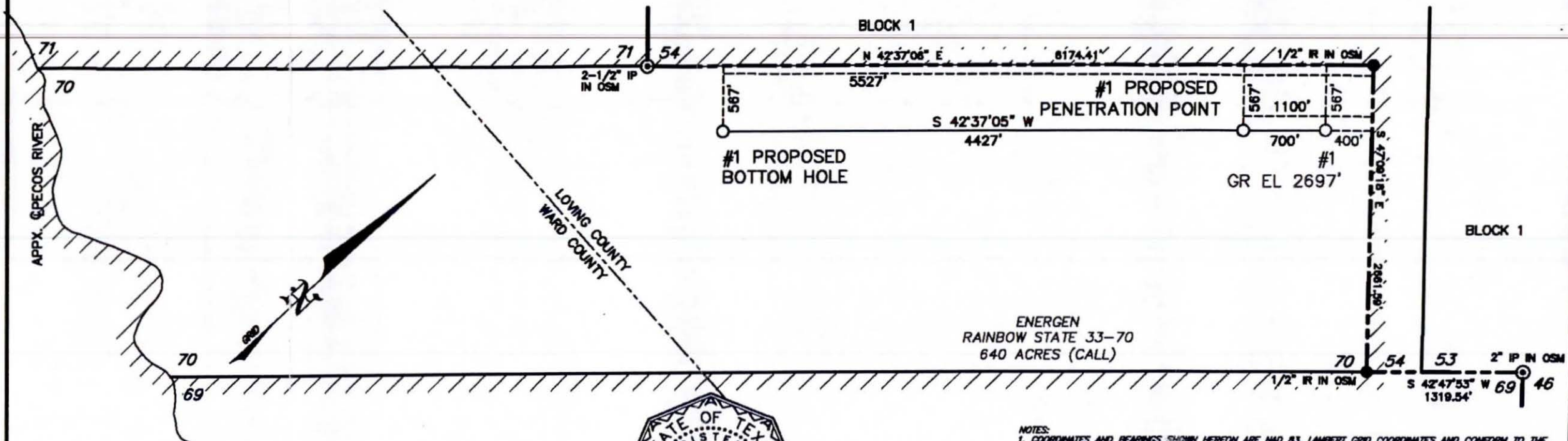


A-1341, 341  
**SECTION 70, BLOCK 33**  
**H. & T.C. RR. SURVEY**

- ☼ GAS WELL
- △ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊙ SHUT IN WELL

| NAD 83, TEXAS CENTRAL ZONE       |                                      | NAD 27, TEXAS CENTRAL ZONE     |                                      |
|----------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
| S/L: N=10583947.3', E=1304288.8' | LAT=31.6661301 N, LONG=103.5232135 W | S/L: N=741370.9', E=1007824.7' | LAT=31.6660002 N, LONG=103.5227581 W |
| P/P: N=10583433.9', E=1303816.4' | LAT=31.6648821 N, LONG=103.5246839 W | P/P: N=740857.6', E=1007352.4' | LAT=31.6645522 N, LONG=103.5242284 W |
| B/H: N=10580174.4', E=1300817.2' | LAT=31.6554884 N, LONG=103.5340183 W | B/H: N=737598.1', E=1004353.2' | LAT=31.6553584 N, LONG=103.5335627 W |

APPROXIMATELY 5.3 MILES SE OF MENTONE, TEXAS



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE" WITH REFERENCE TO USGS TRIP-STATION "HOLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
  - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. WESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
  - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

2000 0 2000 4000 FEET

FILE: T:LOVING/BLOCK 33.dwg

**Watson**  
**Professional**  
**Group Inc**



4500 W. ILLINOIS  
 SUITE 201 (79703)  
 P.O. DRAWER 11186  
 MIDLAND, TEXAS 79702  
 (432) 520-9200  
 FAX (432) 520-9212  
 wdwatson@wpg-us.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989

8/29/11  
 DATE

POINT PLAT  
**ENERGEN RESOURCES**  
**RAINBOW STATE 33-70 #1**  
**S/L: 587' FNNL & 400' FNNL**  
**PROPOSED P/P: 587' FNNL & 1100' FNNL**  
**PROPOSED B/H: 587' FNNL & 5527' FNNL**  
**SECTION 70, BLOCK 33, H & TC RR SURVEY**  
**LOVING COUNTY, TEXAS**

DATE: AUGUST 29, 2011

DATE SURVEYED: 7/12/11

JOB NO.: 11-1147-00 FIELD BOOK 645/28

DRAFT TA REV. 3



File No. MF 064567  
Drilling permit / attachments  
301-31588  
Date Filed: 6/3/13  
Jerry Patterson, Commissioner  
By MR Barnstone

8.15.11

MF 064567

## RAILROAD COMMISSION OF TEXAS

## Oil and Gas Division

Tracking No.: 38507

Status: Submitted

This facsimile W-2 was generated electronically  
from data submitted to the RRC.

API No. 42- 301-31588

7. RRC District No.

08

## Oil Well Potential Test, Completion or Recompletion Report, and Log

8. RRC Lease No.

A2303

1. FIELD NAME (as per RRC Records or Wildcat)

TWO GEORGES (BONE SPRING)

2. LEASE NAME

RAINBOW STATE 33-70

9. Well No.

1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

ENERGEN RESOURCES CORPORATION

RRC Operator No.

252002

10. County of well site

LOVING

4. ADDRESS

3300 NORTH A ST BLDG 4 STE 100 MIDLAND, TX 79705-0000

5. If Operator has changed within last 60 days, name former operator

11. Purpose of filing

Initial Potential

☒

Retest

☐

Reclass

☐

Well record only

(Explain in remarks)

☐

6a. Location (Section, Block, and Survey)

70, 33, H&amp;TC RR CO

6b. Distance and direction to nearest town in this county.

5.3 MILES SE OF MENTONE

12. If workover or reclass, give former field (with reservoir) &amp; Gas ID or oil lease no.

FIELD &amp; RESERVOIR

GAS ID or

OIL LEASE #

Oil-O

Gas-G

Well #

N/A

13. Type of electric or other log run

MUDLOGS

14. Completion or recompletion date

12/21/2011

## SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

|                                                                                                            |                               |                                                                                             |                      |                             |                                       |
|------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------|----------------------|-----------------------------|---------------------------------------|
| 15. Date of test<br>01/04/2012                                                                             | 16. No. of hours tested<br>24 | 17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump)<br>Flowing |                      |                             | 18. Choke size<br>18/64               |
| 19. Production during Test Period                                                                          | Oil - BBLS<br>558.0           | Gas - MCF<br>0                                                                              | Water - BBLS<br>1237 | Gas - Oil Ratio<br>0        | Flowing Tubing Pressure<br>2800.0 PSI |
| 20. Calculated 24-Hour Rate                                                                                | Oil - BBLS<br>558.0           | Gas - MCF<br>0                                                                              | Water - BBLS<br>1237 | Oil Gravity-API-60°<br>40.0 | Casing Pressure<br>0.0 PSI            |
| 21. Was swab used during this test?<br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |                               | 22. Oil produced prior to test (New & Reworked wells)<br>2510.0                             |                      |                             | 23. Injection Gas-Oil Ratio           |
| REMARKS: N/A                                                                                               |                               |                                                                                             |                      |                             |                                       |
|                                                                                                            |                               |                                                                                             |                      |                             |                                       |
|                                                                                                            |                               |                                                                                             |                      |                             |                                       |
|                                                                                                            |                               |                                                                                             |                      |                             |                                       |

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

## WELL TESTERS CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

## OPERATOR'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.

ENERGEN RESOURCES CORPORATION

Type or printed name of operator's representative

(432) 684-3692

03/01/2012

Telephone: Area Code

Number

Month Day Year

Asst. Supervisor Reg/Admin

Title of Person

Tracie Cherry

Signature



| SECTION III                                                                                                                                 |                                                  | DATA ON WELL COMPLETION AND LOG (Not Required on Retest)                                                                                          |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 24. Type of Completion                                                                                                                      |                                                  | <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other |                                                                                     |                                                                    |                                                                                                                                     | 25. Permit to Drill, Plug Back or Deepen<br>DATE <b>09/07/2011</b> PERMIT NO. <b>713978</b><br>Rule 37 Exception     CASE NO. |                     |
| 26. Notice of Intention to Drill this well was filed in Name of<br><b>ENERGEN RESOURCES CORPORATION</b>                                     |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     | Water Injection Permit     PERMIT NO.<br>Salt Water Disposal Permit     PERMIT NO.<br>Other     PERMIT NO.                    |                     |
| 27. Number of producing wells on this lease in this field (reservoir) including this well<br><b>1</b>                                       |                                                  | 28. Total number of acres in this lease<br><b>640.0</b>                                                                                           |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 29. Date Plug Back, Deepening, Workover or Drilling Operations:                                                                             |                                                  | Commenced<br><b>10/22/2011</b>                                                                                                                    | Completed<br><b>11/29/2011</b>                                                      | 30. Distance to nearest well, Same Lease & Reservoir<br><b>0.0</b> |                                                                                                                                     |                                                                                                                               |                     |
| 31. Location of well, relative to nearest lease boundaries                                                                                  |                                                  | <b>567.0</b> Feet From <b>NW</b>                                                                                                                  |                                                                                     | Line and <b>400.0</b>                                              |                                                                                                                                     | Feet from                                                                                                                     |                     |
|                                                                                                                                             |                                                  | <b>NE</b>                                                                                                                                         |                                                                                     | Line of the <b>RAINBOW STATE 33-70</b>                             |                                                                                                                                     | Lease                                                                                                                         |                     |
| 32. Elevation (DF, RKB, RT, GR ETC.)<br><b>2697</b> <b>GR</b>                                                                               |                                                  | 33. Was directional survey made other than inclination (Form W-12)?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No        |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 34. Top of Pay<br><b>10562 MD:10564</b>                                                                                                     | 35. Total Depth<br><b>10862 MD:15962</b>         | 36. P. B. Depth<br><b>10862 MD:15962</b>                                                                                                          | 37. Surface Casing Determined by                                                    | Field Rules <input type="checkbox"/>                               | Recommendation of T.D.W.R. <input checked="" type="checkbox"/><br>Railroad Commission (Special) <input checked="" type="checkbox"/> | Dt. of Letter <b>09/20/2011</b><br><b>04/15/2011</b>                                                                          |                     |
| 38. Is well multiple completion?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                     |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.<br><b>FIELD &amp; RESERVOIR</b> |                                                  |                                                                                                                                                   |                                                                                     | GAS ID or OIL LEASE #                                              |                                                                                                                                     | Oil-G Gas-G                                                                                                                   | Well #              |
| <b>N/A</b>                                                                                                                                  |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 40. Intervals Drilled by:                                                                                                                   | Rotary Tools <input checked="" type="checkbox"/> | Cable Tools                                                                                                                                       | 41. Name of Drilling Contractor<br><b>NABORS DRILLING</b>                           |                                                                    |                                                                                                                                     | 42. Is Cementing Affidavit Attached?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                   |                     |
| 43. CASING RECORD (Report All Strings Set in Well)                                                                                          |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| CASING SIZE                                                                                                                                 | WT #/FT.                                         | DEPTH SET                                                                                                                                         | MULTISTAGE TOOL DEPTH                                                               | TYPE & AMOUNT CEMENT (sacks)                                       | HOLE SIZE                                                                                                                           | TOP OF CEMENT                                                                                                                 | SLURRY VOL. cu. ft. |
| 9 5/8                                                                                                                                       | 40.0                                             | 4472                                                                                                                                              |                                                                                     | POZ C & C 1640                                                     | 12 1/4                                                                                                                              | 2010                                                                                                                          | 3165.0              |
| 9 5/8                                                                                                                                       | 40.0                                             | 0                                                                                                                                                 | 2010                                                                                | C 2600                                                             | 12 1/4                                                                                                                              | SURF                                                                                                                          | 4423.0              |
| 7                                                                                                                                           | 29.0                                             | 10931                                                                                                                                             |                                                                                     | POZ H & TXI 1170                                                   | 8 3/4                                                                                                                               | 4368                                                                                                                          | 2374.0              |
| 7                                                                                                                                           | 29.0                                             | 0                                                                                                                                                 | 4368                                                                                | POZ H & TXI 420                                                    | 8 3/4                                                                                                                               | SURF                                                                                                                          | 808.0               |
| 44. LINER RECORD                                                                                                                            |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| Size                                                                                                                                        | Top                                              |                                                                                                                                                   | Bottom                                                                              |                                                                    | Sacks Cement                                                                                                                        | Screen                                                                                                                        |                     |
| 4 1/2                                                                                                                                       | 10460                                            |                                                                                                                                                   | 15962                                                                               |                                                                    |                                                                                                                                     | PAKERS PLUS OPEN HOLE SYSTEM                                                                                                  |                     |
| 45. TUBING RECORD                                                                                                                           |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| Size                                                                                                                                        | Depth Set                                        | Packer Set                                                                                                                                        | 46. Producing Interval (this completion) Indicate depth of perforation or open hole |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 2 7/8                                                                                                                                       | 10360                                            | 10360                                                                                                                                             | From                                                                                | 11927                                                              | To                                                                                                                                  | 15962                                                                                                                         |                     |
|                                                                                                                                             |                                                  |                                                                                                                                                   | From                                                                                |                                                                    | To                                                                                                                                  |                                                                                                                               |                     |
|                                                                                                                                             |                                                  |                                                                                                                                                   | From                                                                                |                                                                    | To                                                                                                                                  |                                                                                                                               |                     |
|                                                                                                                                             |                                                  |                                                                                                                                                   | From                                                                                |                                                                    | To                                                                                                                                  |                                                                                                                               |                     |
| 47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                                                                                              |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| Depth Interval                                                                                                                              |                                                  | Amount and Kind of Material Used                                                                                                                  |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 11927.0     15962.0                                                                                                                         |                                                  | FRAC W/26543 BBLS FLUID & 1396766# PROPANT                                                                                                        |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| 48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)                                                       |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| Formations                                                                                                                                  | Depth                                            |                                                                                                                                                   | Formations                                                                          | Depth                                                              |                                                                                                                                     |                                                                                                                               |                     |
| DELAWARE MOUNTAIN GROUP                                                                                                                     | 4390.0 MD: 4390.0                                |                                                                                                                                                   | 3RD BONE SPRING                                                                     | 10562.0 MD: 10564.0                                                |                                                                                                                                     |                                                                                                                               |                     |
| BONE SPRING                                                                                                                                 | 7960.0 MD: 7960.0                                |                                                                                                                                                   | WOLFCAMP                                                                            | 10882.0 MD: 10943.0                                                |                                                                                                                                     |                                                                                                                               |                     |
| AVALON                                                                                                                                      | 8050.0 MD: 8050.0                                |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |
| REMARKS: PAKERS PLUS OPEN HOLE PACKER SYSTEM. TOP PKR @ 11927', TOP PORT @ 12106'                                                           |                                                  |                                                                                                                                                   |                                                                                     |                                                                    |                                                                                                                                     |                                                                                                                               |                     |



CERTIFICATE OF COMPLIANCE  
AND TRANSPORTATION AUTHORITY

P-4

Tracking No.: 38507

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.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------|------------------|
| 1. Field name exactly as shown on proration schedule<br><b>TWO GEORGES (BONE SPRING)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           | 2. Lease name as shown on proration schedule<br><b>RAINBOW STATE 33-70</b>                                                                                                    |                       |                                                                                                                                                      |                                         |                 |                  |
| 3. Current operator name exactly as shown on P-5 Organization Report<br><b>ENERGEN RESOURCES CORPORATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           | 4. Operator P-5 no.<br><b>252002</b>                                                                                                                                          | 5. Oil Lse/Gas ID no. | 6. County<br><b>LOVING</b>                                                                                                                           | 7. RRC district<br><b>08</b>            |                 |                  |
| 8. Operator address including city, state, and zip code<br><b>3300 NORTH A ST BLDG 4 STE 100<br/>MIDLAND, TX 79705</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           | 9. Well no(s) (see instruction E)<br><b>1</b>                                                                                                                                 |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           | 10. Classification<br><input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A)                                 |                       |                                                                                                                                                      | 11. Effective Date<br><b>12/21/2011</b> |                 |                  |
| 12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| a. Change of: <input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| <input type="checkbox"/> field name from _____<br><input type="checkbox"/> lease name from _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| -- OR --                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| b. New RRC Number for: <input checked="" type="checkbox"/> oil lease <input type="checkbox"/> gas well <input type="checkbox"/> other well (specify) _____ Due to: <input checked="" type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| <input type="checkbox"/> 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<br>(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | X         | SOUTHERN UNION GAS SERVICES, LTD(805477)                                                                                                                                      |                       |                                                                                                                                                      | 0004                                    | 100.0           |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| 14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First<br>(Attach an additional sheet in same format if more space is needed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         | Percent of Take |                  |
| PLAINS MARKETING, L.P.(667883)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         | 100.0           |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| RRC USE ONLY: Reviewer's initials: _____ Approval date: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| 15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.                                                                                                                                              |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| Name of Previous Operator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       | Signature                                                                                                                                            |                                         |                 |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G) |                                         |                 |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | Date _____ Phone with area code _____                                                                                                                |                                         |                 |                  |
| 16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission. |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |
| ENERGEN RESOURCES CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                       | Tracie Cherry                                                                                                                                        |                                         |                 |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | Signature                                                                                                                                            |                                         |                 |                  |
| Asst. Supervisor Reg/Admin                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                                                                                                                                                                               |                       | <input type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G)   |                                         |                 |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | Date _____ Phone with area code _____                                                                                                                |                                         |                 |                  |
| midlandrrc@energen.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                                                                                                                                                                               |                       | (432) 684-3692                                                                                                                                       |                                         |                 |                  |
| E-mail Address (optional)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       |                                                                                                                                                      |                                         |                 |                  |



**RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION**

Form W-12  
(1-1-71)  
FOD1296

|                                                                                     |                                                                                    |                                                              |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <b>INCLINATION REPORT</b><br>(One Copy Must Be Filed With Each Completion Report)   |                                                                                    | 6. RRC District<br><div style="text-align: center;">8</div>  |
| 1. FIELD NAME (as per RRC Records or Wildcat)<br><b>Two Georges (Bone Spring)</b>   | 2. LEASE NAME<br><div style="text-align: center;"><b>RAINBOW STATE 33-70</b></div> | 7. RRC Lease Number.<br>(Oil completions only)               |
| 3. OPERATOR<br><b>ENERGEN RESOURCES CORPORATION</b>                                 |                                                                                    | 8. Well Number<br><div style="text-align: center;"># 1</div> |
| 4. ADDRESS<br><b>3300 NORTH A STREET, BLDG 4, SUITE 100<br/>MIDLAND, TX 79705</b>   |                                                                                    | 9. RRC Identification Number<br>(Gas completions only)       |
| 5. LOCATION (Section, Block, and Survey)<br><b>Sec. 70, Blk. 33, H&amp;TC RR CO</b> |                                                                                    | 10. County<br><div style="text-align: center;">Loving</div>  |

**RECORD OF INCLINATION**

| *11. Measured Depth<br>(feet) | 12. Course Length<br>(Hundreds of feet) | *13. Angle of<br>Inclination<br>(Degrees) | 14. Displacement per<br>Hundred Feet<br>(Sine of Angle x100) | 15. Course<br>Displacement (feet) | 16. Accumulative<br>Displacement (feet) |
|-------------------------------|-----------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------------------------------------|
| 1079                          | 1,079                                   | 0.50                                      | 0.87                                                         | 9.38                              | 9.38                                    |
| 1363                          | 284                                     | 0.75                                      | 1.31                                                         | 3.72                              | 13.10                                   |
| 1646                          | 283                                     | 0.75                                      | 1.31                                                         | 3.70                              | 16.80                                   |
| 1929                          | 283                                     | 1.25                                      | 2.18                                                         | 6.16                              | 22.96                                   |
| 2499                          | 570                                     | 1.00                                      | 1.75                                                         | 9.97                              | 32.93                                   |
| 2782                          | 283                                     | 1.25                                      | 2.18                                                         | 6.16                              | 39.09                                   |
| 3068                          | 286                                     | 0.25                                      | 0.44                                                         | 1.25                              | 40.34                                   |
| 3351                          | 283                                     | 3.00                                      | 5.24                                                         | 14.82                             | 55.16                                   |
| 3541                          | 190                                     | 3.75                                      | 6.54                                                         | 12.42                             | 67.58                                   |
| 3637                          | 96                                      | 1.25                                      | 2.18                                                         | 2.09                              | 69.67                                   |
| 3731                          | 94                                      | 1.75                                      | 3.05                                                         | 2.86                              | 72.53                                   |
| 3826                          | 95                                      | 1.00                                      | 1.75                                                         | 1.66                              | 74.19                                   |
| 4110                          | 284                                     | 3.25                                      | 5.67                                                         | 16.10                             | 90.29                                   |
| 4417                          | 307                                     | 2.00                                      | 3.49                                                         | 10.71                             | 101.00                                  |
| 5073                          | 656                                     | 0.75                                      | 1.31                                                         | 8.59                              | 109.59                                  |

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form?    ☒ yes    ☐ no
18. Accumulative total displacement of well bore at total depth of 10440 feet = 188.55 feet.
- \*19. Inclination measurements were made in -    ☐ Tubing    ☐ Casing    ☐ Open hole    ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line ..... 547 feet.
21. Minimum distance to lease line as prescribed by field rules ..... 467/200 feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? yes, horizontal wellbore
- (If the answer to the above question is "yes," attach written explanation of the circumstances.)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INCLINATION DATA CERTIFICATION</b><br><br>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.<br><br><div style="border-top: 1px solid black; margin-top: 10px;"> </div> Signature of Authorized Representative<br><b>MATT SPEER-OPERATIONS ENGINEER</b><br>Name of Person and Title (type or print)<br><b>NABORS DRILLING USA, LP</b><br>Name of Company<br>Telephone: <u>281-874-0035</u><br>Area Code _____ | <b>OPERATOR CERTIFICATION</b><br><br>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.<br><br><div style="border-top: 1px solid black; margin-top: 10px;"> </div> Signature of Authorized Representative<br><b>Tracie J. Cherry Asst. Supv. Reg. Admin.</b><br>Name of Person and Title (type or print)<br><b>Energren Resources Corporation</b><br>Operator<br>Telephone: <u>(432) 684-3692</u><br>Area Code _____ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*Railroad Commission Use Only:*

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination surveys.



## RECORD OF INCLINATION (Continued from reverse side)

[illegible]

If additional space is needed, attach separate sheet and check here. ☐

REMARKS:

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.



Cementor: Fill in shaded areas.  
Operator: Fill in other items

**Form W-15**  
Cementing Report  
Rev. 4/1/83  
483-045

**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

|                                                                                                        |                                      |                                         |                                         |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| 1. Operator's Name (As shown on Form P-5, Organization Report)<br><b>Energen Resources Corporation</b> | 2. RRC Operator No.<br><b>252002</b> | 3. RRC District No.<br><b>08</b>        | 4. County of Well Site<br><b>LOVING</b> |
| 5. Field<br><b>Two Georges (Bone Spring)</b>                                                           | 6. API No.<br><b>42- 301-31588</b>   | 7. Drilling Permit No.<br><b>713978</b> |                                         |
| 8. Lease Name<br><b>Rainbow State 33-70</b>                                                            | 9. Rule 37 Case No.                  | 10. Oil Lease/Gas ID No.                | 11. Well No.<br><b>1</b>                |

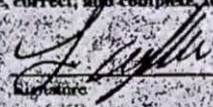
| CASING CEMENTING DATA:                                                            |                                     |   | SURFACE CASING | INTER-MEDIATE CASING | PRODUCTION CASING |                           | MULTI-STAGE CEMENTING PROCESS |            |
|-----------------------------------------------------------------------------------|-------------------------------------|---|----------------|----------------------|-------------------|---------------------------|-------------------------------|------------|
|                                                                                   |                                     |   |                |                      | Single String     | Multiple Parallel Strings | Tool                          | Shoe       |
| 12. Cementing Date                                                                |                                     |   |                |                      |                   |                           | 10/29/2011                    | 10/29/2011 |
| 13. ●Drilling hole size                                                           |                                     |   |                |                      |                   |                           | 12 1/4"                       | 12 1/4"    |
| ●Est. % wash or hole enlargement                                                  |                                     |   |                |                      |                   |                           |                               |            |
| 14. Size of casing (in. O.D.)                                                     |                                     |   |                |                      |                   |                           | 9 5/8"                        | 9 5/8"     |
| 15. Top of liner (ft.)                                                            |                                     |   |                |                      |                   |                           | -----                         | -----      |
| 16. Setting depth (ft.)                                                           |                                     |   |                |                      |                   |                           | 2010'                         | 4472'      |
| 17. Number of centralizers used                                                   |                                     |   |                |                      |                   |                           |                               | 33         |
| 18. Hrs. waiting on cement before drill-out                                       |                                     |   |                |                      |                   |                           | +24                           | +24        |
| 1st Slurry                                                                        | 19. API cement used: No. of sacks   | ▶ |                |                      |                   |                           | 750 SX                        | 1340       |
|                                                                                   | Class                               | ▶ |                |                      |                   |                           | C                             | C          |
|                                                                                   | Additives                           | ▶ |                |                      |                   |                           | REMARKS                       | REMARKS    |
| 2nd Slurry                                                                        | No. of sacks                        | ▶ |                |                      |                   |                           | 1650 SX                       | 300        |
|                                                                                   | Class                               | ▶ |                |                      |                   |                           | C                             | C          |
|                                                                                   | Additives                           | ▶ |                |                      |                   |                           | REMARKS                       | REMARKS    |
| 3rd Slurry                                                                        | No. of sacks                        | ▶ |                |                      |                   |                           | 200 SX                        |            |
|                                                                                   | Class                               | ▶ |                |                      |                   |                           | C                             |            |
|                                                                                   | Additives                           | ▶ |                |                      |                   |                           | REMARKS                       |            |
| 1st                                                                               | 20. Slurry pumped: Volume (cu. ft.) | ▶ |                |                      |                   |                           | 2855CUFT                      | 2760       |
|                                                                                   | Height (ft.)                        | ▶ |                |                      |                   |                           | SURFACE                       | 3247       |
| 2nd                                                                               | Volume (cu. ft.)                    | ▶ |                |                      |                   |                           | 1298CUFT                      | 405        |
|                                                                                   | Height (ft.)                        | ▶ |                |                      |                   |                           | 1148.5 FT                     | 1229       |
| 3rd                                                                               | Volume (cu. ft.)                    | ▶ |                |                      |                   |                           | 270CUFT                       |            |
|                                                                                   | Height (ft.)                        | ▶ |                |                      |                   |                           | 860 FT                        |            |
| Total                                                                             | Volume (cu. ft.)                    | ▶ |                |                      |                   |                           | 4423CUFT                      | 3165       |
|                                                                                   | Height (ft.)                        | ▶ |                |                      |                   |                           | 2008.5 FT                     | 4476       |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing? |                                     |   |                |                      |                   |                           | YES                           | YES        |

22. Remarks  
1st Stage Lead: 36/65 Poz C + 5% D044 + 6% D020 + 3pps D042 + 0.125pps D130 + 0.2% D046 + 0.4% D201 + 0.02gps D177; 1st Stage Tail: 300 sks of Class C + 0.3% D201 + 0.2% D046 + 3pps D042 + 0.125pps D130; 2nd Stage Lead 1: 1650 sks of Class C + 3% D020 + 0.2% D201 + 0.1% D065 + 0.2% D046 + 0.125 pps D130; 2nd Stage Lead 2: 750 sks Class C + 3% D020 + 1% S001 + 0.125 pps D130 + 0.03 gps D177; 2nd Stage Tail: 200 sks of Class C + 0.3% D201 + 0.2% D046 + 3pps D042 + 0.125pps D130

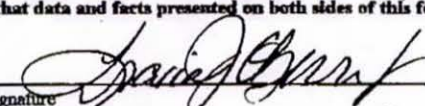


| CEMENTING TO PLUG AND ABANDON                     | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date                                |         |         |         |         |         |         |         |         |
| 24. Size of hole or pipe plugged (in.)            |         |         |         |         |         |         |         |         |
| 25. Depth to bottom of tubing or drill pipe (ft.) |         |         |         |         |         |         |         |         |
| 26. Bags of cement used (each plug)               |         |         |         |         |         |         |         |         |
| 27. Slurry volume pumped (cu. ft.)                |         |         |         |         |         |         |         |         |
| 28. Calculated top of plug (ft.)                  |         |         |         |         |         |         |         |         |
| 29. Measured top of plug, if tagged (ft.)         |         |         |         |         |         |         |         |         |
| 30. Slurry wt. (lbs/gal)                          |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

**CEMENTER'S CERTIFICATE:** I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

|                                             |                       |                                                                                     |
|---------------------------------------------|-----------------------|-------------------------------------------------------------------------------------|
| <b>LAYTON WYLLIE</b>                        | Schlumberger          |  |
| Name and title of cementer's representative | Cementing Company     | Signature                                                                           |
| 1105 W Bender                               | Hobbs, NM 88240       | 575-393-6186                                                                        |
| Address                                     | City, State, Zip Code | Tel. Area Code Number                                                               |
|                                             |                       | Date: 10/29/2011                                                                    |
|                                             |                       | 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.

|                                                          |                                        |                                                                                      |
|----------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------|
| Tracie J. Cherry                                         | Assistant Supervisor Regulatory Admin. |  |
| 3300 North "A" St., Bldg. 4, Ste. 100, Midland, TX 79705 | (432) 684-3692                         | 02-12-12                                                                             |
| Address                                                  | City, State, Zip Code                  | Tel.: Area Code Number                                                               |
|                                                          |                                        | Date: mo. day yr.                                                                    |

## Instructions to Form W-15, Cementing Report

**IMPORTANT:** Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

- A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:
- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
  - Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
  - Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- B. Where to file. The appropriate Commission District Office for the county in which the well is located.
- C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
- D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.
- E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.
- F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).
- G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.



Cementer: Fill in shaded areas  
Operator: Fill in other items

Form W-15  
Cementing Report  
Rev. 4/1/83  
483-045

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

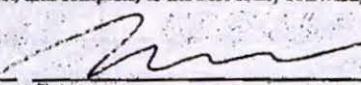
|                                                                                                         |                                      |                                  |                                         |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|-----------------------------------------|
| 1. Operator's Name (As shown on Form P-5, Organization Report)<br><b>Energren Resources Corporation</b> | 2. RRC Operator No.<br><b>252002</b> | 3. RRC District No.<br><b>08</b> | 4. County of Well Site<br><b>Loving</b> |
| 5. Field Name (Wildcat or exactly as shown on RRC records)<br><b>Two Georges (Bone Spring)</b>          | 6. API No.<br><b>42- 301-31588</b>   |                                  | 7. Drilling Permit No.<br><b>713978</b> |
| 8. Lease Name<br><b>Rainbow State 33-70</b>                                                             | 9. Rule 37 Case No.                  | 10. Oil Lease/Gas ID No.         | 11. Well No.<br><b>1</b>                |

| CASING CEMENTING DATA:                                                                                                                                                                                                   |                      |                  |   | SURFACE<br>CASING | INTER-<br>MEDIATE<br>CASING | PRODUCTION<br>CASING |                              | MULTI-STAGE<br>CEMENTING PROCESS |              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|---|-------------------|-----------------------------|----------------------|------------------------------|----------------------------------|--------------|
|                                                                                                                                                                                                                          |                      |                  |   |                   |                             | single<br>string     | Multiple<br>Parallel Strings | Foot                             | Shoe         |
| 12. Cementing Date                                                                                                                                                                                                       |                      |                  |   |                   |                             |                      |                              | 11/10/2011                       | 11/10/2011   |
| 13. * Drilled hole size                                                                                                                                                                                                  |                      |                  |   |                   |                             |                      |                              | 8 3/4"                           | 8 3/4"       |
| * Est. % wash or hole enlargement                                                                                                                                                                                        |                      |                  |   |                   |                             |                      |                              |                                  |              |
| 14. Size of casing (in. O.D.)                                                                                                                                                                                            |                      |                  |   |                   |                             |                      |                              | 7                                | 7            |
| 15. Top of liner (ft.)                                                                                                                                                                                                   |                      |                  |   |                   |                             |                      |                              | -----                            | -----        |
| 16. Setting depth (ft.)                                                                                                                                                                                                  |                      |                  |   |                   |                             |                      |                              | 4368'                            | 10931'       |
| 17. Number of centralizers used                                                                                                                                                                                          |                      |                  |   |                   |                             |                      |                              |                                  | 56           |
| 18. Hrs. waiting on cement before drill out                                                                                                                                                                              |                      |                  |   |                   |                             |                      |                              | +24                              | +24          |
| Slurry<br>1st                                                                                                                                                                                                            | 19. API cement used: | No. of sacks     | * |                   |                             |                      |                              | 220                              | 770          |
|                                                                                                                                                                                                                          | Class                | *                |   |                   |                             |                      |                              | 50:50 POZ II                     | 50:50 POZ. H |
|                                                                                                                                                                                                                          | Additives            | *                |   |                   |                             |                      |                              | See Remarks                      | See Remarks  |
| Slurry<br>2nd                                                                                                                                                                                                            |                      | No. of sacks     | * |                   |                             |                      |                              | 200                              | 400          |
|                                                                                                                                                                                                                          | Class                | *                |   |                   |                             |                      |                              | PVL                              | PVL          |
|                                                                                                                                                                                                                          | Additives            | *                |   |                   |                             |                      |                              | See Remarks                      | See Remarks  |
| Slurry<br>3rd                                                                                                                                                                                                            |                      | No. of sacks     | * |                   |                             |                      |                              |                                  |              |
|                                                                                                                                                                                                                          | Class                | *                |   |                   |                             |                      |                              |                                  |              |
|                                                                                                                                                                                                                          | Additives            | *                |   |                   |                             |                      |                              |                                  |              |
| 1st                                                                                                                                                                                                                      | 20. Slurry pumped:   | Volume (cu. ft.) | * |                   |                             |                      |                              | 536                              | 1830         |
|                                                                                                                                                                                                                          |                      | Height (ft.)     | * |                   |                             |                      |                              | 1717                             | 6539         |
| 2nd                                                                                                                                                                                                                      |                      | Volume (cu. ft.) | * |                   |                             |                      |                              | 272                              | 544          |
|                                                                                                                                                                                                                          |                      | Height (ft.)     | * |                   |                             |                      |                              | 2586                             | 3498         |
| 3rd                                                                                                                                                                                                                      |                      | Volume (cu. ft.) | * |                   |                             |                      |                              |                                  |              |
|                                                                                                                                                                                                                          |                      | Height (ft.)     | * |                   |                             |                      |                              |                                  |              |
| Total                                                                                                                                                                                                                    |                      | Volume (cu. ft.) | * |                   |                             |                      |                              | 808                              | 2374         |
|                                                                                                                                                                                                                          |                      | Height (ft.)     | * |                   |                             |                      |                              | 4303                             | 10037        |
| 21. Was cement circulated to ground surface<br>(or bottom of cellar) outside casing?                                                                                                                                     |                      |                  |   |                   |                             |                      |                              | YES                              | YES          |
| <p>LEAD: 8%D020+5%BWOB D044+0.05%D208+0.2%D046+0.2%D065+0.3%D201</p> <p>TAIL: 0.4%D201+0.2%D065+0.4%D207+3PPS D042+0.2%D046+0.125ppsD130</p> <p>2nd TAIL: 0.3%D201+0.2%D065+0.4%D207+3PPS D042+0.2%D046+0.25pps D130</p> |                      |                  |   |                   |                             |                      |                              |                                  |              |

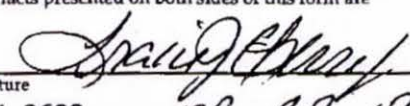


| CEMENTING TO PLUG AND ABANDON                     | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date                                |         |         |         |         |         |         |         |         |
| 24. Size of hole or pipe plugged (in.)            |         |         |         |         |         |         |         |         |
| 25. Depth to bottom of tubing or drill pipe (ft.) |         |         |         |         |         |         |         |         |
| 26. Bags of cement used (each plug)               |         |         |         |         |         |         |         |         |
| 27. Slurry volume pumped (cu. ft.)                |         |         |         |         |         |         |         |         |
| 28. Calculated top of plug (ft.)                  |         |         |         |         |         |         |         |         |
| 29. Measured top of plug, if tagged (ft.)         |         |         |         |         |         |         |         |         |
| 30. Slurry wt. (lbs/gal)                          |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

**CEMENTER'S CERTIFICATE:** I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

|                                             |                        |                                                                                     |
|---------------------------------------------|------------------------|-------------------------------------------------------------------------------------|
| <b>Stanley Adams</b>                        | <b>Schlumberger</b>    |  |
| Name and title of cementer's representative | Cementing Company      | Signature                                                                           |
| <b>1105 WEST BENDER BLVD</b>                | <b>HOBBS, NM 88240</b> | <b>(575) 393-6186</b>                                                               |
| Address                                     | City, State zip code   | Tel. Area Code Number                                                               |
|                                             |                        | Date: mo. day yr. <b>11/10/2011</b>                                                 |

**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.

|                                                                 |                                               |                                                                                      |
|-----------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------|
| <b>Tracie J. Cherry</b>                                         | <b>Assistant Supervisor Regulatory Admin.</b> |  |
| Typed or printed name of operator's representative              | Title                                         | Signature                                                                            |
| <b>3300 North "A" St., Bldg. 4, Ste. 100, Midland, TX 79705</b> | <b>(432) 684-3692</b>                         | <b>02-22-12</b>                                                                      |
| Address                                                         | City, State zip code                          | Tel. Area Code Number                                                                |
|                                                                 |                                               | Date: mo. day yr.                                                                    |

### Instructions to Form W-15 Cementing Report

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**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

**ELECTRIC LOG  
STATUS REPORT**

**FORM L-1**

Tracking No.: 38507

*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<br>Name: <b>ENERGEN RESOURCES CORPORATION</b> | District<br>No. <b>08</b>            | Completion<br>Date: <b>12/21/2011</b> |
| Field<br>Name: <b>TWO GEORGES (BONE SPRING)</b>        | Drilling Permit<br>No. <b>713978</b> |                                       |
| Lease<br>Name: <b>RAINBOW STATE 33-70</b>              | Lease/ID<br>No.                      | Well<br>No. <b>1</b>                  |
| County<br><b>LOVING</b>                                | API<br>No. <b>42- 301-31588</b>      |                                       |

**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). \_\_\_\_\_

Tracie Cherry

Signature

ENERGEN RESOURCES CORPORATION

Name (print)

Asst. Supervisor Reg/Admin

Title

(432) 684-3692

Phone

03/01/2012

Date

-FOR RAILROAD COMMISSION USE ONLY-



APPLICATION FOR ALTERNATE SURFACE CASING PROGRAM  
Statewide Rule 13(b)(2)(g)  
RRC District 8/8A

7/03

|                                                                                                                              |                                          |                  |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------|
| Operator's Name and Address:<br><br>ENERGEN RESOURCES CORPORATION<br>3300 NORTH "A" ST, BLDG 4, STE 100<br>MIDLAND, TX 79705 | Lease: Rainbow State 33-70               | Well No.: 1      |
|                                                                                                                              | Field: TWO GEORGES (BONE SPRING)         |                  |
|                                                                                                                              | Drilling Permit No.: 713978              |                  |
|                                                                                                                              | County: REEVES                           | RRC District: 08 |
|                                                                                                                              | Location: Sec. 70 Block 33 Sur H&TC Twp. |                  |
| Proposed TD: 11000                                                                                                           |                                          |                  |

Distance and Direction from nearest town: NA

Proposed injection or disposal well? ☐ Yes ☒ No NOTE: Special conditions may apply. See PROVISIONS below.

Usable-quality water strata (as determined by TCEQ "Waterboard" letter) occur to a depth of 250 ft, and from 500 ft to 1000 ft, and from \_\_\_\_\_ ft to \_\_\_\_\_ ft.

Note: Please submit copy of TCEQ "Waterboard" letter with this request. Request cannot be processed without this information.

Distance and direction of nearest water well (within 1/4 mile): NA

Type of water well (domestic, public, irrigation, stock, etc.): \_\_\_\_\_ Depth: \_\_\_\_\_

Proposed Casing and Cementing Program

Note: You may attach a wellbore diagram or cementing proposal to this application.

This application is for (check applicable boxes): ☐ Short surface casing ☒ Excess surface casing ☐ No surface casing

The proposed surface casing depth: 5000' TVD Multi-Stage tool depth (if applicable): 2000'

Intermediate or production casing depth: 14500' MD 10500' TVD Multi-Stage tool depth (if applicable): \_\_\_\_\_

Centralizer number and placement: 1 centralizer/Jt on bottom 3 jts then 1 every 3rd jt thereafter.

Does the cement across the critical zone have 72-hr compressive strength of at least 1,200 psi? ☒ Yes ☐ No

Does the filler cement have 24-hr compressive strength of at least 250 psi? ☒ Yes ☐ No

Do you plan on circulating cement to the surface on all casing strings protecting usable-quality water? ☒ Yes ☐ No

Reason for this request: Economics.

PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:

- Caution: If this well is being drilled for injection or disposal purposes, an injection or disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
- Centralizers must be used through all usable-quality waters. Refer to Rule 13(b)(2)(F).
- Notify District Office 8 hours prior to setting casing.

RECEIVED  
RRC OF TEXAS

APR 15 2011

O&G  
MIDLAND

Signature: Tracie J Cherry Print Name: Tracie J Cherry Date: 4-15-11 Phone: 432/684-3692  
Aast. Supv. Regulatory/Admin

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST IMMEDIATELY CONTACT THE DISTRICT 8/8A OFFICE AT 432-684-5581, AND FOLLOW THE PROCEDURES AS SET OUT IN RULE 13(B)(2)(g)(III) OR AS RECOMMENDED BY THE DISTRICT OFFICE.

RRC Use Only ▶

RRC District Office Action:

☐ Approved ☒ Approved as Modified ☐ Denied By: W. Allen Date: 4-15-11

Remarks/Modifications: Critical Zone Slurry required across Waterboard



Groundwater  
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date September 20, 2011

GAU File No.: SC- 2559

API Number 30131588

Attention: TRACE J CHERRY

RRC Lease No. 000000

SC\_252002\_30131588\_000000\_2559.pdf

--Measured--

ENERGEN RESOURCES CORP  
3300 N -A-  
BLDG 4 STE 100  
MIDLAND TX 79705

567 ft FNWL

400 ft FNEL

MRL:SECTION

Digital Map Location:

X-coord/Long 103.52275

Y-coord/Lat 31.66600

Datum 27 Zone

P-5# 252002

County LOVING

Lease & Well No. RAINBOW STATE 33-70 #1

Purpose ND

Location SUR-H&TC, BLK-33, SEC-70, --[TD=11500], [RRC 8], [PSC#2512]

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

**Water-bearing strata from the land surface to a depth of 350 feet and the RUSTLER, which is estimated to occur from 500 to 1000 feet must be protected.**

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

If you have any questions, please contact us at 512-463-2741, [gaug@rrc.state.tx.us](mailto:gaug@rrc.state.tx.us), or by mail.

Sincerely,



Digitally signed by Jack Oswalt  
DN: cn=US, st=TEXAS, o=Railroad Commission of Texas,  
email=jack.oswalt@rrc.state.tx.us  
Date: 2011.09.20 15:38:06 -05'00'

**Jack M. Oswalt, P.G.**

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit  
Oil & Gas Division

The seal appearing on this document was authorized by Jack M. Oswalt on 9/20/2011  
Note: Alteration of this electronic document will invalidate the digital signature.

0081R Transition Form  
Rev. 9/1/2011

P.O. Box 12967

Austin, Texas 78711-2967

512-463-2741

Internet address: [www.rrc.state.tx.us](http://www.rrc.state.tx.us)

A-1341, 341

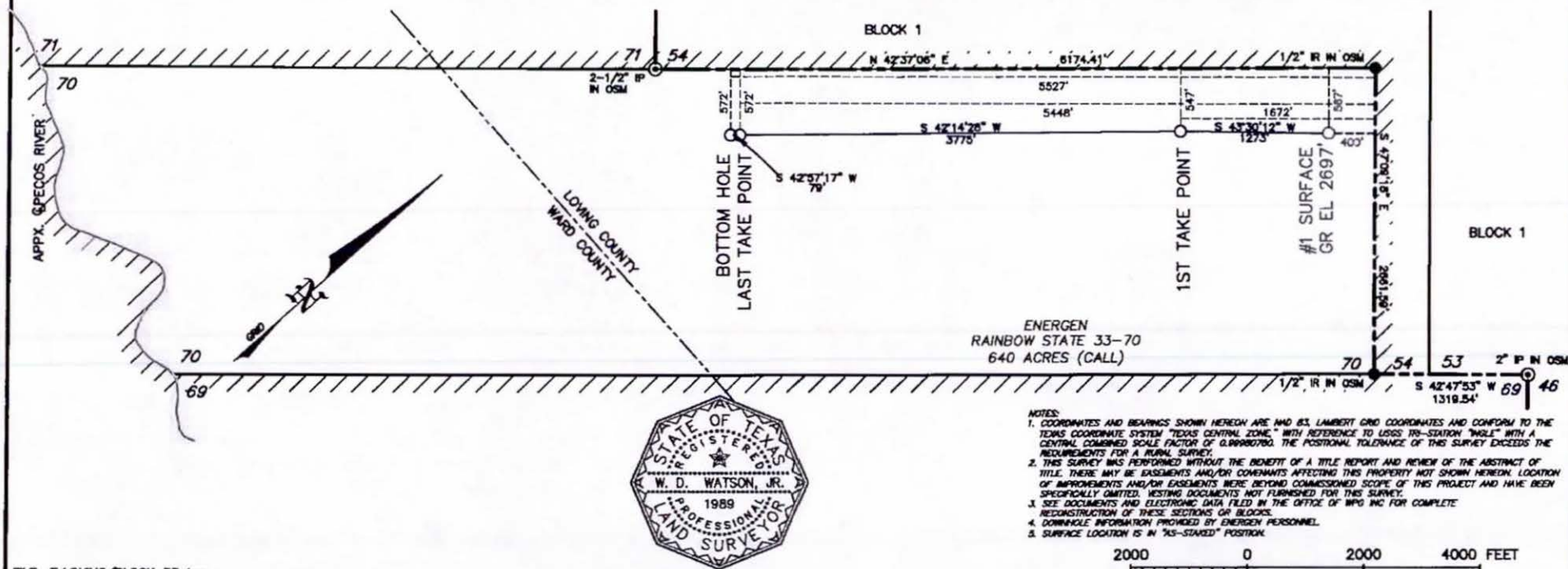
# SECTION 70, BLOCK 33 H. & T.C. RR. SURVEY

- ☼ GAS WELL
- ⚙️ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊘ SHUT IN WELL

## NAD 83, TEXAS CENTRAL ZONE

|                                                                        |                                                                      |
|------------------------------------------------------------------------|----------------------------------------------------------------------|
| S/L: N=10583947.3', E=1304288.8' LAT=31.6861301 N, LONG=103.5232135 W  | S/A: N=741370.9', E=1007824.7' LAT=31.6660002 N, LONG=103.5227581 W  |
| 1ST: N=10583024.3', E=1303412.8' LAT=31.6835247 N, LONG=103.5259429 W  | 1ST: N=740447.0', E=1006948.7' LAT=31.6833948 N, LONG=103.5254874 W  |
| LAST: N=10580229.3', E=1300874.8' LAT=31.6558438 N, LONG=103.5338385 W | LAST: N=737853.0', E=1004410.8' LAT=31.6555138 N, LONG=103.5333829 W |
| B/H: N=10580171.3', E=1300820.8' LAT=31.6554802 N, LONG=103.5340086 W  | B/H: N=737595.0', E=1004356.8' LAT=31.6553502 N, LONG=103.5335510 W  |

APPROXIMATELY 5.3 MILES SE OF MENTONE, TEXAS



### NOTES:

- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83 LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE" WITH REFERENCE TO LOSS TO-STATION "HOLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99999780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
- THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
- SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
- DOWNHOLE INFORMATION PROVIDED BY ENERGEN PERSONNEL.
- SURFACE LOCATION IS IN "AS-SHOWN" POSITION.

2000 0 2000 4000 FEET

FILE: T:\LOWING\BLOCK 33.dwg

**Watson Professional Group Inc**



P.O. DRAWER 11186  
MIDLAND, TEXAS 79703  
(432) 520-9200  
FAX (432) 520-9202  
info@wpg-usa.com

CONSULTING ENGINEERS, LAND SURVEYORS &amp; PLANNERS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

PROFESSIONAL LAND SURVEYING PRACTICES ACT

W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989

12/9/11

DATE

### AS-SHOWN PLAT ENERGEN RESOURCES RAINBOW STATE 33-70 #1

SURFACE LOCATION: 587' FNNL &amp; 400' FNNL

1ST TAKE POINT: 547' FNNL &amp; 1872' FNNL

LAST TAKE POINT: 572' FNNL &amp; 5448' FNNL

BOTTOM HOLE LOCATION: 572' FNNL &amp; 8887' FNNL

SECTION 70, BLOCK 33, H. &amp; T.C. RR. SURVEY

LOWING COUNTY, TEXAS

DATE: DECEMBER 8, 2011

JOB NO.: 11-1147-02 FIELD BOOK -

DATE SURVEYED: -

DRAFT TA REV. 0

File No. MF 064567

w-2 / attachments

301-31588

Date Filed: 6/3/13

Jerry Patterson, Commissioner

By MB Barnstone



mf  
064567

**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                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 732413                              | DATE PERMIT ISSUED OR AMENDED | Feb 06, 2012 | DISTRICT                                                                                                                                                                                    | * 08   |
| API NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 42-301-31699                        | FORM W-1 RECEIVED             | Jan 25, 2012 | COUNTY                                                                                                                                                                                      | LOVING |
| TYPE OF OPERATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | NEW DRILL                           | WELLBORE PROFILE(S)           | Vertical     | ACRES                                                                                                                                                                                       | 640    |
| OPERATOR                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ENERGEN RESOURCES CORPORATION       |                               |              | NOTICE<br>This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.<br><b>District Office Telephone No:</b><br>(432) 684-5581 |        |
| LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | RAINBOW 70                          |                               |              | WELL NUMBER                                                                                                                                                                                 | 1D     |
| LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5.5 miles SE direction from MENTONE |                               |              | TOTAL DEPTH                                                                                                                                                                                 | 7000   |
| Section, Block and/or Survey<br>SECTION ◀ 70                      BLOCK ◀ 33                      ABSTRACT ◀<br>SURVEY ◀ H&TC RR CO                                                                                                                                                                                                                                                                                                                                                   |                                     |                               |              |                                                                                                                                                                                             |        |
| DISTANCE TO SURVEY LINES                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                               |              | DISTANCE TO NEAREST LEASE LINE                                                                                                                                                              |        |
| 467 ft. SOUTH    3270 ft. EAST                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                               |              | 467 ft.                                                                                                                                                                                     |        |
| DISTANCE TO LEASE LINES                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                               |              | DISTANCE TO NEAREST WELL ON LEASE                                                                                                                                                           |        |
| 467 ft. SOUTH    3270 ft. EAST                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                               |              | See FIELD(s) Below                                                                                                                                                                          |        |
| FIELD(s) and LIMITATIONS:<br><p style="text-align: center;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                                                                                                                                                                                                         |                                     |                               |              |                                                                                                                                                                                             |        |
| FIELD NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     | ACRES                         | DEPTH        | WELL #                                                                                                                                                                                      | DIST   |
| LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     | NEAREST LEASE                 |              | NEAREST WE                                                                                                                                                                                  |        |
| -----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     | -----                         | -----        | -----                                                                                                                                                                                       | -----  |
| VERMEJO (DELAWARE)                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     | 640.00                        | 4,500        | 1D                                                                                                                                                                                          | 08     |
| RAINBOW 70                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     | 467                           |              | 0                                                                                                                                                                                           |        |
| RESTRICTIONS:    Do not use this well for injection/disposal/hydrocarbon storage purposes without approval by the Environmental Services section of the Railroad Commission, Austin, Texas office.                                                                                                                                                                                                                                                                                    |                                     |                               |              |                                                                                                                                                                                             |        |
| <b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     |                               |              |                                                                                                                                                                                             |        |
| This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97. |                                     |                               |              |                                                                                                                                                                                             |        |



## Railroad Commission of Texas

### 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.

**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

**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.

PHONE  
(512) 463-6751

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

MAIL:  
PO Box 12967  
Austin, Texas, 78711-2967



Groundwater  
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date December 20, 2011

GAU File No.: SC- 2634

\*\*\*\*\* EXPEDITED APPLICATION \*\*\*\*\*

API Number 30100000

Attention: TRACIE J CHERRY

RRC Lease No. 000000

SC\_252002\_30100000\_000000\_2634.pdf

ENERGEN RESOURCES CORP  
3300 N A  
BLG 4 STE 100  
MIDLAND TX 79705

--Measured--

3270 ft FNEL

467 ft FSEL

MRL: SURVEY

P-5# 252002

Digital Map Location:

X-coord/Long 103.52487

Y-coord/Lat 31.65710

Datum 27 Zone

County LOVING

Lease & Well No. RAINBOW STATE 33 70 #1D

Purpose ND

Location SUR-H&TC, BLK-33, SEC-70, -- [TD=6500], [RRC 8],

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

Water-bearing strata from the land surface to a depth of 375 feet and the RUSTLER, which is estimated to occur from 550 to 1025 feet must be protected.

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

If you have any questions, please contact us at 512-463-2741, [gau@rrc.state.tx.us](mailto:gau@rrc.state.tx.us), or by mail.

Sincerely,

*Mark R. Vining*

Digitally signed by Mark Vining  
DN: c=US, st=TEXAS, l=Austin, o=Railroad  
Commission of Texas, cn=Mark Vining,  
email=mark.vining@rrc.state.tx.us  
Date: 2011.12.20 14:58:27 -06'00'

Mark R. Vining, P.G.

Geologist, Groundwater Advisory Unit  
Oil & Gas Division

GEOLOGIST SEAL



The seal appearing on this document was authorized by Mark R. Vining on 12/20/2011  
Note: Alteration of this electronic document will invalidate the digital signature.



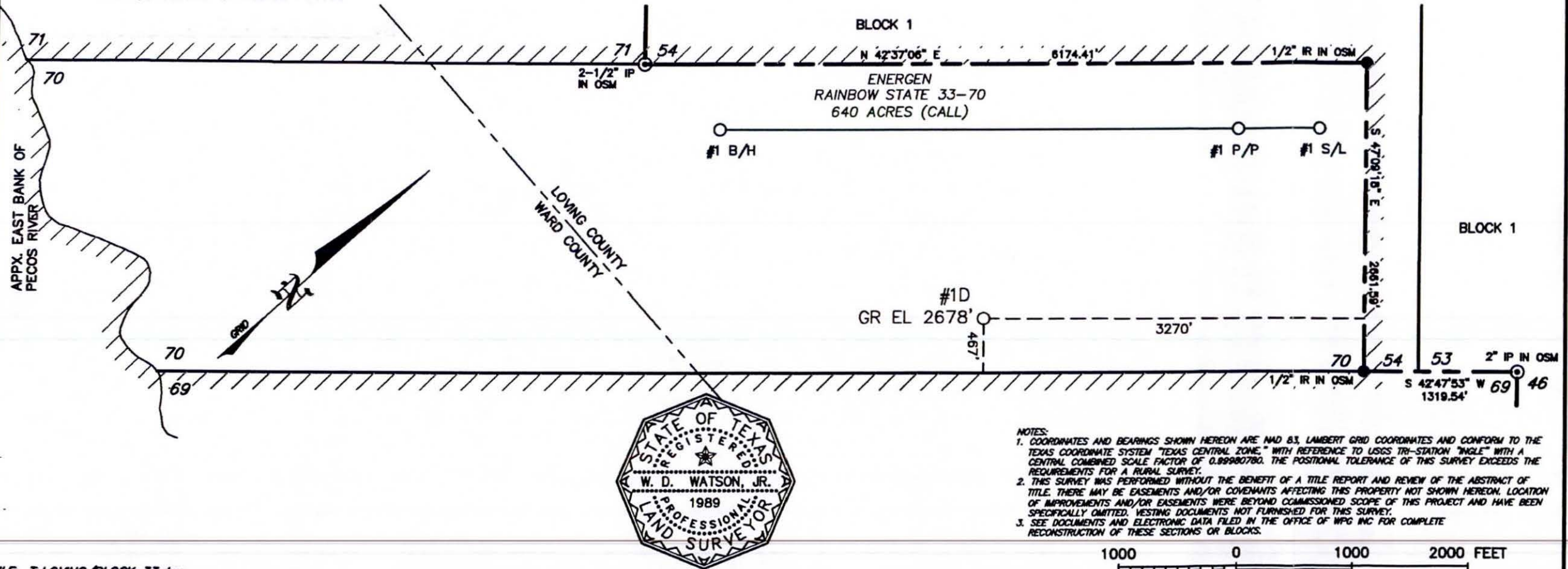


PERMIT PLAT

A-1341, 341  
**SECTION 70, BLOCK 33**  
**H. & T.C. RR. SURVEY**

- ☼ GAS WELL
- △ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- WATER WELL
- SHUT IN WELL

| NAD 83, TEXAS CENTRAL ZONE                                            | NAD 27, TEXAS CENTRAL ZONE                                          |
|-----------------------------------------------------------------------|---------------------------------------------------------------------|
| S/L: N=10580728.5', E=1303538.8' LAT=31.6572261 N, LONG=103.5253262 W | S/L: N=738152.2', E=1007074.8' LAT=31.6570961 N, LONG=103.5248709 W |
| APPROXIMATELY 5.5 MILES SE OF MENTONE, TEXAS                          |                                                                     |



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "ANGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
  - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
  - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.

FILE: T.LOVING/BLOCK 33.dwg

**Watson**  
**Professional**  
**Group Inc**



P.O. DRAWER 1186  
MIDLAND, TEXAS 79702  
(432) 520-9200  
FAX (432) 520-9212  
wdwatson@wpg-usa.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989

11/3/11

DATE

PERMIT PLAT  
**ENERGEN RESOURCES**  
**RAINBOW 70 #1D**  
**S/L: 437' FSEL & 3270' FSEL**  
**SECTION 70, BLOCK 33, H & TC RR SURVEY**  
**LOVING COUNTY, TEXAS**

DATE: NOVEMBER 1, 2011

DATE SURVEYED: 10/24/11

JOB NO.: 11-1279-00 FIELD BOOK 648/26

DRAFT NGH REV. 0



File No. MF064567Drilling permit301-31699Date Filed: 6/3/13

Jerry Patterson, Commissioner

By MR Barnstone

3.35.13

MF  
064567

**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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 733221                              | DATE PERMIT ISSUED OR AMENDED | Feb 16, 2012 | DISTRICT                          | *                                                                                                                                                                                                  | 08     |
| API NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 42-301-31713                        | FORM W-1 RECEIVED             | Feb 06, 2012 | COUNTY                            |                                                                                                                                                                                                    | LOVING |
| TYPE OF OPERATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | NEW DRILL                           | WELLBORE PROFILE(S)           | Horizontal   | ACRES                             |                                                                                                                                                                                                    | 640    |
| OPERATOR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ENERGEN RESOURCES CORPORATION       |                               |              | 252002                            | <b>NOTICE</b><br>This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.<br><b>District Office Telephone No:</b><br>(432) 684-5581 |        |
| LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | RAINBOW STATE 33-70                 |                               |              | WELL NUMBER                       |                                                                                                                                                                                                    | 2      |
| LOCATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5.8 miles SE direction from MENTONE |                               |              | TOTAL DEPTH                       |                                                                                                                                                                                                    | 11500  |
| Section, Block and/or Survey<br>SECTION ◀ 70                      BLOCK ◀ 33                      ABSTRACT ◀<br>SURVEY ◀ H&TC RR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |
| DISTANCE TO SURVEY LINES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |                               |              | DISTANCE TO NEAREST LEASE LINE    |                                                                                                                                                                                                    |        |
| 845 ft. NE    747 ft. SE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |                               |              | 567 ft.                           |                                                                                                                                                                                                    |        |
| DISTANCE TO LEASE LINES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |                               |              | DISTANCE TO NEAREST WELL ON LEASE |                                                                                                                                                                                                    |        |
| 845 ft. NE    747 ft. SE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |                               |              | See FIELD(s) Below                |                                                                                                                                                                                                    |        |
| FIELD(s) and LIMITATIONS:<br><p style="text-align: center;">* SEE FIELD DISTRICT FOR REPORTING PURPOSES *</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |
| FIELD NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     | ACRES                         | DEPTH        | WELL #                            | DIST                                                                                                                                                                                               |        |
| LEASE NAME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     | NEAREST LEASE                 |              | NEAREST WE                        |                                                                                                                                                                                                    |        |
| TWO GEORGES (BONE SPRING)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                     | 640.00                        | 11,000       | 2                                 | 08                                                                                                                                                                                                 |        |
| RAINBOW STATE 33-70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     | 567                           |              | 1398                              |                                                                                                                                                                                                    |        |
| WELLBORE PROFILE(s) FOR FIELD: Horizontal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |
| RESTRICTIONS: <div style="display: flex; justify-content: space-between;"> <div>           Lateral: TH1<br/>           Penetration Point Location<br/>             Lease Lines:        1445.0 F NE L<br/>                                        723.0 F SE L<br/><br/>           Terminus Location<br/>             BH County: LOVING<br/>             Section: 70                      Block: 33<br/>             Survey: H&amp;TC RR<br/>             Lease Lines:        5500.0 F NE L<br/>                                        567.0 F SE L<br/>             Survey Lines:      5500.0 F NE L<br/>                                        567.0 F SE L         </div> <div>           Abstract: 341         </div> </div> |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |
| <b>THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |
| This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.                                                                                                                                                                                                                                             |                                     |                               |              |                                   |                                                                                                                                                                                                    |        |



## Railroad Commission of Texas

### 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.

**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.

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**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

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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.

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**\*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.



**APPLICATION FOR ALTERNATE SURFACE CASING PROGRAM**  
**Statewide Rule 13(b)(2)(g)**  
**RRC District 8/8A**

7/03

|                                                                                                                        |                                            |                  |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------|
| Operator's Name and Address:<br><br>Energen Resources Corporation<br>3300 N. 'A', Bldg 4, Ste 100<br>Midland, TX 79705 | Lease: Rainbow State 33-70                 | Well No.: 2      |
|                                                                                                                        | Field: Two Georges (Bone Spring)           |                  |
|                                                                                                                        | Drilling Permit No.: 733221                |                  |
|                                                                                                                        | County: Loving                             | RRC District: 08 |
|                                                                                                                        | Location: Sec. 70 Block 33 Sur. H+T C Twp. |                  |
| Proposed TD: 11500 TVD/16000 MD                                                                                        |                                            |                  |

Distance and Direction from nearest town: 5.8 miles SE from Mentone

Proposed injection or disposal well? ☐ Yes ☒ No NOTE: Special conditions may apply. See PROVISIONS below.

Usable-quality water strata (as determined by TCEQ "Waterboard" letter) occur to a depth of 375 ft, and from 525 ft to 1025 ft, and from \_\_\_\_\_ ft to \_\_\_\_\_ ft.

**Note: Please submit copy of TCEQ "Waterboard" letter with this request. Request cannot be processed without this information.**

Distance and direction of nearest water well (within ¼ mile): \_\_\_\_\_

Type of water well (domestic, public, irrigation, stock, etc.): \_\_\_\_\_ Depth: \_\_\_\_\_

**Proposed Casing and Cementing Program**

Note: You may attach a wellbore diagram or cementing proposal to this application.

This application is for (check applicable boxes): ☐ Short Surface Casing ☒ Excess Surface Casing ☐ No Surface Casing

The proposed surface casing depth: ~~5200'~~ 4400' Multi-Stage tool depth (if applicable): 2000'

Intermediate or production casing depth: \_\_\_\_\_ Multi-Stage tool depth (if applicable): \_\_\_\_\_

Centralizer number and placement: 1 centralizer on first two joints then 1 every third joint thereafter.

Does the cement across the critical zone have 72-hr compressive strength of at least 1,200 psi? ☒ Yes ☐ No

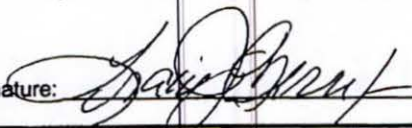
Does the filler cement have 24-hr compressive strength of at least 250 psi? ☒ Yes ☐ No

Do you plan on circulating cement to the surface on all casing strings protecting usable-quality water? ☒ Yes ☐ No

Reason for this request: Economics

**PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:**

1. Caution: If this well is being drilled for injection or disposal purposes, an injection or disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
2. Centralizers must be used through all usable-quality waters. Refer to Rule 13(b)(2)(F).
3. Notify District Office 8 hours prior to setting casing.

Signature:  Print Name: Tracie J Cherry Date: 02-17-12 Phone: 432/684-3692

**IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST IMMEDIATELY CONTACT THE DISTRICT 8/8A OFFICE AT 432-684-5581, AND FOLLOW THE PROCEDURES AS SET OUT IN RULE 13(B)(2)(g)(III) OR AS RECOMMENDED BY THE DISTRICT OFFICE.**

RRC Use Only ▶

|                                                                                                                            |                         |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------|
| RRC District Office Action:                                                                                                |                         |
| <input type="checkbox"/> Approved <input checked="" type="checkbox"/> Approved as Modified <input type="checkbox"/> Denied | By: _____ Date: 2-20-12 |
| Remarks/Modifications: Critical Zone Slurry required across all Waterboards                                                |                         |

RESET FORM

Groundwater  
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date February 15, 2012

GAU File No.: SC- 2680

\*\*\*\*\* EXPEDITED APPLICATION \*\*\*\*\*

API Number 30100000

Attention: TRACIE J CHERRY

RRC Lease No. 000000

SC\_252002\_30100000\_000000\_2680.pdf

--Measured--

747 ft FSEL

845 ft FNEL

MRL:SECTION

ENERGEN RESOURCES CORP  
3300 N A  
BLG 4 STE 100  
MIDLAND TX 79705

P-5# 252002

Digital Map Location:

X-coord/Long 103.52044

Y-coord/Lat 31.66263

Datum 27 Zone

County LOVING

Lease & Well No. RAINBOW STATE 33-70 #2

Purpose ND

Location SUR-H&TC, A-341, BLK-33, SEC-70, -- [TD=11500] , [RRC 8] ,

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

Water-bearing strata from the land surface to a depth of 375 feet and the RUSTLER, which is estimated to occur from 525 to 1025 feet, must be protected.

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

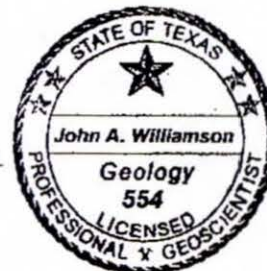
If you have any questions, please contact us at 512-463-2741, [gau@rrc.state.tx.us](mailto:gau@rrc.state.tx.us), or by mail.

Sincerely,

Digitally signed by John A. Williamson  
DN: c=US, st=TEXAS, l=Austin,  
o=Railroad Commission of Texas,  
cn=John Williamson,  
email=john.williamson@rrc.state.tx.us  
Date: 2012.02.15 14:56:00 -06'00'

John A. Williamson, P.G.

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit  
Oil & Gas Division

The seal appearing on this document was authorized by John A. Williamson on 2/15/2012  
Note: Alteration of this electronic document will invalidate the digital signature.



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| API No. _____<br>Application Status # <u>733221</u><br>SWR Exception Case/Docket No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  | <b>FORM W-1</b> 07/2004<br>Permit Status: Pending Approval<br><i>The RRC has not approved this application.</i><br><i>Duplication or distribution of information is at the user's own risk.</i> |  |
| 1. RRC Operator No.<br><u>252002</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                        | 2. Operator's Name (as shown on form P-5, Organization Report)<br><u>ENERGEN RESOURCES CORPORATION</u>                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3. Operator Address (include street, city, state, zip):<br>_____<br>_____<br>_____                                                                                               |                                                                                                                                                                                                 |  |
| 4. Lease Name<br><u>RAINBOW STATE 33-40</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                        | 5. Well No.<br><u>2</u>                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| <b>GENERAL INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 6. Purpose of filing (mark ALL appropriate boxes):<br><div style="display: flex; justify-content: space-between;"> <span><input checked="" type="checkbox"/> New Drill</span> <span><input type="checkbox"/> Recompletion</span> <span><input type="checkbox"/> Reclass</span> <span><input type="checkbox"/> Field Transfer</span> <span><input type="checkbox"/> Re-Enter</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Amended</span> <span><input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)</span> </div> |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 7. Wellbore Profile (mark ALL appropriate boxes):<br><div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Vertical</span> <span><input checked="" type="checkbox"/> Horizontal (Also File Form W-1H)</span> <span><input type="checkbox"/> Directional (Also File Form W-1D)</span> <span><input type="checkbox"/> Sidetrack</span> </div>                                                                                                                                                                                                                |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 8. Total Depth<br><u>11500</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                        | 9. Do you have the right to develop the minerals under any right-of-way?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                    |                                                                                                                                                                                                 |  |
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 11. RRC District No.<br><u>08</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        | 12. County<br><u>LOVING</u>                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 13. Surface Location<br><input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |                                                                                                                                                                                                 |  |
| 14. This well is to be located <u>5.8</u> miles in a <u>SE</u> direction from <u>Mentone</u> which is the nearest town in the county of the well site.                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 15. Section<br><u>70</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 16. Block<br><u>33</u> | 17. Survey<br><u>H&amp;TC RR</u>                                                                                                                                                                                                                                                                                           | 18. Abstract No.<br><u>A-341</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 19. Distance to nearest lease line:<br><u>567</u> ft.                                                                                                                            | 20. Number of contiguous acres in lease, pooled unit, or unitized tract:<br><u>640</u>                                                                                                          |  |
| 21. Lease Perpendiculars: <u>845</u> ft from the <u>NE</u> line and <u>747</u> ft from the <u>SE</u> line.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        | 22. Survey Perpendiculars: <u>845</u> ft from the <u>NE</u> line and <u>747</u> ft from the <u>SE</u> line.                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                        | 24. Unitization Docket No: _____                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No                                       |                                                                                                                                                                                                 |  |
| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| 26. RRC District No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 27. Field No.          | 28. Field Name (exactly as shown in RRC records)                                                                                                                                                                                                                                                                           | 29. Well Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30. Completion Depth                                                                                                                                                             | 31. Distance to Nearest Well in this Reservoir                                                                                                                                                  |  |
| 08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 92100050               | TWO GEORGES (BONE SPRING)                                                                                                                                                                                                                                                                                                  | Oil Well                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 11000                                                                                                                                                                            | 1398.00                                                                                                                                                                                         |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| <b>Remarks</b><br>[FILER Feb 6, 2012 10:53 AM]: Please expedite<br><br>First take point: 1445' FNEL & 723' FSEL of lease/survey<br>Last take point: 5500' FNEL & 567' FSEL of lease/survey                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                                                                                                                                                                                                                                                                                                                            | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><div style="text-align: center;">           Tracie Cherry, Asst. Supervisor<br/>           Reg/Admin         </div> <div style="display: flex; justify-content: space-between;"> <div>           Name of filer<br/> <u>(432)6843692</u><br/>           Phone         </div> <div>           Date submitted<br/> <u>Feb 06, 2012</u><br/>           E-mail Address (OPTIONAL)<br/> <u>midlandrrc@energen.com</u> </div> </div> |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |
| <b>RRC Use Only</b> Data Validation Time Stamp: Feb 6, 2012 11:14 AM( Current Version )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                        |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                  |                                                                                                                                                                                                 |  |



Permit Status: Pending Approval

*The RRC has not approved this application.  
Duplication or distribution of information is  
at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**Form W-1H** 07/2004  
**Supplemental Horizontal Well Information**

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

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

Status # 733221

Approved Date:

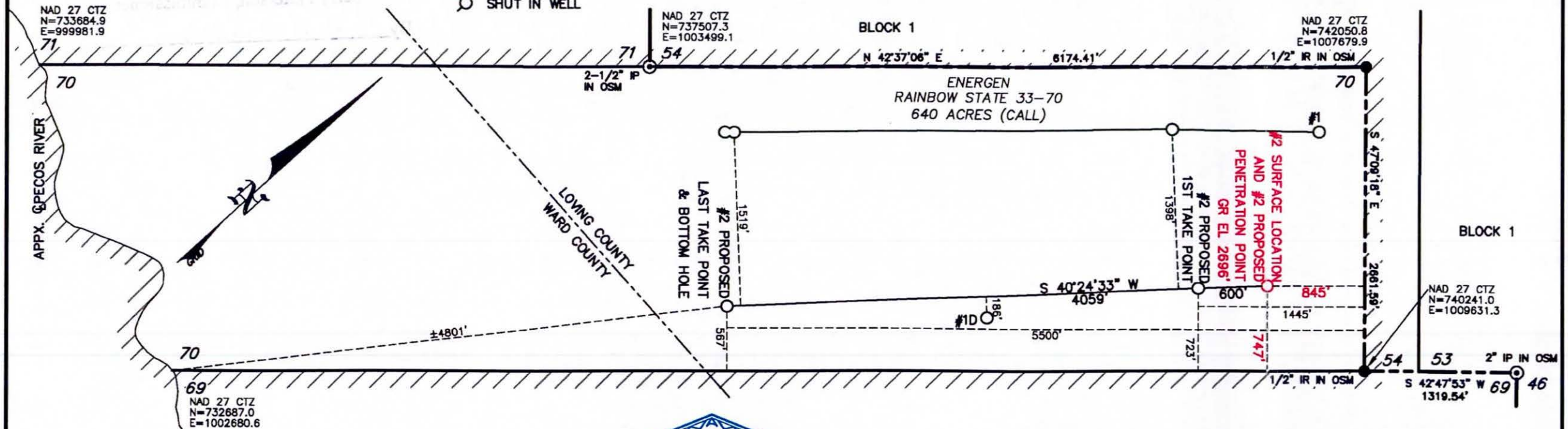
|                                                                                                           |                                                                                                         |                                      |                    |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------|
| 1. RRC Operator No.<br>252002                                                                             | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br>ENERGEN RESOURCES CORPORATION | 3. Lease Name<br>RAINBOW STATE 33-40 | 4. Well No.<br>2   |
| <b>Lateral Drainhole Location Information</b>                                                             |                                                                                                         |                                      |                    |
| 5. Field as shown on Form W-1 TWO GEORGES (BONE SPRING) (Field # 92100050, RRC District 08)               |                                                                                                         |                                      |                    |
| 6. Section<br>70                                                                                          | 7. Block<br>33                                                                                          | 8. Survey<br>H&TC RR                 | 9. Abstract<br>341 |
| 10. County of BHL<br>LOVING                                                                               |                                                                                                         |                                      |                    |
| 11. Terminus Lease Line Perpendiculars<br>5500 ft. from the NE line. and 567 ft. from the SE line         |                                                                                                         |                                      |                    |
| 12. Terminus Survey Line Perpendiculars<br>5500 ft. from the NE line. and 567 ft. from the SE line        |                                                                                                         |                                      |                    |
| 13. Penetration Point Lease Line Perpendiculars<br>845 ft. from the NE line. and 747 ft. from the SE line |                                                                                                         |                                      |                    |

PERMIT PLAT

A-1341, 341  
**SECTION 70, BLOCK 33**  
**H. & T.C. RR. SURVEY**

- ☼ GAS WELL
- △ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- ⊙ WATER WELL
- ⊘ SHUT IN WELL

| NAD 83, TEXAS CENTRAL ZONE                   |                                      | NAD 27, TEXAS CENTRAL ZONE       |                                      |
|----------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| S/L: N=10582702.9', E=1304975.6'             | LAT=31.6627647 N, LONG=103.5208922 W | S/L: N=740126.6', E=1008511.6'   | LAT=31.6626349 N, LONG=103.5204369 W |
| 1ST/P: N=10582246.0', E=1304586.6'           | LAT=31.6614787 N, LONG=103.5220997 W | 1ST/P: N=739669.7', E=1008122.6' | LAT=31.6613487 N, LONG=103.5216445 W |
| L/P: N=10579155.5', E=1301955.5'             | LAT=31.6527785 N, LONG=103.5302674 W | L/P: N=736579.2', E=1005491.5'   | LAT=31.6526486 N, LONG=103.5298120 W |
| APPROXIMATELY 5.8 MILES SE OF MENTONE, TEXAS |                                      |                                  |                                      |



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAMBERT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM "TEXAS CENTRAL ZONE," WITH REFERENCE TO USGS TRI-STATION "ANGLE" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
  - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
  - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPG INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.



FILE: T.LOVING/BLOCK 33.dwg



P.O. DRAWER 11186  
MIDLAND, TEXAS 79702  
(432) 520-9200  
FAX (432) 520-9212  
wdwatson@wpg-us.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989  
DATE 2/2/12

AS-DRAWN PLAT  
**ENERGEN RESOURCES**  
**RAINBOW STATE 33-70 #2**  
**S/L & PROPOSED P/P: 845' FNEL & 747' FSEL**  
**PROPOSED 1ST T/P: 1445' FNEL & 723' FSEL**  
**PROPOSED LAST T/P & B/H: 5500' FNEL & 567' FSEL**  
**SECTION 70, BLOCK 33, H & TC RR SURVEY**  
**LOVING COUNTY, TEXAS**

DATE: JANUARY 30, 2012 DATE SURVEYED: 1/24/12  
JOB NO.: 12-1036-00 FIELD BOOK 650/23 DRAFT NGH REV. 0



File No. MF 64567Drilling Permit301-31713Date Filed: 6/3/13

Jerry Patterson, Commissioner

By Mr Barnstone

3.34.13



# RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Tracking No.: 65188

Status: Submitted

This facsimile W-2 was generated electronically from data submitted to the RRC.

API No. 42- 301-31824

7. RRC District No.

08

8. RRC Lease No.

## Oil Well Potential Test, Completion or Recompletion Report, and Log

|                                                                                                                |  |                                                                                                          |  |                                                                                                                                                                                                                         |  |
|----------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. FIELD NAME (as per RRC Records or Wildcat)<br><b>TWO GEORGES (BONE SPRING)</b>                              |  | 2. LEASE NAME<br><b>RAINBOW STATE 33-70</b>                                                              |  | 9. Well No.<br><b>3</b>                                                                                                                                                                                                 |  |
| 3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)<br><b>ENERGEN RESOURCES CORPORATION</b> |  | RRC Operator No.<br><b>252002</b>                                                                        |  | 10. County of well site<br><b>LOVING</b>                                                                                                                                                                                |  |
| 4. ADDRESS<br><b>3300 NORTH A ST BLDG 4 STE 100 MIDLAND, TX 79705-0000</b>                                     |  |                                                                                                          |  | 11. Purpose of filing<br>Initial Potential <input checked="" type="checkbox"/><br>Retest <input type="checkbox"/><br>Reclass <input type="checkbox"/><br>Well record only (Explain in remarks) <input type="checkbox"/> |  |
| 5. If Operator has changed within last 60 days, name former operator                                           |  |                                                                                                          |  |                                                                                                                                                                                                                         |  |
| 6a. Location (Section, Block, and Survey)<br><b>70, 33, H&amp;TC RR CO</b>                                     |  | 6b. Distance and direction to nearest town in this county.<br><b>5.8 MILES SE DIRECTION FROM MENTONE</b> |  |                                                                                                                                                                                                                         |  |
| 12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.<br><b>N/A</b>         |  | GAS ID or OIL LEASE #                                                                                    |  | Oil-O Gas-G                                                                                                                                                                                                             |  |
| 13. Type of electric or other log run<br><b>Gamma Ray (MWD)</b>                                                |  | 14. Completion or recompletion date<br><b>10/23/2012</b>                                                 |  |                                                                                                                                                                                                                         |  |

### SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

|                                       |  |                                                                     |                          |                                                                                                    |                                    |                                              |  |
|---------------------------------------|--|---------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|--|
| 15. Date of test<br><b>11/23/2012</b> |  | 16. No. of hours tested<br><b>24</b>                                |                          | 17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump)<br><b>Flowing</b> |                                    | 18. Choke size<br><b>24/64</b>               |  |
| 19. Production during Test Period     |  | Oil - BBLs<br><b>315.0</b>                                          | Gas - MCF<br><b>1744</b> | Water - BBLs<br><b>1740</b>                                                                        | Gas - Oil Ratio<br><b>5536</b>     | Flowing Tubing Pressure<br><b>1550.0</b> PSI |  |
| 20. Calculated 24-Hour Rate           |  | Oil - BBLs<br><b>315.0</b>                                          | Gas - MCF<br><b>1744</b> | Water - BBLs<br><b>1740</b>                                                                        | Oil Gravity-API-60°<br><b>47.0</b> | Casing Pressure<br><b>0.0</b> PSI            |  |
| 21. Was swab used during this test?   |  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |                          | 22. Oil produced prior to test (New & Reworked wells)<br><b>1176.0</b>                             |                                    | 23. Injection Gas-Oil Ratio                  |  |
| REMARKS: N/A                          |  |                                                                     |                          |                                                                                                    |                                    |                                              |  |

**INSTRUCTIONS:** File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

#### WELL TESTERS CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

#### OPERATOR'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.

ENERGEN RESOURCES CORPORATION

Type or printed name of operator's representative

(432) 684-3692

Telephone: Area Code

Number

01/30/2013

Month Day Year

Regulatory Analyst

Title of Person

Delia Skinner

Signature

| SECTION III                                                                                                                                                                      |                                          | DATA ON WELL COMPLETION AND LOG (Not Required on Retest)                                                                                                            |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------|
| 24. Type of Completion<br>New Well <input checked="" type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other <input type="checkbox"/>      |                                          | 25. Permit to Drill, Plug Back or Deepen<br>DATE 08/02/2012 PERMIT NO. 745189<br>Rule 37 Exception<br>Water Injection Permit<br>Salt Water Disposal Permit<br>Other |                                                                                     |                                                                                                 |                                                                    | PERMIT NO.<br>CASE NO.<br>PERMIT NO.<br>PERMIT NO.                                                       |                     |
| 26. Notice of Intention to Drill this well was filed in Name of<br><b>ENERGEN RESOURCES CORPORATION</b>                                                                          |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 27. Number of producing wells on this lease in this field (reservoir) including this well<br><b>3</b>                                                                            |                                          | 28. Total number of acres in this lease<br><b>640.0</b>                                                                                                             |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 29. Date Plug Back, Deepening, Workover or Drilling Operations:<br>Commenced 09/26/2012 Completed 10/18/2012                                                                     |                                          | 30. Distance to nearest well, Same Lease & Reservoir<br><b>858.0</b>                                                                                                |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 31. Location of well, relative to nearest lease boundaries<br><b>5628.0</b> Feet From <b>NE</b> Line and <b>977.0</b> Feet from <b>NW</b> Line of the <b>RAINBOW STATE 33-70</b> |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 32. Elevation (DF, RKB, RT, GR ETC.)<br><b>2680</b> <b>GR</b>                                                                                                                    |                                          | 33. Was directional survey made other than inclination (Form W-12)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                             |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 34. Top of Pay<br><b>10496 MD:10499</b>                                                                                                                                          | 35. Total Depth<br><b>10873 MD:14800</b> | 36. P. B. Depth<br><b>10873 MD:14800</b>                                                                                                                            | 37. Surface Casing Determined by<br>Field Rules <input checked="" type="checkbox"/> | Recommendation of T.D.W.R.<br>Railroad Commission (Special) <input checked="" type="checkbox"/> | Dt. of Letter <b>07/25/2012</b><br>Dt. of Letter <b>07/27/2012</b> |                                                                                                          |                     |
| 38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                             |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.<br><b>FIELD &amp; RESERVOIR</b><br><b>N/A</b>                        |                                          |                                                                                                                                                                     |                                                                                     | GAS ID or OIL LEASE #                                                                           | Oil-G Gas-G                                                        | Well #                                                                                                   |                     |
| 40. Intervals Drilled by:<br>Rotary Tools <input checked="" type="checkbox"/> Cable Tools                                                                                        |                                          | 41. Name of Drilling Contractor<br><b>NABORS F05</b>                                                                                                                |                                                                                     |                                                                                                 |                                                                    | 42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |                     |
| 43. CASING RECORD (Report All Strings Set in Well)                                                                                                                               |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| CASING SIZE                                                                                                                                                                      | WT #/FT.                                 | DEPTH SET                                                                                                                                                           | MULTISTAGE TOOL DEPTH                                                               | TYPE & AMOUNT CEMENT (sacks)                                                                    | HOLE SIZE                                                          | TOP OF CEMENT                                                                                            | SLURRY VOL. cu. ft. |
| 9 5/8                                                                                                                                                                            | 40.0                                     | 4501                                                                                                                                                                | 0                                                                                   | C 1500                                                                                          | 12 1/4                                                             | SURFACE                                                                                                  | 2901.0              |
| 9 5/8                                                                                                                                                                            | 40.0                                     | 4501                                                                                                                                                                | 2104                                                                                | C 2320                                                                                          | 12 1/4                                                             | SURFACE                                                                                                  | 4086.0              |
| 7                                                                                                                                                                                | 29.0                                     | 11031                                                                                                                                                               | 0                                                                                   | H/TXI 1200                                                                                      | 8 3/4                                                              | 3912                                                                                                     | 2262.0              |
| 7                                                                                                                                                                                | 29.0                                     | 11031                                                                                                                                                               | 3912                                                                                | H/TXI 450                                                                                       | 8 3/4                                                              | SURFACE                                                                                                  | 887.0               |
| 44. LINER RECORD                                                                                                                                                                 |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| Size                                                                                                                                                                             | Top                                      | Bottom                                                                                                                                                              | Sacks Cement                                                                        | Screen                                                                                          |                                                                    |                                                                                                          |                     |
| 4 1/2                                                                                                                                                                            | 10305                                    | 14331                                                                                                                                                               |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 45. TUBING RECORD                                                                                                                                                                |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| Size                                                                                                                                                                             | Depth Set                                | Packer Set                                                                                                                                                          | From L1 11494                                                                       | To 14209                                                                                        |                                                                    |                                                                                                          |                     |
| 2 7/8                                                                                                                                                                            | 9821                                     |                                                                                                                                                                     | From                                                                                | To                                                                                              |                                                                    |                                                                                                          |                     |
|                                                                                                                                                                                  |                                          |                                                                                                                                                                     | From                                                                                | To                                                                                              |                                                                    |                                                                                                          |                     |
|                                                                                                                                                                                  |                                          |                                                                                                                                                                     | From                                                                                | To                                                                                              |                                                                    |                                                                                                          |                     |
| 47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                                                                                                                                   |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| Depth Interval                                                                                                                                                                   |                                          | Amount and Kind of Material Used                                                                                                                                    |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 11494.0                                                                                                                                                                          |                                          | 14209.0                                                                                                                                                             |                                                                                     | FRAC W/ 19,100 BBLS FLUID, 20/40 961,020# SAND.                                                 |                                                                    |                                                                                                          |                     |
|                                                                                                                                                                                  |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
|                                                                                                                                                                                  |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| 48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)                                                                                            |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| Formations                                                                                                                                                                       | Depth                                    |                                                                                                                                                                     | Formations                                                                          | Depth                                                                                           |                                                                    |                                                                                                          |                     |
| 3RD BONE SPRING                                                                                                                                                                  | 10496.0 MD: 10499.0                      |                                                                                                                                                                     | X SAND                                                                              | 10851.0 MD: 11340.0                                                                             |                                                                    |                                                                                                          |                     |
| A SAND                                                                                                                                                                           | 10664.0 MD: 10692.0                      |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| WOLFCAMP                                                                                                                                                                         | 10794.0 MD: 10921.0                      |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |
| REMARKS: N/A                                                                                                                                                                     |                                          |                                                                                                                                                                     |                                                                                     |                                                                                                 |                                                                    |                                                                                                          |                     |



RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION

Form W-12  
(1-1-71)  
FOD1296

|                                                                                     |  |                                                                    |
|-------------------------------------------------------------------------------------|--|--------------------------------------------------------------------|
| <b>INCLINATION REPORT</b><br>(One Copy Must Be Filed With Each Completion Report)   |  | 6. RRC District<br><b>8</b>                                        |
| 1. FIELD NAME (as per RRC Records or Wildcat)<br><b>TWD Georges (Bone Spring)</b>   |  | 7. RRC Lease Number.<br>(Oil completions only)<br><b>33-70 #3H</b> |
| 2. LEASE NAME<br><b>RAINBOW STATE 33-70</b>                                         |  | 8. Well Number<br><b>33-70 #3H</b>                                 |
| 3. OPERATOR<br><b>ENERGEN RESOURCES CORPORATION</b>                                 |  | 9. RRC Identification Number<br>(Gas completions only)             |
| 4. ADDRESS<br><b>3300 NORTH 'A' STREET, BLDG.4, SUITE 100<br/>MIDLAND, TX 79705</b> |  | 10. County<br><b>LOVING</b>                                        |
| 5. LOCATION (Section, Block, and Survey)<br><b>Sec. 7D Blk. 33 H+TC RR CD</b>       |  |                                                                    |

**RECORD OF INCLINATION**

| *11. Measured Depth<br>(feet) | 12. Course Length<br>(Hundreds of feet) | *13. Angle of<br>Inclination<br>(Degrees) | 14. Displacement per<br>Hundred Feet<br>(Sine of Angle x100) | 15. Course<br>Displacement (feet) | 16. Accumulative<br>Displacement (feet) |
|-------------------------------|-----------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------------------------------------|
| 504                           | 504                                     | 0.40                                      | 0.70                                                         | 3.52                              | 3.52                                    |
| 942                           | 438                                     | 0.40                                      | 0.70                                                         | 3.06                              | 6.58                                    |
| 1508                          | 566                                     | 0.80                                      | 1.40                                                         | 7.92                              | 14.50                                   |
| 1979                          | 471                                     | 0.50                                      | 0.87                                                         | 4.09                              | 18.59                                   |
| 2169                          | 190                                     | 0.40                                      | 0.70                                                         | 1.33                              | 19.92                                   |
| 2640                          | 471                                     | 1.70                                      | 2.97                                                         | 13.98                             | 33.90                                   |
| 2923                          | 283                                     | 1.40                                      | 2.44                                                         | 6.90                              | 40.80                                   |
| 3018                          | 95                                      | 1.30                                      | 2.27                                                         | 2.15                              | 42.95                                   |
| 3486                          | 468                                     | 0.90                                      | 1.57                                                         | 7.34                              | 50.29                                   |
| 3843                          | 357                                     | 0.70                                      | 1.22                                                         | 4.35                              | 54.64                                   |
| 4333                          | 490                                     | 1.00                                      | 1.75                                                         | 8.57                              | 63.21                                   |
| 4426                          | 93                                      | 0.80                                      | 1.40                                                         | 1.30                              | 64.51                                   |
| 4848                          | 422                                     | 0.40                                      | 0.70                                                         | 2.95                              | 67.46                                   |
| 5324                          | 476                                     | 0.40                                      | 0.70                                                         | 3.33                              | 70.79                                   |
| 5855                          | 531                                     | 0.50                                      | 0.87                                                         | 4.61                              | 75.40                                   |

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☒ yes ☐ no
18. Accumulative total displacement of well bore at total depth of **10268** feet - **141.90** feet.
- \*19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line **505** feet.
21. Minimum distance to lease line as prescribed by field rules **467** feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? **NO**
- (If the answer to the above question is "yes," attach written explanation of the circumstances.)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INCLINATION DATA CERTIFICATION</b><br>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.<br><br>Signature of Authorized Representative<br><b>MATT SPEER - OPERATIONS ENGINEER</b><br>Name of Person and Title (type or print)<br><b>NABORS DRILLING USA, LP</b><br>Name of Company<br>Telephone: <b>281.874.0035</b><br>Area Code | <b>OPERATOR CERTIFICATION</b><br>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.<br><br>Signature of Authorized Representative<br><b>Delia Skinner Regulatory Analyst</b><br>Name of Person and Title (type or print)<br><b>Energien Resources Corporation</b><br>Operator<br>Telephone: <b>432-684-3692</b><br>Area Code |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Railroad Commission Use Only:

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination surveys.



# **RECORD OF INCLINATION (Continued from reverse side)**

| *11. Measured Depth<br>(feet) | 12. Course Length<br>(Hundreds of feet) | *13. Angle of<br>Inclination (Degrees) | 14. Displacement per<br>Hundred Feet<br>(Sine of Angle x100) | 15. Course<br>Displacement (feet) | 16. Accumulative<br>Displacement (feet) |
|-------------------------------|-----------------------------------------|----------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------------------------------------|
| 5950                          | 95                                      | 0.40                                   | 0.70                                                         | 0.66                              | 76.06                                   |
| 6046                          | 96                                      | 0.40                                   | 0.70                                                         | 0.67                              | 76.73                                   |
| 6141                          | 95                                      | 0.50                                   | 0.87                                                         | 0.82                              | 77.55                                   |
| 6236                          | 95                                      | 0.70                                   | 1.22                                                         | 1.15                              | 78.70                                   |
| 6332                          | 96                                      | 1.10                                   | 1.92                                                         | 1.84                              | 80.54                                   |
| 6427                          | 95                                      | 1.00                                   | 1.75                                                         | 1.66                              | 82.20                                   |
| 6522                          | 95                                      | 1.10                                   | 1.92                                                         | 1.82                              | 84.02                                   |
| 6753                          | 231                                     | 0.50                                   | 0.87                                                         | 2.00                              | 86.02                                   |
| 6847                          | 94                                      | 0.60                                   | 1.05                                                         | 0.98                              | 87.00                                   |
| 6943                          | 96                                      | 0.50                                   | 0.87                                                         | 0.83                              | 87.83                                   |
| 7038                          | 95                                      | 0.60                                   | 1.05                                                         | 0.99                              | 88.82                                   |
| 7227                          | 189                                     | 0.90                                   | 1.57                                                         | 2.96                              | 91.78                                   |
| 7378                          | 151                                     | 0.80                                   | 1.40                                                         | 2.11                              | 93.89                                   |
| 7472                          | 94                                      | 0.70                                   | 1.22                                                         | 1.14                              | 95.03                                   |
| 7566                          | 94                                      | 0.60                                   | 1.05                                                         | 0.98                              | 96.01                                   |
| 7662                          | 96                                      | 0.50                                   | 0.87                                                         | 0.83                              | 96.84                                   |
| 7757                          | 95                                      | 0.70                                   | 1.22                                                         | 1.15                              | 97.99                                   |
| 7987                          | 230                                     | 0.40                                   | 0.70                                                         | 1.61                              | 99.60                                   |
| 8082                          | 95                                      | 0.40                                   | 0.70                                                         | 0.66                              | 100.26                                  |
| 8177                          | 95                                      | 0.20                                   | 0.35                                                         | 0.33                              | 100.59                                  |
| 8271                          | 94                                      | 0.40                                   | 0.70                                                         | 0.65                              | 101.24                                  |
| 8367                          | 96                                      | 0.40                                   | 0.70                                                         | 0.67                              | 101.91                                  |
| 8461                          | 94                                      | 0.10                                   | 0.17                                                         | 0.15                              | 102.06                                  |
| 8516                          | 55                                      | 0.40                                   | 0.70                                                         | 0.38                              | 102.44                                  |
| 8611                          | 95                                      | 1.10                                   | 1.92                                                         | 1.82                              | 104.26                                  |
| 8707                          | 96                                      | 1.50                                   | 2.62                                                         | 2.51                              | 106.77                                  |
| 8991                          | 284                                     | 1.20                                   | 2.09                                                         | 5.93                              | 112.70                                  |
| 9126                          | 135                                     | 1.20                                   | 2.09                                                         | 2.82                              | 115.52                                  |
| 9221                          | 95                                      | 2.30                                   | 4.01                                                         | 3.80                              | 119.32                                  |
| 9317                          | 96                                      | 2.70                                   | 4.71                                                         | 4.52                              | 123.84                                  |
| 9412                          | 95                                      | 1.80                                   | 3.14                                                         | 2.98                              | 126.82                                  |
| 9603                          | 191                                     | 0.40                                   | 0.70                                                         | 1.33                              | 128.15                                  |
| 9697                          | 94                                      | 0.60                                   | 1.05                                                         | 0.98                              | 129.13                                  |
| 9847                          | 150                                     | 0.50                                   | 0.87                                                         | 1.30                              | 130.43                                  |
| 9942                          | 95                                      | 1.30                                   | 2.27                                                         | 2.15                              | 132.58                                  |
| 10037                         | 95                                      | 1.20                                   | 2.09                                                         | 1.98                              | 134.56                                  |
| 10132                         | 95                                      | 2.00                                   | 3.49                                                         | 3.31                              | 137.87                                  |

If additional space is needed, attach separate sheet and check here. ☐

REMARKS:

## **- INSTRUCTIONS -**

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

## RECORD OF INCLINATION (Continued from reverse side)

[illegible]

If additional space is needed, attach separate sheet and check here. ☐

REMARKS:

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.



Cementer: Fill in shaded areas

Operator: Fill in other items

Form W-15  
Cementing Report  
Rev. 4/1/83  
483-045

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

|                                                                                                        |                                      |                                         |                                         |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| 1. Operator's Name (As shown on Form P-5, Organization Report)<br><b>Energex Resources Corporation</b> | 2. RRC Operator No.<br><b>252002</b> | 3. RRC District No.<br><b>8</b>         | 4. County of Well Site<br><b>Loving</b> |
| 5. Field<br><b>Two Georges (Bone Springs)</b>                                                          | 6. API No.<br><b>301-31824</b>       | 7. Drilling Permit No.<br><b>745189</b> |                                         |
| 8. Lease Name<br><b>Rainbow 33-70</b>                                                                  | 9. Rule 37 Case No.                  | 10. Oil Lease/Gas ID No.                | 11. Well No.<br><b>3</b>                |

| CASING CEMENTING DATA:                                                            |                                     | SURFACE CASING                                                                                                                                                                                                                                                | INTER-MEDIATE CASING | PRODUCTION CASING |                           | MULTI-STAGE CEMENTING PROCESS |             |
|-----------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|---------------------------|-------------------------------|-------------|
|                                                                                   |                                     |                                                                                                                                                                                                                                                               |                      | Single String     | Multiple Parallel Strings | Tool                          | Shoe        |
| 12. Cementing Date                                                                |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 9/29/2012                     | 9/29/2012   |
| 13. ●Drilling hole size                                                           |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 12 1/4                        | 12 1/4      |
| ●Est. % wash or hole enlargement                                                  |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
| 14. Size of casing (in. O.D.)                                                     |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 9 5/8                         | 9 5/8       |
| 15. Top of liner (ft.)                                                            |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
| 16. Setting depth (ft.)                                                           |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 2104                          | 4501        |
| 17. Number of centralizers used                                                   |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 36                            | 36          |
| 18. Hrs. waiting on cement before drill-out                                       |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | 24                            | 24          |
| 1st Slurry                                                                        | 19. API cement used: No. of sacks   |                                                                                                                                                                                                                                                               |                      |                   |                           | 2120                          | 1200        |
|                                                                                   | Class                               |                                                                                                                                                                                                                                                               |                      |                   |                           | Class C                       | 35/65 Poz C |
|                                                                                   | Additives                           |                                                                                                                                                                                                                                                               |                      |                   |                           | See Remarks                   | See Remarks |
| 2nd Slurry                                                                        | No. of sacks                        |                                                                                                                                                                                                                                                               |                      |                   |                           | 200                           | 300         |
|                                                                                   | Class                               |                                                                                                                                                                                                                                                               |                      |                   |                           | Class C                       | Class C     |
|                                                                                   | Additives                           |                                                                                                                                                                                                                                                               |                      |                   |                           | See Remarks                   | See Remarks |
| 3rd Slurry                                                                        | No. of sacks                        |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
|                                                                                   | Class                               |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
|                                                                                   | Additives                           |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
| 1st                                                                               | 20. Slurry pumped: Volume (cu. ft.) |                                                                                                                                                                                                                                                               |                      |                   |                           | 3816                          | 2496        |
|                                                                                   | Height (ft.)                        |                                                                                                                                                                                                                                                               |                      |                   |                           | 1152.71                       | 1321.16     |
| 2nd                                                                               | Volume (cu. ft.)                    |                                                                                                                                                                                                                                                               |                      |                   |                           | 270                           | 405         |
|                                                                                   | Height (ft.)                        |                                                                                                                                                                                                                                                               |                      |                   |                           | 860                           | 1174        |
| 3rd                                                                               | Volume (cu. ft.)                    |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
|                                                                                   | Height (ft.)                        |                                                                                                                                                                                                                                                               |                      |                   |                           |                               |             |
| Total                                                                             | Volume (cu. ft.)                    |                                                                                                                                                                                                                                                               |                      |                   |                           | 4086                          | 2901        |
|                                                                                   | Height (ft.)                        |                                                                                                                                                                                                                                                               |                      |                   |                           | 2013                          | 2494        |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing? |                                     |                                                                                                                                                                                                                                                               |                      |                   |                           | Yes                           | Yes         |
| 22. Remarks                                                                       |                                     | <p>1st Lead 35/65POZ/C+5%D44+7%D20+3%D42+.125ppsD130+.2%D46+.3%D13</p> <p>1st Tail Class C+.25%D201+.2%D46+3ppsD42+.125ppsD130</p> <p>2nd Lead Class C+5%D44+3%D20+.2%D46+.125ppsD130+.2%D201</p> <p>2nd Tail Class C+3ppsD42+.2%D46+.125ppsD130+.25%D201</p> |                      |                   |                           |                               |             |

FTL #BY1C-00038



| CEMENTING TO PLUG AND ABANDON                     | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date                                |         |         |         |         |         |         |         |         |
| 24. Size of hole or pipe plugged (in.)            |         |         |         |         |         |         |         |         |
| 25. Depth to bottom of tubing or drill pipe (ft.) |         |         |         |         |         |         |         |         |
| 26. Scale of cement used (sack plug)              |         |         |         |         |         |         |         |         |
| 27. Slurry volume pumped (cu. ft.)                |         |         |         |         |         |         |         |         |
| 28. Calculated top of plug (ft.)                  |         |         |         |         |         |         |         |         |
| 29. Measured top of plug, if tagged (ft.)         |         |         |         |         |         |         |         |         |
| 30. Slurry wt. (lb/gal)                           |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the plugging of excess 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.

|                                             |                       |                       |
|---------------------------------------------|-----------------------|-----------------------|
| Name and title of cementer's representative | Cementing Company     | Signature             |
| 1105 W Bender                               | Hobbs, NM 88240       | 575-393-6186          |
| 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.

|                                                  |                       |                       |
|--------------------------------------------------|-----------------------|-----------------------|
| Delia Skinner                                    | Regulatory Analyst    | Signature             |
| 3300 N.A. St. Bldg 4, Ste. 100 Midland, TX 79705 | 432-684-3092          | 1/30/13               |
| Address                                          | City, State, Zip Code | Tel. Area Code Number |
|                                                  |                       | Date: mo. day yr.     |

### Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's State Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a better from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the above, above and below a stage collar or diverging tool, if run, and through usable-quality water zones. In nondiverted holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cements approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.



Cementing: Fill in shaded areas.  
Operator: Fill in other items

Form W-15  
Cementing Report  
Rev. 4/1/83  
483-045

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

|                                                                                                        |                                      |                                 |                                         |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------|-----------------------------------------|
| 1. Operator's Name (As shown on Form P-5, Organization Report)<br><b>ENERGEN RESOURCES CORPORATION</b> | 2. RRC Operator No.<br><b>252002</b> | 3. RRC District No.<br><b>8</b> | 4. County of Well Site<br><b>Loving</b> |
| 5. Field<br><b>Two Georges Bone (Spring)</b>                                                           | 6. API No.<br><b>42-301-31824</b>    |                                 | 7. Drilling Permit No.<br><b>743189</b> |
| 8. Lease Name<br><b>Rainbow 33-70</b>                                                                  | 9. Rule 37 Case No.                  | 10. Oil Lease/Gas ID No.        | 11. Well No.<br><b>3</b>                |

| CASING CEMENTING DATA:                                                                                                                                                                                                                                           |                                     | SURFACE CASING | INTER-MEDIATE CASING | PRODUCTION CASING |                           | MULTI-STAGE CEMENTING PROCESS |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------|----------------------|-------------------|---------------------------|-------------------------------|-------------|
|                                                                                                                                                                                                                                                                  |                                     |                |                      | Single String     | Multiple Parallel Strings | Tool                          | Shoe        |
| 12. Cementing Date                                                                                                                                                                                                                                               |                                     |                |                      |                   |                           | 10/9/2012                     | 10/9/2012   |
| 13. Drilling hole size                                                                                                                                                                                                                                           |                                     |                |                      |                   |                           | 8 3/4                         | 8 3/4       |
| Est. % wash or hole enlargement                                                                                                                                                                                                                                  |                                     |                |                      |                   |                           |                               |             |
| 14. Size of casing (in. O.D.)                                                                                                                                                                                                                                    |                                     |                |                      |                   |                           | 7                             | 7           |
| 15. Top of liner (ft.)                                                                                                                                                                                                                                           |                                     |                |                      |                   |                           |                               |             |
| 16. Setting depth (ft.)                                                                                                                                                                                                                                          |                                     |                |                      |                   |                           | 3912                          | 11031       |
| 17. Number of centralizers used                                                                                                                                                                                                                                  |                                     |                |                      |                   |                           | 47                            | 47          |
| 18. Hrs. waiting on cement before drill-out                                                                                                                                                                                                                      |                                     |                |                      |                   |                           |                               |             |
| 1st Slurry                                                                                                                                                                                                                                                       | 19. API cement used: No. of sacks   |                |                      |                   |                           | 250                           | 800         |
|                                                                                                                                                                                                                                                                  | Class                               |                |                      |                   |                           | 50-50 C-D35                   | 50-50 H-D35 |
|                                                                                                                                                                                                                                                                  | Additives                           |                |                      |                   |                           | Remarks 3                     | Remarks 1   |
| 2nd Slurry                                                                                                                                                                                                                                                       | No. of sacks                        |                |                      |                   |                           | 200                           | 400         |
|                                                                                                                                                                                                                                                                  | Class                               |                |                      |                   |                           | TXI                           | TXI         |
|                                                                                                                                                                                                                                                                  | Additives                           |                |                      |                   |                           | Remarks 4                     | Remarks 2   |
| 3rd Slurry                                                                                                                                                                                                                                                       | No. of sacks                        |                |                      |                   |                           |                               |             |
|                                                                                                                                                                                                                                                                  | Class                               |                |                      |                   |                           |                               |             |
|                                                                                                                                                                                                                                                                  | Additives                           |                |                      |                   |                           |                               |             |
| 1st                                                                                                                                                                                                                                                              | 20. Slurry pumped: Volume (cu. ft.) |                |                      |                   |                           | 615                           | 1968        |
|                                                                                                                                                                                                                                                                  | Height (ft.)                        |                |                      |                   |                           | 3670                          | 13060       |
| 2nd                                                                                                                                                                                                                                                              | Volume (cu. ft.)                    |                |                      |                   |                           | 272                           | 294         |
|                                                                                                                                                                                                                                                                  | Height (ft.)                        |                |                      |                   |                           | 1616                          | 3619        |
| 3rd                                                                                                                                                                                                                                                              | Volume (cu. ft.)                    |                |                      |                   |                           |                               |             |
|                                                                                                                                                                                                                                                                  | Height (ft.)                        |                |                      |                   |                           |                               |             |
| Total                                                                                                                                                                                                                                                            | Volume (cu. ft.)                    |                |                      |                   |                           | 887                           | 2262        |
|                                                                                                                                                                                                                                                                  | Height (ft.)                        |                |                      |                   |                           | 5286                          | 16679       |
| 21. Was cement circulated to ground surface (or bottom of cellar) outside casing?                                                                                                                                                                                |                                     |                |                      |                   |                           | YES                           | NO          |
| 22. Remarks<br>Remaks 1: 8%D020+5%D044 + 0.1% D208 +0.2% D046+ 0.5% D013<br>Remaks 2: 0.4%D201+0.2%D065+0.4%D207+3PPS D042+0.2%D046+0.125pps D130<br>Remaks 3: 8%D020+5%D044 +0.2% D046<br>Remaks 4: 0.1%D201+0.1%D065+0.4%D207+3PPS D042+0.2%D046+0.125pps D130 |                                     |                |                      |                   |                           |                               |             |



| CEMENTING TO PLUG AND ABANDON                     | PLUG #1 | PLUG #2 | PLUG #3 | PLUG #4 | PLUG #5 | PLUG #6 | PLUG #7 | PLUG #8 |
|---------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| 23. Cementing date                                |         |         |         |         |         |         |         |         |
| 24. Size of hole or pipe plugged (in.)            |         |         |         |         |         |         |         |         |
| 25. Depth to bottom of tubing or drill pipe (ft.) |         |         |         |         |         |         |         |         |
| 26. Sacks of cement used (each plug)              |         |         |         |         |         |         |         |         |
| 27. Slurry volume pumped (cu. ft.)                |         |         |         |         |         |         |         |         |
| 28. Calculated top of plug (ft.)                  |         |         |         |         |         |         |         |         |
| 29. Measured top of plug, if tagged (ft.)         |         |         |         |         |         |         |         |         |
| 30. Slurry wt. (lbs/gal)                          |         |         |         |         |         |         |         |         |
| 31. Type cement                                   |         |         |         |         |         |         |         |         |

**CEMENTER'S CERTIFICATE:** I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or for 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.

|                                             |                        |                       |
|---------------------------------------------|------------------------|-----------------------|
| <u>Amine Masmoudi</u>                       | <u>Schlumberger</u>    | <u>Amine Masmoudi</u> |
| Name and title of cementer's representative | Cementing Company      | Signature             |
| <u>1105 W Bender</u>                        | <u>Hobbs, NM 88240</u> | <u>575-393-6186</u>   |
| Address                                     | City, State, Zip Code  | Tel. Area Code Number |
|                                             |                        | <u>10/9/2012</u>      |
|                                             |                        | 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.

|                                                         |                           |                       |
|---------------------------------------------------------|---------------------------|-----------------------|
| <u>Delia Skinner</u>                                    | <u>Regulatory Analyst</u> | <u>Delia Skinner</u>  |
| Typed or printed name of operator's representative      | Title                     | Signature             |
| <u>3300 N 'A' St. Bldg 4, Ste 100 Midland, TX 79705</u> | <u>432-684-3692</u>       | <u>11/30/13</u>       |
| Address                                                 | City, State, Zip Code     | Tel. Area Code Number |
|                                                         |                           | Date mo. day yr.      |

### Instructions to Form W-15, Cementing Report

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- A. What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:
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  - Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
  - Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.
- B. Where to file.** The appropriate Commission District Office for the county in which the well is located.
- C. Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.
- D. Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.
- E. Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.
- F. Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).
- G. Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.
- To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.



Groundwater  
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date July 25, 2012

GAU File No.: SC- 2820

\*\*\*\*\* EXPEDITED APPLICATION \*\*\*\*\*

API Number 30100000

Attention: BRENDA F RATHJEN

RRC Lease No. 000000

SC\_252002\_30100000\_000000\_2820.pdf

ENERGEN RESOURCES CORP  
3300 N -A- ST  
BLDG 4 STE 100  
MIDLAND TX 79705-5431

--Measured--

5628 ft FNEI

977 ft FNWL

MRL: SECTION

Digital Map Location:

X-coord/Long 103.53278

Y-coord/Lat 31.65441

Datum 27 Zone

P-5# 252002

County LOVING

Lease & Well No. RAINBOW STATE 33-70 #3

Purpose ND

Location SUR-H&TC,BLK-33,SEC-70,--[TD=11500],[RRC 8],

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

Water-bearing strata from the land surface to a depth of 400 feet and the RUSTLER, which is estimated to occur from 550 to 1050 feet must be protected.

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

If you have any questions, please contact us at 512-463-2741, [gaau@rrc.state.tx.us](mailto:gaau@rrc.state.tx.us), or by mail.

Sincerely,



Digitally signed by Jack Oswalt  
DN: cn=US, st=TEXAS, o=Railroad  
Commission of Texas, cn=Jack Oswalt,  
email=jack.oswalt@rrc.state.tx.us  
Date: 2012.07.25 11:05:45 -0500

Jack M. Oswalt, P.G.

Geologist, Groundwater Advisory Unit  
Oil & Gas Division

0061R Transition Form  
Rev. 9/1/2011

P.O. Box 12967

Austin, Texas 78711-2967

512-463-2741

Internet address: [www.rrc.state.tx.us](http://www.rrc.state.tx.us)

GEOLOGIST SEAL



The seal appearing on this document was authorized by Jack M. Oswalt on 7/25/2012  
Note: Alteration of this electronic document will invalidate the digital signature.



## APPLICATION FOR ALTERNATE SURFACE CASING PROGRAM

Statewide Rule 13(b)(2)(g)

RRC District 8/8A

JUL 25 2012

7/03

|                                                                                                                        |                                          |                  |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------|
| Operator's Name and Address:<br><br>Energen Resources Corporation<br>3300 N. 'A', Bldg 4, Ste 100<br>Midland, TX 79705 | Lease: RAINBOW STATE 33-70               | Well No.: 3      |
|                                                                                                                        | Field: Two Georges (Bone Spring)         |                  |
|                                                                                                                        | Drilling Permit No.: 745189              |                  |
|                                                                                                                        | County: LOVING                           | RRC District: 08 |
|                                                                                                                        | Location: Sec. 70 Block 33 Sur. HTC Twp. |                  |
| Proposed TD: 11000 TVD/15000 MD                                                                                        |                                          |                  |

Distance and Direction from nearest town: 5.8 miles SE from Mentone

Proposed injection or disposal well? ☐ Yes ☒ No NOTE: Special conditions may apply. See PROVISIONS below.

Usable-quality water strata (as determined by TCEQ "Waterboard" letter) occur to a depth of 400 ft, and from 550 ft to 1050 ft, and from \_\_\_\_\_ ft to \_\_\_\_\_ ft.

Note: Please submit copy of TCEQ "Waterboard" letter with this request. Request cannot be processed without this information.

Distance and direction of nearest water well (within 1/4 mile): \_\_\_\_\_

Type of water well (domestic, public, irrigation, stock, etc.): \_\_\_\_\_ Depth: \_\_\_\_\_

## Proposed Casing and Cementing Program

Note: You may attach a wellbore diagram or cementing proposal to this application.

This application is for (check applicable boxes): ☐ Short Surface Casing ☒ Excess Surface Casing ☐ No Surface Casing

The proposed surface casing depth: 4400' Multi-Stage tool depth (if applicable): 2000'

Intermediate or production casing depth: \_\_\_\_\_ Multi-Stage tool depth (if applicable): \_\_\_\_\_

Centralizer number and placement: 1 centralizer on first two joints then 1 every third joint thereafter.

Does the cement across the critical zone have 72-hr compressive strength of at least 1,200 psi? ☒ Yes ☐ NoDoes the filler cement have 24-hr compressive strength of at least 250 psi? ☒ Yes ☐ NoDo you plan on circulating cement to the surface on all casing strings protecting usable-quality water? ☒ Yes ☐ No

Reason for this request: Economics

## PROVISIONS APPLICABLE TO RULE 13 EXCEPTIONS:

- Caution: If this well is being drilled for injection or disposal purposes, an injection or disposal well permit may be denied unless surface casing is set and cemented through all zones of usable-quality groundwater.
- Centralizers must be used through all usable-quality waters. Refer to Rule 13(b)(2)(F).
- Notify District Office 8 hours prior to setting casing.

Signature: Brenda F. Rathjen Print Name: Brenda F. Rathjen Date: 07/25/12 Phone: 432/688-3323

IF CEMENT IS NOT CIRCULATED TO THE GROUND SURFACE AS REQUIRED BY THIS EXCEPTION, YOU MUST IMMEDIATELY CONTACT THE DISTRICT 8/8A OFFICE AT 432-684-5581, AND FOLLOW THE PROCEDURES AS SET OUT IN RULE 13(B)(2)(g)(III) OR AS RECOMMENDED BY THE DISTRICT OFFICE.

RRC Use Only

|                                                                                   |                                               |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|
| RRC District Office Action: Freshwater Mud System required to top of Salt Section |                                               |                                 |
| <input type="checkbox"/> Approved                                                 | <input type="checkbox"/> Approved as Modified | <input type="checkbox"/> Denied |
| By: <u>W. M. M.</u>                                                               |                                               | Date: 7-27-12                   |
| Remarks/Modifications: Critical Zone Slurry required across Water boards          |                                               |                                 |

RESET FORM



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.: 65188

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------|------------------------------|------------------|
| 1. Field name exactly as shown on proration schedule<br><b>TWO GEORGES (BONE SPRING)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                                                                                                                                                                               | 2. Lease name as shown on proration schedule<br><b>RAINBOW STATE 33-70</b>                                                                                             |                       |                                      |                              |                  |
| 3. Current operator name exactly as shown on P-5 Organization Report<br><b>ENERGEN RESOURCES CORPORATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               | 4. Operator P-5 no.<br><b>252002</b>                                                                                                                                   | 5. Oil Lse/Gas ID no. | 6. County<br><b>LOVING</b>           | 7. RRC district<br><b>08</b> |                  |
| 8. Operator address including city, state, and zip code<br><b>3300 NORTH A ST BLDG 4 STE 100<br/>MIDLAND, TX 79705</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                                                                                                                                                                               | 9. Well no(s) ( <i>see instruction E</i> )<br><b>3</b>                                                                                                                 |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               | 10. Classification<br><input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other ( <i>see instruction A</i> )                 |                       |                                      |                              |                  |
| 11. Effective Date<br><b>10/23/2012</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| 12. Purpose of Filing. (Complete section a or b below.) ( <i>See instructions B and G</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| a. Change of:<br><input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code<br><input type="checkbox"/> field name from _____<br><input type="checkbox"/> lease name from _____                                                                                                                                                                                                                                                                             |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| OR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| b. New RRC Number for:<br><input checked="" type="checkbox"/> oil lease <input type="checkbox"/> gas well Due to: <input checked="" type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil<br><input type="checkbox"/> other well (specify) _____ <input type="checkbox"/> consolidation, unitization, or subdivision (oil lease only)                                                                                                                                                                                               |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| 13. Authorized GAS WELL GAS or CASINGHEAD GAS Gatherer(s) and/or Purchaser(s). ( <i>See instruction G</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| Gatherer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Purchaser | Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left<br>(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | X         | SOUTHERN UNION GAS SERVICES, LTD(805477)                                                                                                                                      |                                                                                                                                                                        |                       | 0004                                 | 100.0                        |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| 14. Authorized OIL or CONDENSATE Gatherer(s). ( <i>See instruction G</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First<br>(Attach an additional sheet in same format if more space is needed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                                                                                                                                                                               |                                                                                                                                                                        |                       | Percent of Take                      |                              |                  |
| PLAINS MARKETING, L.P.(667883)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                                                                                                                                                                               |                                                                                                                                                                        |                       | 100.0                                |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| RRC USE ONLY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| Reviewer's initials: _____ Approval date: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| 15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.                                                                                                                                              |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| Name of Previous Operator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               | Signature                                                                                                                                                              |                       |                                      |                              |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               | <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator ( <i>see instruction G</i> )          |                       |                                      |                              |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               | Date Phone with area code                                                                                                                                              |                       |                                      |                              |                  |
| 16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission. |           |                                                                                                                                                                               |                                                                                                                                                                        |                       |                                      |                              |                  |
| ENERGEN RESOURCES CORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |                                                                                                                                                                               | Delia Skinner                                                                                                                                                          |                       |                                      |                              |                  |
| Name (print)<br>Regulatory Analyst                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               | Signature                                                                                                                                                              |                       |                                      |                              |                  |
| Title<br>midlandrrc@energen.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               | <input checked="" type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator ( <i>see instruction G</i> ) |                       |                                      |                              |                  |
| E-mail Address (optional)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               | 01/30/2013 (432) 684-3692                                                                                                                                              |                       |                                      |                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               | Date Phone with area code                                                                                                                                              |                       |                                      |                              |                  |



CERTIFICATE OF COMPLIANCE  
AND TRANSPORTATION AUTHORITY

READ INSTRUCTIONS ON BACK

P-4

5/02  
EAG0502

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------|------------------|
| 1. Field name exactly as shown on proration schedule<br><b>Two Georges (Bone Spring)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           | 2. Lease name as shown on proration schedule<br><b>RAINBOW STATE 33-70</b>                                                                                                    |                       |                                                                                                                                                               |                                      |                                                    |                  |
| 3. Current operator name exactly as shown on P-5 Organization Report<br><b>ENERGEN RESOURCES CORPORATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           | 4. Operator P-5 no.<br><b>252002</b>                                                                                                                                          | 5. Oil Lse/Gas ID no. | 6. County<br><b>Loving</b>                                                                                                                                    | 7. RRC district<br><b>08</b>         |                                                    |                  |
| 8. Operator address including city, state, and zip code<br><b>3300 N. "A", BLDG 4, STE 100<br/>MIDLAND, TX 79705</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           | 9. Well no(s) (see instruction E)<br><b>3</b>                                                                                                                                 |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           | 10. Classification<br><input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A)                                 |                       | 11. Effective date<br><b>10/26/12</b>                                                                                                                         |                                      |                                                    |                  |
| 12. Purpose of Filing. (Complete section a or b below.) (See instructions B and G)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| a. Change of: <input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code<br><input type="checkbox"/> field name from: _____<br><input type="checkbox"/> lease name from: _____                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| OR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| b. New RRC Number for: <input checked="" type="checkbox"/> oil lease <input type="checkbox"/> gas well Due to: <input checked="" type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil<br><input type="checkbox"/> other well (specify) _____ <input type="checkbox"/> 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<br>(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | X         | Southern Union Gas Services (805477)                                                                                                                                          |                       |                                                                                                                                                               | 0004                                 | 100                                                |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| 14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First<br>(Attach an additional sheet in same format if more space is needed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |                                                                                                                                                                               |                       |                                                                                                                                                               | Percent of Take                      | RRC USE ONLY                                       |                  |
| Plains Marketing L.P.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       |                                                                                                                                                               | 100                                  | Reviewer's initials: _____<br>Approval date: _____ |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| 15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.                                                                                                                                              |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| Name of Previous Operator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       | Signature                                                                                                                                                     |                                      |                                                    |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | <input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G)          |                                      |                                                    |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | Date                                                                                                                                                          |                                      | Phone with area code                               |                  |
| 16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission. |           |                                                                                                                                                                               |                       |                                                                                                                                                               |                                      |                                                    |                  |
| Jenifer Sorley                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |                                                                                                                                                                               |                       | Signature                                                                                                                                                     |                                      |                                                    |                  |
| Name (print)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                               |                       | <input checked="" type="checkbox"/> Authorized Employee of current operator <input type="checkbox"/> Authorized agent of current operator (see instruction G) |                                      |                                                    |                  |
| Regulatory Analyst                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                               |                       | Date                                                                                                                                                          |                                      | Phone with area code                               |                  |
| Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |                                                                                                                                                                               |                       | Date                                                                                                                                                          |                                      | Phone with area code                               |                  |
| jenifer.sorley@energen.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |                                                                                                                                                                               |                       | 10/26/12                                                                                                                                                      |                                      | 432-818-1732                                       |                  |
| E-mail Address (optional)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                               |                       | Date                                                                                                                                                          |                                      | Phone with area code                               |                  |

**Railroad Commission of Texas**  
Oil And Gas Division  
Request for Clearance of Storage Tanks

Form P-8

Reference No. 6192

Prior to Potential Test

|                                                                                                                                                                                    |                                         |                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Operator's Name and Address (Exactly as shown on Form P-5 Organization Report)<br>ENERGEN RESOURCES CORPORATION<br>3300 NORTH A ST BLDG 4 STE 100<br><br>MIDLAND, TX 79705-0000 |                                         | 3. RRC District No.<br>08                                                                                                                                                                       |
| 2. RRC Operator Number: <u>252002</u>                                                                                                                                              |                                         | 4. County of Well Site<br>LOVING                                                                                                                                                                |
| 6. Field Name (Wildcat or exactly as shown on RRC records)<br>TWO GEORGES<br>(BONE SPRING)                                                                                         |                                         | 7. Drilling Permit No.<br>745189                                                                                                                                                                |
| 9. Lease Name<br>RAINBOW STATE 33-70                                                                                                                                               |                                         | 8. Rule 37 Case No.<br><br>11. Well No.<br>3                                                                                                                                                    |
| 12. Drilling completed on <u>10/18/2012</u>                                                                                                                                        |                                         | 13. Completion report--Form W-2 or G-1--will be filed on <u>11/20/2012</u>                                                                                                                      |
| 14. Oil or condensate gatherer's name and address<br>PLAINS MARKETING, L.P.<br>P O BOX 4648<br>HOUSTON, TX 77210-4648<br><br>(713) 646-4502                                        |                                         | 15. Authorization to transport oil or condensate (mark one)<br><input checked="" type="checkbox"/> Form P-4 attached<br><input checked="" type="checkbox"/> Form P-4 Filed on <u>10/26/2012</u> |
| 16. This request is for<br><u>36000</u> barrels of <input checked="" type="checkbox"/> crude oil OR <input type="checkbox"/> condensate                                            |                                         | 17. Amount of oil/condensate in tanks<br><u>0</u> barrels on <u>10/26/2012</u>                                                                                                                  |
| 18. Storage capacity in bbls. Tank battery <u>0</u> Test tanks <u>2500</u> Total <u>2500</u>                                                                                       |                                         |                                                                                                                                                                                                 |
| 19. Previous request for clearance. Amount _____ barrels granted on _____                                                                                                          |                                         |                                                                                                                                                                                                 |
| 20. Reason for current request for clearance (explain briefly)<br>Well will be frac'd next week. Expecting flowback of 600 BOPD.                                                   |                                         |                                                                                                                                                                                                 |
| Jenifer Sorley<br>Name of operator's representative                                                                                                                                |                                         | REGULATORY ANALYST<br>Title of person                                                                                                                                                           |
| (432) 818-1732<br>Telephone                                                                                                                                                        |                                         | 10/26/2012<br>Date                                                                                                                                                                              |
| <b>RRC District Office Action</b>                                                                                                                                                  |                                         |                                                                                                                                                                                                 |
| <b>Status: Approved</b>                                                                                                                                                            | <b>Barrels recommended</b> <u>54000</u> | <b>RRC Staff</b> <u>10/26/2012</u><br>Date                                                                                                                                                      |



**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

**ELECTRIC LOG  
STATUS REPORT**

**FORM L-1**

Tracking No.: 65188

*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<br>Name: <b>ENERGEN RESOURCES CORPORATION</b> | District<br>No. <b>08</b>            | Completion<br>Date: <b>10/23/2012</b> |
| Field<br>Name <b>TWO GEORGES (BONE SPRING)</b>         | Drilling Permit<br>No. <b>745189</b> |                                       |
| Lease<br>Name <b>RAINBOW STATE 33-70</b>               | Lease/ID<br>No.                      | Well<br>No. <b>3</b>                  |
| County<br><b>LOVING</b>                                | API<br>No. <b>42- 301-31824</b>      |                                       |

**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). \_\_\_\_\_

Delia Skinner  
Signature  
ENERGEN RESOURCES CORPORATION  
Name (print)

Regulatory Analyst  
Title  
(432) 684-3692 01/30/2013  
Phone Date

-FOR RAILROAD COMMISSION USE ONLY-

Confidential



Azimuthal Resistivity Image  
Multiple Propagation Resistivity  
Azimuthal Gamma Ray Image  
Near Bit Gamma Ray

# Memory Log

|                                                                                                                                                                                |         |                               |                               |             |                                |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------|-------------------------------|-------------|--------------------------------|---------------------|
| Company<br>Energen Resources Corporation<br>Well<br>Rainbow State 33-70 No. 3<br>Field<br>Two Georges (Bone Spring)<br>County<br>Loving<br>State<br>Texas<br>Country<br>U.S.A. | Company |                               | Energen Resources Corporation |             |                                |                     |
|                                                                                                                                                                                | Well    |                               | Rainbow State 33-70 No. 3     |             |                                |                     |
|                                                                                                                                                                                | Field   |                               | Two Georges (Bone Spring)     |             |                                |                     |
|                                                                                                                                                                                | County  |                               | Loving                        |             |                                |                     |
|                                                                                                                                                                                | State   |                               | Texas                         |             |                                |                     |
|                                                                                                                                                                                | Country |                               | U.S.A.                        |             |                                |                     |
| Well Location:                                                                                                                                                                 |         | Surface Location:             |                               |             | Other Services:<br>Directional |                     |
|                                                                                                                                                                                |         | Latitude: 31° 39' 15.858" N   |                               |             |                                |                     |
|                                                                                                                                                                                |         | Longitude: 103° 31' 58.002" W |                               |             |                                |                     |
| API Number:                                                                                                                                                                    |         | Section                       | Township                      | Range       |                                |                     |
| 423013182400                                                                                                                                                                   |         | N/A                           | N/A                           | N/A         |                                |                     |
| Log Measured From                                                                                                                                                              |         | Drill Floor                   | @                             | 31 ft.      | Above Permanent Datum          | Elev. KB N/A ft.    |
| Depth In                                                                                                                                                                       |         | 11046 ft.                     | MWD Start                     | 10 Oct 2012 | Permanent Datum                | Elev. DF 2711 ft.   |
| Depth Out                                                                                                                                                                      |         | 14800 ft.                     | MWD End                       | 15 Oct 2012 | GL                             | Sea Bed/GL 2680 ft. |

| BOREHOLE RECORD |           |           | CASING RECORD |         |           |
|-----------------|-----------|-----------|---------------|---------|-----------|
| Hole Diameter   | From      | To        | Casing Size   | From    | To        |
| 12.25 in.       | Surface   | 451 ft.   | 9.625 in.     | Surface | 451 ft.   |
| 8.75 in.        | 451 ft.   | 11031 ft. | 7 in.         | Surface | 11023 ft. |
| 6.125 in.       | 11023 ft. | 14800 ft. |               |         |           |

|                                  |                 |             |            |
|----------------------------------|-----------------|-------------|------------|
| Drilling Contractor:             | Nabors Drilling | Rig:        | Nabors F05 |
| 1:240                            |                 |             |            |
| MEASURED DEPTH                   |                 | FINAL PRINT |            |
| Company Representative: Fred Ray |                 |             |            |
| Field                            | Aaron Burton    |             |            |
| Personnel:                       | Brandon Swain   | Job#:       | 4993277    |



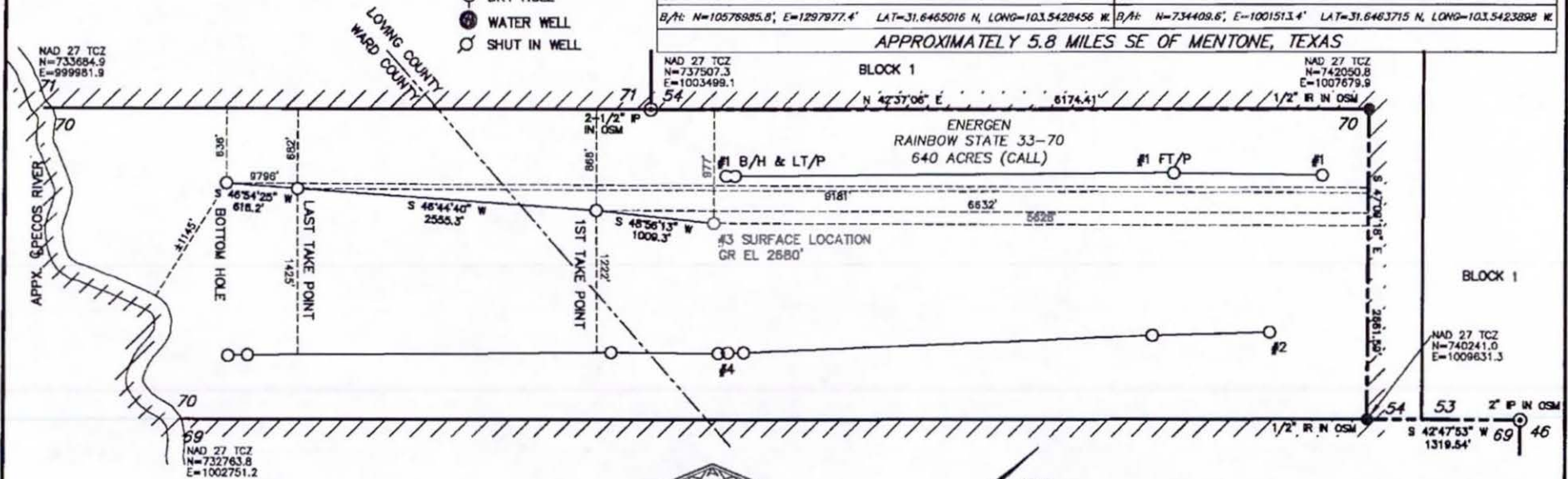
## AS-DRILLED PLAT

A-1341, 341  
**SECTION 70, BLOCK 33**  
**H. & T.C. RR. SURVEY**

- ☼ GAS WELL  
 △ WATER INJECTION WELL  
 ● OIL WELL  
 ○ LOCATED WELL  
 ○ DRY HOLE  
 ● WATER WELL  
 ○ SHUT IN WELL

| NAD 83, TEXAS CENTRAL ZONE         |                                      | NAD 27, TEXAS CENTRAL ZONE       |                                      |
|------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| S/L: N=10579820.8', E=1301049.4'   | LAT=31.6545352 N, LONG=103.5332397 W | S/L: N=737244.5', E=1004585.4'   | LAT=31.6544052 N, LONG=103.5327841 W |
| 1ST/P: N=10579157.8', E=1300288.4' | LAT=31.6526531 N, LONG=103.5356231 W | 1ST/P: N=738581.5', E=1003824.4' | LAT=31.6525231 N, LONG=103.5351674 W |
| L/P: N=10577408.8', E=1298427.4'   | LAT=31.6476942 N, LONG=103.5414391 W | L/P: N=734830.6', E=1001963.4'   | LAT=31.6475840 N, LONG=103.5409833 W |
| B/H: N=10576985.8', E=1297977.4'   | LAT=31.6465016 N, LONG=103.5428456 W | B/H: N=734409.6', E=1001513.4'   | LAT=31.6463715 N, LONG=103.5423898 W |

APPROXIMATELY 5.8 MILES SE OF MENTONE, TEXAS



- NOTES:
- COORDINATES AND BEARINGS SHOWN HEREON ARE NAD 83, LAURENT GRID COORDINATES AND CONFORM TO THE TEXAS COORDINATE SYSTEM TEXAS CENTRAL ZONE, WITH REFERENCE TO USGS TRI-STATION "INLET" WITH A CENTRAL COMBINED SCALE FACTOR OF 0.99980780. THE POSITIONAL TOLERANCE OF THIS SURVEY EXCEEDS THE REQUIREMENTS FOR A RURAL SURVEY.
  - THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND REVIEW OF THE ABSTRACT OF TITLE. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. LOCATION OF IMPROVEMENTS AND/OR EASEMENTS WERE BEYOND COMMISSIONED SCOPE OF THIS PROJECT AND HAVE BEEN SPECIFICALLY OMITTED. VESTING DOCUMENTS NOT FURNISHED FOR THIS SURVEY.
  - SEE DOCUMENTS AND ELECTRONIC DATA FILED IN THE OFFICE OF WPS INC FOR COMPLETE RECONSTRUCTION OF THESE SECTIONS OR BLOCKS.
  - DOWNHOLE INFORMATION PROVIDED BY ENERGEN PERSONNEL.
  - SURFACE LOCATION IS IN "AS-SAVED" POSITION.

1000 0 1000 2000 FEET

FILE: T:\LOWING/BLOCK 33.dwg

**Watson**  
**Professional**  
**Group Inc**



P.A. DRAWER 11186  
 MIDLAND, TEXAS 79703  
 (432) 520-9200  
 FAX (432) 520-9222

www.watsongroup.com

CONSULTING ENGINEERS, LAND SURVEYORS &amp; PLANNERS

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

W.D. Watson, Jr. TEXAS R.P.L.S. No. 1989

11/20/12  
 DATE

AS-DRILLED PLAT  
 ENERGEN RESOURCES  
 RAINBOW STATE 33-70 #3  
 SURFACE LOCATION: 5625' FNNL & 977' FNNL  
 1ST TAKE POINT: 6632' FNNL & 886' FNNL  
 LAST TAKE POINT: 9181' FNNL & 682' FNNL  
 BOTTOM HOLE: 9786' FNNL & 838' FNNL  
 SECTION 70, BLOCK 33, H & TC RR SURVEY  
 LOVING COUNTY AND WARD COUNTY, TEXAS  
 DATE: NOVEMBER 20, 2012 DATE SURVEYED: 5/3/12  
 JOB NO.: 12-1186-00 FIELD BOOK 751/82 DRAFT TA REV. 0

File No. MF 064567w-2 / attachments301- 3182 4Date Filed: 6/3/13

Jerry Patterson, Commissioner

By mrb Barnstone



UNITED STATES POSTAL SERVICE

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •



**21510**

**Texas General Land Office**

Jerry Patterson, Commissioner

P.C. Box 12873

Austin, Texas 78711-2873

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

HERIDAN Production Company LLC  
7 Greenway Plaza Ste 1300  
Houston, TX.

77046-0922

2. Article Number

(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

MF 064567

Derick

RECEIVED  
FEB 24 2004  
General Land Office

7011 1150 0001 2418 9762





# Texas General Land Office

## Reconciliation Billing

Jerry Patterson, Commissioner

PO Box 12873  
Austin, TX 78711-2873  
(800) 998-4456  
7:30 - 5:30 M-F

SHERIDAN PRODUCTION COMPANY LLC  
9 Greenway Plaza Ste 1300  
Houston, TX 77046-0922

Billing Date: 2/18/2014  
**Billing Due Date: 3/20/2014**  
Customer Number: C000048206

| Invoice   | Mineral File | Gas Royalty  | Oil Royalty | Penalty     | Interest   | Total Due           |
|-----------|--------------|--------------|-------------|-------------|------------|---------------------|
| 14I00281  | MF064567     | \$1,225.28   | \$0.00      | \$250.00    | \$103.18   | \$1,578.46          |
| 14I00282  | MF064567     | \$115,179.21 | \$0.00      | \$11,517.93 | \$8,141.92 | \$134,839.06        |
| Total Due |              | \$116,404.49 | \$0.00      | \$11,767.93 | \$8,245.10 | <b>\$136,417.52</b> |

Penalty and interest have been calculated thru 2/28/2014. Payment remitted after 2/28/2014 will result in additional penalty and interest charges.

Contact Info: Derick McDonald (512) 463-4303 or [derick.mcdonald@glo.texas.gov](mailto:derick.mcdonald@glo.texas.gov)

### NOTICE

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

**SHERIDAN PRODUCTION COMPANY LLC**

Billing Date: 2/18/2014

Billing Due Date: 3/20/2014

**Customer Number: C000048206**

**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           |
|-----------|--------------|--------------|-------------|-------------|------------|---------------------|
| 14I00281  | MF064567     | \$1,225.28   | \$0.00      | \$250.00    | \$103.18   | \$1,578.46          |
| 14I00282  | MF064567     | \$115,179.21 | \$0.00      | \$11,517.93 | \$8,141.92 | \$134,839.06        |
| Total Due |              | \$116,404.49 | \$0.00      | \$11,767.93 | \$8,245.10 | <b>\$136,417.52</b> |
| Amt. Paid |              |              |             |             |            |                     |

Customer ID: C000048206  
 Invoice Number:  
 GLO Lease: MF064567  
 GLO Review: SHERIDAN PRODUCTION COMPANY  
 Review Period: JULY 2011 THROUGH DECEMBER 2012

Auditor/AE: dmcdonal  
 Billing Date: 2/14/2014  
 P&I Calculation Date: 2/28/2014  
 Royalty Rate: 16.67%

|              | (1)        | (2)        | (3)                      | (4)    | (5)  | (6)             | (7)                | (8)          | (9)                    | (10)                | (11)                                 | (12)                            |                                  |               |
|--------------|------------|------------|--------------------------|--------|------|-----------------|--------------------|--------------|------------------------|---------------------|--------------------------------------|---------------------------------|----------------------------------|---------------|
| Month / Year | RRC Number | Gas 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 From Additional Royalty | Interest From Additional Royalty | Revenue Due   |
|              |            | (A)        |                          |        |      | (1)x(2)x(3)x(4) | (5) * Royalty Rate |              |                        |                     |                                      |                                 |                                  | (8)+(11)+(12) |
| Jul-11       | 08-261494  | 9,452      | 1                        | \$4.37 | 1.09 | \$45,022.71     | \$7,503.80         | \$0.00       | \$7,503.80             | 897                 | 4.25%                                | \$750.38                        | \$732.19                         | \$8,986.37    |
| Aug-11       | 08-261494  | 4,739      | 1                        | \$3.98 | 1.00 | \$18,861.22     | \$3,143.54         | \$0.00       | \$3,143.54             | 867                 | 4.25%                                | \$314.35                        | \$295.75                         | \$3,753.64    |
| Sep-11       | 08-261494  | 2,964      | 1                        | \$3.71 | 1.00 | \$10,996.44     | \$1,832.74         | \$0.00       | \$1,832.74             | 836                 | 4.25%                                | \$183.27                        | \$165.81                         | \$2,181.82    |
| Oct-11       | 08-261494  | 17,361     | 1                        | \$3.73 | 1.00 | \$64,756.53     | \$10,792.78        | \$0.00       | \$10,792.78            | 806                 | 4.25%                                | \$1,079.28                      | \$938.75                         | \$12,810.81   |
| Nov-11       | 08-261494  | 17,806     | 1                        | \$3.45 | 1.00 | \$61,430.70     | \$10,238.47        | \$0.00       | \$10,238.47            | 775                 | 4.25%                                | \$1,023.85                      | \$853.58                         | \$12,115.90   |
| Dec-11       | 08-261494  | 17,977     | 1                        | \$3.28 | 1.00 | \$58,964.56     | \$9,827.45         | \$0.00       | \$9,827.45             | 744                 | 4.25%                                | \$982.75                        | \$783.84                         | \$11,594.04   |
| Jan-12       | 08-261494  | 3,978      | 1                        | \$3.04 | 1.00 | \$12,093.12     | \$2,015.52         | \$0.00       | \$2,015.52             | 715                 | 4.25%                                | \$201.55                        | \$153.95                         | \$2,371.02    |
| Feb-12       | 08-261494  | 16,428     | 1                        | \$3.77 | 1.20 | \$74,351.24     | \$12,391.90        | \$0.00       | \$12,391.90            | 684                 | 4.25%                                | \$1,239.19                      | \$901.81                         | \$14,532.90   |
| Mar-12       | 08-261494  | 16,102     | 1                        | \$3.86 | 1.22 | \$75,852.28     | \$12,642.07        | \$0.00       | \$12,642.07            | 654                 | 4.25%                                | \$1,264.21                      | \$875.85                         | \$14,782.13   |
| Apr-12       | 08-261494  | 7,760      | 1                        | \$4.78 | 1.33 | \$49,511.10     | \$8,251.87         | \$0.00       | \$8,251.87             | 623                 | 4.25%                                | \$825.19                        | \$541.91                         | \$9,618.97    |
| May-12       | 08-261494  | 5,632      | 1                        | \$6.14 | 1.64 | \$56,754.97     | \$9,459.18         | \$0.00       | \$9,459.18             | 593                 | 4.25%                                | \$945.92                        | \$588.15                         | \$10,993.25   |
| Jun-12       | 08-261494  | 5,275      | 1                        | \$4.83 | 1.59 | \$40,591.49     | \$6,765.26         | \$0.00       | \$6,765.26             | 562                 | 4.25%                                | \$676.53                        | \$396.23                         | \$7,838.02    |
| Jul-12       | 08-261494  | 2,522      | 1                        | \$5.16 | 1.50 | \$19,545.02     | \$3,257.51         | \$0.00       | \$3,257.51             | 531                 | 4.25%                                | \$325.75                        | \$179.03                         | \$3,762.29    |
| Aug-12       | 08-261494  | 1,969      | 1                        | \$4.68 | 1.38 | \$12,696.19     | \$2,116.04         | \$0.00       | \$2,116.04             | 501                 | 4.25%                                | \$211.60                        | \$108.90                         | \$2,436.54    |
| Sep-12       | 08-261494  | 2,939      | 1                        | \$4.37 | 1.32 | \$16,910.56     | \$2,818.43         | \$0.00       | \$2,818.43             | 470                 | 4.25%                                | \$281.84                        | \$134.88                         | \$3,235.15    |
| Oct-12       | 08-261494  | 3,165      | 1                        | \$4.58 | 1.30 | \$18,856.44     | \$3,142.75         | \$0.00       | \$3,142.75             | 440                 | 4.25%                                | \$314.28                        | \$139.42                         | \$3,596.45    |
| Nov-12       | 08-261494  | 4,953      | 1                        | \$4.69 | 1.31 | \$30,463.03     | \$5,077.18         | \$0.00       | \$5,077.18             | 409                 | 4.25%                                | \$507.72                        | \$206.91                         | \$5,791.81    |
| Dec-12       | 08-261494  | 4,324      | 1                        | \$4.13 | 1.31 | \$23,416.28     | \$3,902.72         | \$0.00       | \$3,902.72             | 378                 | 4.25%                                | \$390.27                        | \$144.96                         | \$4,437.95    |
| TOTALS       |            | 145,346    |                          |        |      | \$691,073.87    | \$115,179.21       | \$0.00       | \$115,179.21           |                     |                                      | \$11,517.93                     | \$8,141.92                       | \$134,839.06  |

COMMENTS GAS SALES VOLUMES FROM RRC WELL ID# 08-261494 IN UNIT 966 REPORTED TO GLO WERE COMPARED TO GAS SALES VOLUMES REPORTED TO THE RRC FOR BOTH STATE LEASES MF064566 & MF064567. THE GAS SALES VOLUMES REPORTED FOR BOTH LEASES WERE COMPARED TO RRC GAS SALES VOLUMES AND AS A RESULT OF THIS COMPARISON, IT HAS BEEN DETERMINED THAT GAS SALES VOLUMES WERE UNDER REPORTED FOR MF064567.

COMMENTS COLUMN (1) - VOLUMES REPRESENT NET SUM TOTAL OF UNDER REPORTED SALES VOLUMES FOR UNIT 966 THAT WERE REPORTED TO BOTH MF064566 & MF064567. GAS SALES VOLUMES REPORTED FOR MF064566 WERE COMPARED TO GAS SALES VOLUMES REPORTED FOR MF064567 FOR UNIT 966. THE NET DIFFERENCE IN THE COMPARISON IS UNDER REPORTED SALES VOLUMES FOR MF064567 AS REPRESENTED IN COLUMN 1.

COLUMN (3) - PRICES OBTAINED FROM THE GLO-2 REPORTS AND THE HOUSTON SHIP CHANNEL PRICE LIST.

COLUMN (4) - BTU RATE OBTAINED FROM THE GLO-2 REPORTS.

COLUMN (10, 11, 12) - SEE ATTACHEMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTENTION JONATHAN GOODWIN

CERTIFIED MAIL 7011110000124189762



Customer ID: C000048206  
 Invoice Number:  
 GLO Lease: MF064567  
 GLO Review: SHERIDAN PRODUCTION COMPANY  
 Review Period: JULY 2011 THROUGH APRIL 2012

Auditor/AE: dmcdonal  
 Billing Date: 2/14/2014  
 P&I Calculation Date: 2/28/2014  
 Royalty Rate: 16.67%

|              |            | (1)        | (2)                      | (3)    | (4)  | (5)             | (6)                | (7)          | (8)                    | (9)                 | (10)                                 | (11)                            | (12)                             |               |
|--------------|------------|------------|--------------------------|--------|------|-----------------|--------------------|--------------|------------------------|---------------------|--------------------------------------|---------------------------------|----------------------------------|---------------|
| Month / Year | RRC Number | Gas 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 From Additional Royalty | Interest From Additional Royalty | Revenue Due   |
|              |            | (A)        |                          |        |      | (1)x(2)x(3)x(4) | (5) * Royalty Rate |              |                        |                     |                                      |                                 |                                  | (6)+(11)+(12) |
| Jul-11       | 08-205027  | 196        | 1                        | \$4.37 | 1.20 | \$1,027.82      | \$171.30           | \$0.00       | \$171.30               | 897                 | 4.25%                                | \$25.00                         | \$16.71                          | \$213.01      |
| Aug-11       | 08-205027  | 154        | 1                        | \$4.38 | 1.20 | \$809.42        | \$134.90           | \$0.00       | \$134.90               | 867                 | 4.25%                                | \$25.00                         | \$12.69                          | \$172.59      |
| Sep-11       | 08-205027  | 185        | 1                        | \$3.95 | 1.20 | \$876.90        | \$146.15           | \$0.00       | \$146.15               | 836                 | 4.25%                                | \$25.00                         | \$13.22                          | \$184.37      |
| Oct-11       | 08-205027  | 210        | 1                        | \$3.73 | 1.20 | \$939.96        | \$156.66           | \$0.00       | \$156.66               | 806                 | 4.25%                                | \$25.00                         | \$13.63                          | \$195.29      |
| Nov-11       | 08-205027  | 200        | 1                        | \$3.45 | 1.20 | \$828.00        | \$138.00           | \$0.00       | \$138.00               | 775                 | 4.25%                                | \$25.00                         | \$11.51                          | \$174.51      |
| Dec-11       | 08-205027  | 188        | 1                        | \$3.28 | 1.20 | \$739.97        | \$123.33           | \$0.00       | \$123.33               | 744                 | 4.25%                                | \$25.00                         | \$9.84                           | \$158.17      |
| Jan-12       | 08-205027  | 213        | 1                        | \$3.04 | 1.20 | \$777.02        | \$129.50           | \$0.00       | \$129.50               | 715                 | 4.25%                                | \$25.00                         | \$9.89                           | \$164.39      |
| Feb-12       | 08-205027  | 150        | 1                        | \$2.57 | 1.20 | \$462.60        | \$77.10            | \$0.00       | \$77.10                | 684                 | 4.25%                                | \$25.00                         | \$5.61                           | \$107.71      |
| Mar-12       | 08-205027  | 198        | 1                        | \$2.35 | 1.20 | \$558.36        | \$93.06            | \$0.00       | \$93.06                | 654                 | 4.25%                                | \$25.00                         | \$6.45                           | \$124.51      |
| Apr-12       | 08-205027  | 131        | 1                        | \$2.11 | 1.20 | \$331.69        | \$55.28            | \$0.00       | \$55.28                | 623                 | 4.25%                                | \$25.00                         | \$3.63                           | \$83.91       |
| TOTALS       |            | 1,825      |                          |        |      | \$7,351.75      | \$1,225.28         | \$0.00       | \$1,225.28             |                     |                                      | \$250.00                        | \$103.18                         | \$1,578.46    |

COMMENTS COLUMN (1) - VOLUMES, OBTAINED FROM THE RRC PRODUCTION REPORT FOR WELL ID# 08-205027, REPRESENTS UNDER REPORTED GAS TRANSMISSION SALES VOLUMES FOR PRODUCTION PERIOD 201107 THROUGH 201204 IN UNIT 968 IN MF064567.

COLUMN (3) - PRICES OBTAINED FROM THE HOUSTON SHIP CHANNEL PRICE LIST.

COLUMN (4) - BTU RATE OBTAINED FROM AVERAGE BTU'S FOR PRODUCTION PERIOD 201107 THROUGH 201204 IN GLO-2 DETAIL REPORT.

COLUMN (10, 11, 12) - SEE ATTACHEMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTENTION JONATHAN GOODWIN

CERTIFIED MAIL 70111150000124189762

86

File No. MF 064567

Reconciliation Billing

Date Filed: 3/3/14

Jerry E. Patterson, Commissioner

By Nayla Ramirez



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energen Resources Corporation  
605 Richard Arrington Blvd N.  
Attn: Melanie Young  
Birmingham, AL.

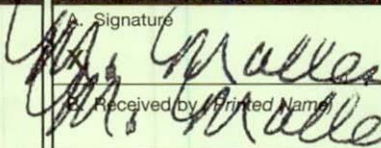
35203-2707

2. Article Number

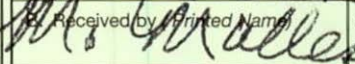
(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

☐ Agent☐ Addressee

B. Received by (Printed Name)

 M. Maller

C. Date of Delivery

2/2/04

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

MF 064567

Derrick

3. Service Type

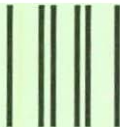
☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7011 1150 0001 2418 9755

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •



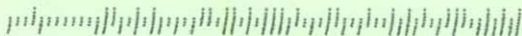
21510

Texas General Land Office

Jerry Patterson, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873







# Texas General Land Office

## Reconciliation Billing

PO Box 12873  
Austin, TX 78711-2873  
(800) 998-4456  
7:30 - 5:30 M-F

Jerry Patterson, Commissioner

ENERGEN RESOURCES CORPORATION  
605 Richard Arrington Blvd N Atn Melanie Young  
Birmingham, AL 35203-2707

Billing Date: 2/18/2014  
**Billing Due Date: 3/20/2014**  
Customer Number: C000043130

| Invoice   | Mineral File | Gas Royalty | Oil Royalty | Penalty    | Interest | Total Due          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 14I00283  | MF064567     | \$0.00      | \$1,862.17  | \$201.00   | \$96.85  | \$2,160.02         |
| 14I00284  | MF064567     | \$15,962.78 | \$0.00      | \$1,596.28 | \$814.65 | \$18,373.71        |
| Total Due |              | \$15,962.78 | \$1,862.17  | \$1,797.28 | \$911.50 | <b>\$20,533.73</b> |

Penalty and interest have been calculated thru 2/28/2014. Payment remitted after 2/28/2014 will result in additional penalty and interest charges.

Contact Info: Derick McDonald (512) 463-4303 or [derick.mcdonald@glo.texas.gov](mailto:derick.mcdonald@glo.texas.gov)

### NOTICE

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

**ENERGEN RESOURCES CORPORATION**

Billing Date: 2/18/2014

Billing Due Date: 3/20/2014

Customer Number: C000043130

**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          |
|-----------|--------------|-------------|-------------|------------|----------|--------------------|
| 14I00283  | MF064567     | \$0.00      | \$1,862.17  | \$201.00   | \$96.85  | \$2,160.02         |
| 14I00284  | MF064567     | \$15,962.78 | \$0.00      | \$1,596.28 | \$814.65 | \$18,373.71        |
| Total Due |              | \$15,962.78 | \$1,862.17  | \$1,797.28 | \$911.50 | <b>\$20,533.73</b> |
| Amt. Paid |              |             |             |            |          |                    |

Customer ID: C000043130  
 Invoice Number:  
 GLO Lease: MF064567  
 GLO Review: ENERGEN RESOURCES CORPORATION  
 Review Period: JULY 2011 THROUGH DECEMBER 2012

Auditor/AE: dmcdonal  
 Billing Date: 2/14/2014  
 P&I Calculation Date: 2/28/2014  
 Royalty Rate: 16.67%

| Month / Year | RRC Number | (1)<br>Oil Volume | (2)<br>Tract<br>Participation<br>Rate | (3)<br>Price | (4)<br>Gross Value | (5)<br>Royalty Due | (6)<br>Royalty Paid | (7)<br>Additional<br>Royalty Due | (8)<br>Number of<br>Days Late | (9)<br>Interest Rate<br>For Additional<br>Royalty | (10)<br>Penalty<br>From Additional<br>Royalty | (11)<br>Interest<br>From Additional<br>Royalty | Revenue Due   |
|--------------|------------|-------------------|---------------------------------------|--------------|--------------------|--------------------|---------------------|----------------------------------|-------------------------------|---------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------------|
|              |            |                   |                                       |              | (1)x(2)x(3)        | (4) * Royalty Rate |                     |                                  |                               |                                                   |                                               |                                                | (7)+(10)+(11) |
| Jul-12       | 08-42303   | 9                 | 1                                     | \$84.45      | \$760.05           | \$126.68           | \$0.00              | \$126.68                         | 541                           | 4.25%                                             | \$25.00                                       | \$7.11                                         | \$158.79      |
| Aug-12       | 08-42303   | 98                | 1                                     | \$92.45      | \$9,060.10         | \$1,510.02         | \$0.00              | \$1,510.02                       | 511                           | 4.25%                                             | \$151.00                                      | \$79.47                                        | \$1,740.49    |
| Oct-12       | 08-42303   | 16                | 1                                     | \$84.55      | \$1,352.80         | \$225.47           | \$0.00              | \$225.47                         | 450                           | 4.25%                                             | \$25.00                                       | \$10.27                                        | \$260.74      |
| TOTALS       |            | 123               |                                       |              | \$11,172.95        | \$1,862.17         | \$0.00              | \$1,862.17                       |                               |                                                   | \$201.00                                      | \$96.85                                        | \$2,160.02    |

COMMENTS COLUMN (1) - VOLUMES, OBTAINED FROM THE RRC VOLUME DATA REPORT, REPRESENT SKIM OIL VOLUMES FOR RRC WELL ID# 08-42303 IN MF064567.

COLUMN (3) - PRICES OBTAINED FROM THE GLO-1 REPORT.

COLUMN (9, 10, 11) - SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES, FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

NOTE 1 PAYMENT ON THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY PAYMENTS. THE PAYMENT CAN BE SUBMITTED BY A HAND CHECK OR A WIRE. DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

ATTENTION CRISTY VICE

CERTIFIED MAIL 70111150000124189755



Customer ID: C000043130  
 Invoice Number:  
 GLO Lease: MF064567  
 GLO Review: ENERGEN RESOURCES CORPORATION  
 Review Period: JULY 2011 THROUGH DECEMBER 2012

Auditor/AE: dmcdonal  
 Billing Date: 2/14/2014  
 P&I Calculation Date: 2/28/2014  
 Royalty Rate: 16.67%

| Month / Year | RRC Number | (1)<br>Gas Volume | (2)<br>Tract<br>Participation<br>Rate | (3)<br>Price | (4)<br>BTU | (5)<br>Gross Value | (6)<br>Royalty Due | (7)<br>Royalty Paid | (8)<br>Additional<br>Royalty Due | (9)<br>Number of<br>Days Late | (10)<br>Interest Rate<br>For Additional<br>Royalty | (11)<br>Penalty<br>From Additional<br>Royalty | (12)<br>Interest<br>From Additional<br>Royalty | Revenue Due   |
|--------------|------------|-------------------|---------------------------------------|--------------|------------|--------------------|--------------------|---------------------|----------------------------------|-------------------------------|----------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------------|
|              |            | (A)               |                                       |              |            | (1)x(2)x(3)x(4)    | (5) * Royalty Rate |                     |                                  |                               |                                                    |                                               |                                                | (8)+(11)+(12) |
| Jan-12       | 08-42303   | 7,060             | 1                                     | \$3.04       | 1.00       | \$21,462.40        | \$3,577.07         | \$0.00              | \$3,577.07                       | 715                           | 4.250000%                                          | \$357.71                                      | \$273.23                                       | \$4,208.01    |
| Oct-12       | 08-42303   | 10,237            | 1                                     | \$4.58       | 1.30       | \$60,951.10        | \$10,158.54        | \$0.00              | \$10,158.54                      | 440                           | 4.250000%                                          | \$1,015.85                                    | \$450.66                                       | \$11,625.05   |
| Nov-12       | 08-42303   | 2,175             | 1                                     | \$4.69       | 1.31       | \$13,362.98        | \$2,227.17         | \$0.00              | \$2,227.17                       | 409                           | 4.250000%                                          | \$222.72                                      | \$90.76                                        | \$2,540.65    |
| TOTALS       |            | 19,472            |                                       |              |            | \$95,776.48        | \$15,962.78        | \$0.00              | \$15,962.78                      |                               |                                                    | \$1,596.28                                    | \$814.65                                       | \$18,373.71   |

COMMENTS COLUMN (1) - VOLUMES, OBTAINED FROM THE RRC PRODUCTION REPORT FOR WELL ID# 08-42303, REPRESENTS GAS VENTED AND FLARED VOLUMES FOR PRODUCTION PERIOD 201201, 201210 & 201211 FOR MF064567. VOLUMES FOR 201210 ARE THE SUM OF BOTH GAS VENTED FLARED VOLUMES AND UNDER REPORTED GAS TRANSMISSION SALES VOLUMES FOR 08-42303.

COLUMN (3) - PRICE FOR 201201 OBTAINED FROM THE HOUSTON SHIP CHANNEL PRICE LIST. PRICES FOR 201210 & 201211 OBTAINED FROM GLO-2 REPORTS.

COLUMN (4) - BTU RATE OBTAINED FROM GLO-2 REPORT.

COLUMN (10, 11, 12) - SEE ATTACHEMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTENTION CRISTY VICE

CERTIFIED MAIL 7011110000124189755

87

File No. MF 064567

Reconciliation Billing

Date Filed: 3/3/14.

Jerry E. Patterson, Commissioner

By Nayda Ramirez



U.S. Postal Service™

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MF 064567

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or PO Box No.

City, State, ZIP+4

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- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sheridan Production Company, LLC  
9 Greenway Plaza, Ste. #1300  
Houston, Texas 77046-0922

2. Article Number

(Transfer from service label)

7011 1150 0001 2415 8331

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

11111

• Sender: Please print your name, address, and ZIP+4 in this box •



21510  
Texas General Land Office  
Jerry Patterson, Commissioner  
P.O. Box 12873  
Austin, Texas 78711-2873

[illegible]



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 7, 2014

Sheridan Production Company, LLC  
9 Greenway Plaza, Suite 1300  
Houston, Texas 77046-0922

Via Certified Mail  
Return Receipt Requested

Attn: Compliance

Re: Delinquent Invoices; Royalty, Penalty, and/or Interest due under State  
mineral leases MF 064567; MF 095749 and MF 110884

Dear Sir or Madam:

This letter is notice that an outstanding amount is owed to the Texas General Land Office (GLO) by your company, Sheridan Production Company, LLC. If payment is not received within 30 days from the date of this letter, the GLO will take action to enforce the State's claim by: (i) reporting your company's debt to the Texas Comptroller's Office so that any warrants otherwise due your company from the State will be held and the amounts paid to the GLO under §403.055 of the Texas Government Code; (ii) forfeiting your leases under §§52.029 and 52.176 of the Texas Natural Resources Code and (iii) reporting your company to the Office of the Attorney General of Texas.

Before any enforcement action is taken, Sheridan Production Company, LLC has the right to an opportunity for an evidentiary hearing. A request for a hearing must be in writing and sent to:

Texas General Land Office  
Attention: Marylee McKnight  
P.O. Box 12873  
Austin, TX 78711-2873

If a hearing is requested, Sheridan Production Company, LLC must substantiate its defenses to the asserted claims. The debt will be reported to the Comptroller's Office unless payment is made or a request for a hearing is sent in writing to the GLO by November 7, 2014.

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

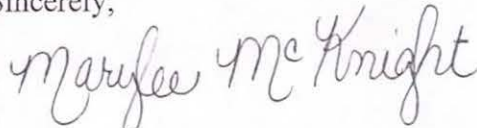
Additionally, the subject leases will be forfeited on November 7, 2014 unless Sheridan Production Company, LLC presents convincing evidence within that time to the GLO that your leases should not be forfeited.

Our preference would be for your company to pay the amounts reflected on the attached list of invoices promptly so that we may close this file without further enforcement action. **If you have any questions regarding the amounts reflected on the attached list of delinquent invoices, please promptly contact Donna Keel of the GLO's Financial Management Division at (512) 463-8072.**

Please note that the GLO's records for the referenced leases do not indicate that the GLO has been notified that your company is a debtor in bankruptcy or has previously been a debtor and received a discharge in bankruptcy. If, however, your company is a debtor in bankruptcy or previously received a discharge in bankruptcy, please immediately notify the GLO of such bankruptcy proceeding by providing the case number and bankruptcy court where this case is/was pending, as well as the relevant date when the bankruptcy stay went into effect. Please be advised that the GLO fully respects the bankruptcy laws pertaining to the collection of debts, so if your company is in bankruptcy or has received a discharge in bankruptcy, please treat this letter as informational only with regard to any debts owed to the GLO and not as a demand for payment.

Thank you in advance for your prompt attention to this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Marylee McKnight".

Marylee McKnight, Attorney  
Legal Services Division, Energy Section

cc: Donna Keel, Financial Management Division  
Robert Hatter, Energy Division

# Delinquent Invoices Pre FY12 - FY14

Voluntary Royalty, Limited Reviews, Reconciliations, Due vs Paid, Late Report and Late Payment Invoices

| Customer Name                   | Customer ID | Transaction Class | Invoice Number | Doc Date | Due Date | Lease Number | 121-365 Days Past Due | Older  | Description (AE Name) |
|---------------------------------|-------------|-------------------|----------------|----------|----------|--------------|-----------------------|--------|-----------------------|
| SHERIDAN PRODUCTION COMPANY LLC | C000048206  | Volume Recon      | 14I00186       | 1/17/14  | 2/16/14  | MF095749     | 24,215.05             | 0.00   | Lynn Buentge          |
| SHERIDAN PRODUCTION COMPANY LLC | C000048206  | Volume Recon      | 14I00281       | 2/14/14  | 3/16/14  | MF064567     | 1,608.98              | 0.00   | Derick McDonald       |
| SHERIDAN PRODUCTION COMPANY LLC | C000048206  | Volume Recon      | 14I00282       | 2/14/14  | 3/16/14  | MF064567     | 137,709.08            | 0.00   | Derick McDonald       |
| SHERIDAN PRODUCTION COMPANY LLC | C000048206  | Volume Recon      | 14I00303       | 3/3/14   | 4/2/14   | MF110884     | 7,154.74              | 0.00   | Derick McDonald       |
| SHERIDAN PRODUCTION COMPANY LLC | C000048206  | Volume Recon      | 14I00304       | 3/3/14   | 4/2/14   | MF110884     | 269,482.96            | 0.00   | Derick McDonald       |
|                                 |             |                   |                |          |          |              | \$440,170.81          | \$0.00 | \$440,170.81          |

## FM Aged Receivables

Doc Date Between: 1/1/2001 And 10/8/2014

Aging Date: 10/8/2014



48

File No. MF 064567

FY 14 - Demand Letter County

Date Filed: 7/1/15

By Nayda Ramirez  
George P. Bush, Commissioner

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Total Postage & Fees

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City, State, ZIP+4

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- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energen Resources Corporation  
605 Richard Arrington, Jr. Blvd. North  
Birmingham, AL 35203-2707

2. Article Number

(Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

**X**

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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**Texas General Land Office**  
Jerry Patterson, Commissioner  
P.O. Box 12873  
Austin, Texas 78711-2873



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Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

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Energen Resources

Postmark  
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MF064567

Sent To

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or PO Box No.

City, State, ZIP+4

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- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energen Resources Corporation  
605 Richard Arrington Jr., Blvd. N  
Birmingham, AL 35203-2707

2. Article Number

(Transfer from service label)

7011 1150 0001 2419 4186

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

B. Received by (Printed Name)

J. Lawrence

☐ Agent

☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

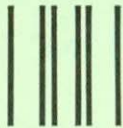
☐ Yes

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**21510**  
**Texas General Land Office**  
Jerry Patterson, Commissioner  
P.O. Box 12873  
Austin, Texas 78711-2873





TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 9, 2014

Energen Resources Corporation  
605 Richard Arrington, Jr. Boulevard North  
Birmingham, Alabama 35203-2707

Via Certified Mail  
Return Receipt Requested

Attn: Cristy Vice

Re: Delinquent Invoices; Royalty, Penalty, and/or Interest due under State mineral leases MF 064567; MF 106115; MF 106128; MF 106130; MF 106203; MF 106229; MF 106567; MF 106568; MF 112094 and MF 112692

Dear Ms. Vice:

This letter is notice that an outstanding amount is owed to the Texas General Land Office (GLO) by your company, Energen Resources Corporation. If payment is not received within 30 days from the date of this letter, the GLO will take action to enforce the State's claim by: (i) reporting your company's debt to the Texas Comptroller's Office so that any warrants otherwise due your company from the State will be held and the amounts paid to the GLO under §403.055 of the Texas Government Code; (ii) forfeiting your leases under §§52.029 and 52.176 of the Texas Natural Resources Code; and (iii) reporting your company to the Office of the Attorney General.

Before any enforcement action is taken, Energen Resources Corporation has the right to an opportunity for an evidentiary hearing. A request for a hearing must be in writing and sent to:

Texas General Land Office  
Attention: Marylee McKnight  
P.O. Box 12873  
Austin, TX 78711-2873

If a hearing is requested, Energen Resources Corporation must substantiate its defenses to the asserted claims. The debt will be reported to the Comptroller's Office unless payment is made or a request for a hearing is sent in writing to the GLO by November 9, 2014.

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Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

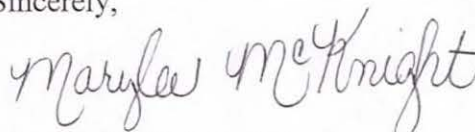
Additionally, the subject leases will be forfeited on November 9, 2014 unless Energen Resources Corporation presents convincing evidence within that time to the GLO that your leases should not be forfeited.

Our preference would be for your company to pay the amounts reflected on the attached list of invoices promptly so that we may close this file without further enforcement action. **If you have any questions regarding the amounts reflected on the attached list of delinquent invoices, please promptly contact Donna Keel of the GLO's Financial Management Division at (512) 463-8072.**

Please note that the GLO's records for the referenced leases do not indicate that the GLO has been notified that your company is a debtor in bankruptcy or has previously been a debtor and received a discharge in bankruptcy. If, however, your company is a debtor in bankruptcy or previously received a discharge in bankruptcy, please immediately notify the GLO of such bankruptcy proceeding by providing the case number and bankruptcy court where this case is/was pending, as well as the relevant date when the bankruptcy stay went into effect. Please be advised that the GLO fully respects the bankruptcy laws pertaining to the collection of debts, so if your company is in bankruptcy or has received a discharge in bankruptcy, please treat this letter as informational only with regard to any debts owed to the GLO and not as a demand for payment.

Thank you in advance for your prompt attention to this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Marylee McKnight".

Marylee McKnight, Attorney  
Legal Services Division, Energy Section

cc: Donna Keel, Financial Management Division  
Robert Hatter, Energy Division



# Delinquent Invoices Pre FY12 - FY14

Voluntary Royalty, Limited Reviews, Reconciliations, Due vs Paid, Late Report and Late Payment Invoices

| Customer Name     | Customer ID | Transaction Class | Invoice Number | Doc Date | Due Date | Lease Number | 121-365 Days Past Due | Older  | Description (AE Name) |
|-------------------|-------------|-------------------|----------------|----------|----------|--------------|-----------------------|--------|-----------------------|
| Energen Resources | C000043130  | Volume Recon      | 14I00069       | 10/18/13 | 11/17/13 | MF106203     | 701.57                | 0.00   | Lynn Buentge          |
| Energen Resources | C000043130  | Volume Recon      | 14I00089       | 10/25/13 | 11/24/13 | MF106128     | 841.20                | 0.00   | Lynn Buentge          |
| Energen Resources | C000043130  | Volume Recon      | 14I00195       | 1/9/14   | 2/8/14   | MF106115     | 833.06                | 0.00   | Andrea Charlton       |
| Energen Resources | C000043130  | Volume Recon      | 14I00240       | 2/3/14   | 3/5/14   | MF106130     | 3,100.02              | 0.00   | Andrea Charlton       |
| Energen Resources | C000043130  | Volume Recon      | 14I00283       | 2/14/14  | 3/16/14  | MF064567     | 2,206.40              | 0.00   | Derick McDonald       |
| Energen Resources | C000043130  | Volume Recon      | 14I00284       | 2/14/14  | 3/16/14  | MF064567     | 18,771.47             | 0.00   | Derick McDonald       |
| Energen Resources | C000043130  | Volume Recon      | 14I00295       | 3/6/14   | 4/5/14   | MF106568     | 2,709.81              | 0.00   | Andrea Charlton       |
| Energen Resources | C000043130  | Volume Recon      | 14I00296       | 3/6/14   | 4/5/14   | MF106567     | 2,708.12              | 0.00   | Andrea Charlton       |
| Energen Resources | C000043130  | Volume Recon      | 14I00297       | 3/6/14   | 4/5/14   | MF106229     | 2,709.81              | 0.00   | Andrea Charlton       |
| Energen Resources | C000043130  | Late Incorrect    | 14L02836       | 4/25/14  | 5/25/14  | MF112094     | 40.00                 | 0.00   | U - C4r2sl - 150605   |
| Energen Resources | C000043130  | Late Incorrect    | 14L02837       | 4/25/14  | 5/25/14  | MF112692     | 40.00                 | 0.00   | U - Nlm8KA - 150605   |
|                   |             |                   |                |          |          |              | \$34,661.46           | \$0.00 | \$34,661.46           |

FM Aged Receivables

Doc Date Between: 1/1/2001 And 10/14/2014

Aging Date: 10/14/2014



(89)

File No. MF 064567

County \_\_\_\_\_

FY14 Demand Letter

Date Filed: 7/6/15

By George P. Bush, Commissioner  
Nayda Ramirez

| Vendor No. | Vendor Name                  | Check Date  | Check Number | Check Total |
|------------|------------------------------|-------------|--------------|-------------|
| 7002610    | GENERAL LAND OFFICE OF TEXAS | Apr-28-2020 | 000054787    | \$6,400.00  |

| INV DATE | VENDOR INV #     | TOTAL<br>AMOUNT | PRIOR PMTS<br>& DISCOUNTS | NET<br>AMOUNT |
|----------|------------------|-----------------|---------------------------|---------------|
| 04/15/20 | SHUTIN BROOKE 01 | 6,400.00        | 0.00                      | 6,400.00      |

121

Direct Inquiries to:  
Phone: (972) 332-1419  
E-Mail: OIAP@FDLENERGY.COM

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING



FDL Operating, LLC.  
5221 N O'Connor Blvd.  
Suite 1100  
Irving, Texas 75039

JPMorgan Chase Bank,  
N.A., Dallas, TX

32-61/1110 20708564  
000054787

| CHECK NO  | CHECK DATE  | PAY EXACTLY |
|-----------|-------------|-------------|
| 000054787 | Apr-28-2020 | \$6,400.00  |

PAY  
EXACTLY

SIX THOUSAND FOUR HUNDRED DOLLARS and ZERO CENTS

TO THE  
ORDER  
OF

GENERAL LAND OFFICE OF TEXAS  
1700 CONGRESS AVE.  
AUSTIN TX 78701-1495

*[Signature]*  
AUTHORIZED SIGNATURE

⑈000054787⑈

02.03.11

90.

File No. MF 064 567

Shut in County

Date Filed: 10/7/20

George P. Bush, Commissioner

By SSD