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Archives and Records Staff

MF067528

TERMINATION

DATE 9/11/17
LEASING TM 4/11/18
MAPS JK
GIS MC

State Lease	Control	Base File	County
MF067528	15-016645	155296	REEVES

Survey	PUBLIC SCHOOL LAND
Block	45

Block Name

Township

Section/Tract	27
---------------	----

Land Part

Part Description

Acres	640
-------	-----

Depth Below

0

Depth Above

Depth Other

See Lease

Leasing: JK

Analyst: _____

Maps: JK

GIS: MC

DocuShare: _____

Name

CHEVRON OIL CO

Lease Date

10/3/1972

Primary Term

5 yrs

Bonus (\$)

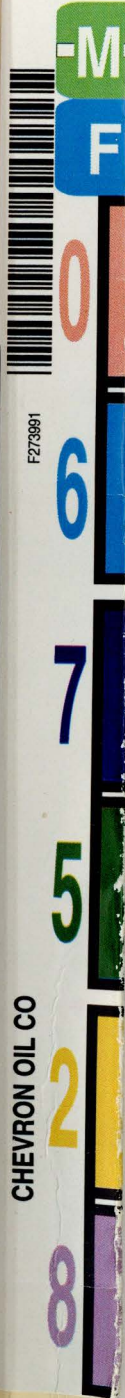
\$76,161.17

Rental (\$)

\$5.00

Lease Royalty

0.1667



STATE LEASE

67528

4
195~~TERMINATED~~~~FOR FAILURE TO~~

Date

~~10/3/74~~~~PAY DELAY RENTAL~~

Accounting

~~gfw~~

TERMINATED IN ERROR.

Lg. 12-16-74

Lg 12-16-74

Exploration

~~curt~~

Execution

370 ac. Unit

370 ac. Non-Unit

COUNTY: Reeves

TRACT : Sect. 27, Blk. 45, PSL

PART : All N/2

ACRES : 640-320

DEPTHS : SEE PARTIAL RELEASE IN M-67525

LESSEE : Chevron Oil Company

DATE : 10-3-72

TERM : 5 Years

BONUS : \$ 76,161.17

RENTAL: \$ 5.00

#3,200.00

FILE : 118812

Shut-in p9 10-3-77/10-3-78 PARTIAL RELEASE FILED IN M-67525

Audit

Legal

Engineering

Geology

Execution

Approved

Cuf

jr.

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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:

Mgl. No.	Survey	Tract	Blk	Tsp	Original Grantee	Acres	Designated Area	County
31	27		45		P.S.L.	640		Reeves

(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, 1/6 (one-sixth) 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 Five 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 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 Seventy Six Thousand One Hundred Sixty One and 17/100
(\$76,161.17) -----DOLLARS.

There is also attached remittance in the amount of Seven Hundred Sixty One
and 62/100 (761.62) -----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. 10-3-72

Sept. 29, 1972

(Date)

CHEVRON OIL COMPANY

By S. A. Dowden
(Applicant)

P.O. Box 599

(Address)
Denver, Colo 80201

(Post Office)

CERTIFICATE

I, H. E. White, 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 3 day of OCT., A. D., 1912, the above application No. _____ was accepted, all of which is shown in Vol. _____, Page _____, of the Minutes of said Board.

Given under my hand this the 3 day of OCT., A. D., 1912, at Austin, Texas.

H. E. White
Secretary of the School Land Board

APPLICATION NO. 61744

OCT 3 1917

BID

①

The State of Texas General Land Office



Austin, Texas

OIL AND GAS LEASE

No. 67528

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 27, Blk. 45, PSL Survey, Reeves County, containing 640 acres, as shown on the official map of Reeves County now on file in the General Land Office,

was, after being duly advertised, offered for lease on the 3 day of October, 19 72, 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 3 day of October, 19 72, and it was found and determined that _____

CHEVRON OIL COMPANY

whose address is P. O. Box 599, Denver, Colorado 80201 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, BOB ARMSTRONG, 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 _____

Seventy-Six Thousand One Hundred Sixty-One and 17/100----- dollars
(\$ 76,161.17), 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 _____

Chevron Oil 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 3 day of October, 19 73, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commis-

sioner 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)

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,

one-sixth (1/6)

liquid hydrocarbons or other products) 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.

one-sixth (1/6)

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

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 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 interrupt 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

Bob Armstrong, Commissioner

COMMISSIONER OF THE GENERAL LAND OFFICE

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.

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.

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.

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.

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.

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 three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

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.

ease

250300 TEXAS MINERAL LEASE #67528

Chevron Oil Company
Western Division P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo	Day	Yr	County	State	Volume	Page			Mo	Day	Yr
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702	10	03	1973

Payee Name - Address

Amount Due

COMMISSIONER OF THE GENERAL LAND OFFICE
AUSTIN, TEXAS 78701

STATE OF TEXAS

12

RECEIVED
SEP 15 1973
General Land Office

1940

3200.00

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period

Check No.

40577

Total Amount Due
Bank Serv. Charge

3200.00

Detach this stub and retain for tax purposes. Duplicates will not be furnished.

③ M.F. 67528

Rental Payment

Filed 9-15 1973
BOB ARMSTRONG, COMMISSIONER

78
Clerk

ease

250270 TEXAS MINERAL LEASE #67525



Chevron Oil Company

Western Division P. O. Box 599, Denver, Colorado 8020

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo.	Day	Yr.	County	State	Volume	Page			Mo.	Day	Yr.
10	03	72	REEVES	TEXAS	315	95	640.00	702	10	03	1973
							(More or Less)				

Payee Name—Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

3200.00

STATE OF TEXAS

RECEIVED

2081

SEP 18 1973

General Land Office

Amount of the attached check is for deposit to the credit of the party or parties named
in payment of rental under the oil, gas and mineral lease described above for the period

Check No.

40574

Total Amount Due
Bank Serv. Charge

3200.00

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

③ M.F. 67525

Rental Payment

Filed 9-18 73

BOE ARMSTRONG, COMM.

78

RECEIVED

Noted and Office

ease

250270 TEXAS MINERAL LEASE #67525

121



Chevron Oil Company

Western Division P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo.	Day	Yr.	County	State	Volume	Page			Mo.	Day	Yr.
10	03	72	REEVES	TEXAS	315	95	640.00 (More or Less)	702	10	03	1974

Payee Name — Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

320000

STATE OF TEXAS

3653

RECEIVED

SEP 26 1974

General Land Office

The amount of the attached check is for deposit to the credit of the party or parties named
above in payment of rental under the oil, gas and mineral lease described above for the period

ITEM

Check No.

45166

Total Amount Due
Bank Serv. Charge

320000

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

④ M-67525
Rental Payment
9-26-74

Lease

250270 TEXAS MINERAL LEASE #67525



Chevron Oil Company

Western Division P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo.	Day	Yr.	County	State	Volume	Page			Mo.	Day	Yr.
10	03	72	REEVES	TEXAS	315	95	640.00 (More or Less)	702	10	03	1975

Payee Name — Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

3200.00

STATE OF TEXAS

RECEIVED

SEP 13 1975

General Land Office

2225

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period

at 1.

Check No.

50434

Total Amount Due
Bank Serv. Charge

3200.00

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

⑤ M.F. 67525

Rental Payment

Filed 9-13 1975
BOB ARMSTRONG, COMMISSIONER

ns
Clerk

Lease

250270 TEXAS MINERAL LEASE #67525

121



Chevron Oil Company

Western Division P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of				Acreage Covered	Rental Due Date			
Mo.	Day	Yr.	County	State	Volume	Page		Mo.	Day	Yr.	
10	03	72	REEVES	TEXAS	315	95	640.00 (More or Less)	702	10	03	1976

Payee Name — Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

3200.00

STATE OF TEXAS

2746

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period

05914

Check No.

5914

Total Amount Due
Bank Serv. Charge

3200.00

⑥ M + 67525
Rental Payment
9-17-76



Exploration and Development

Lease Status Report

DO NOT DESTROY
DATE

NAME

TO: Mineral Acctg. 10-21-77

M. H. JANSZEN

M.F. No. 67525

Lease Reaves - State (Well # 1-22)

County REEVES

Operator CHEVRON U.S.A. INC.
FIELD: WC

Effective Date

☐ P & A (Last Well on Lease) _____

☒ First Producing Well on Lease 9-15-77

☐ Commingle Production _____

☐ Unit & Pooling Agreements _____

☐ Amendments to Units _____

☐ Other: Note Below _____

GAS WELL POT: 2900 MCFG

24
10/21/77

Exploration and Development

Lease Status Report

DO NOT DESTROY

DATE

NAME

TO: Mineral Acctg. 4/11/78 M. H. JANSZEN

M.F. No. 67525; 67528

Lease Sec. 22-27 GAS UNIT

County REEVES

Operator CHEVRON U.S.A. INC.

Field: KING EDWARD

Effective Date

☐ P & A (Last Well on Lease) _____

☐ First Producing Well on Lease _____

☐ Commingle Production _____

☒ Unit & Pooling Agreements 3-7-78

☐ Amendments to Units _____

☐ Other: Note Below _____

Both leases held by

SIG wells.

Signature
4/11/78

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(2-1-74)

AP REEVES
DIST. 42 389 30293
MAY 29 1974

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

1. Operator
Chevron Oil Company
2. Address (Including City and Zip Code)
P. O. Box 1660
Midland, Texas 79701

3. Is Form P-3 (Organization Report) in Exact Operator Name Filed?
YES ☒ NO ☐

4. Lease Name
Reeves State

5. Location (Sec., Blk., Survey)
Section 27, Block 45, PSL Survey

6. This well is to be located 10 miles South
Direction from Orta
Nearest Post Office or Town.

7. RRC District
8. County
Reeves

9. Well Number
1

10. Number of Acres in Lease
640+

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.)
2640'

EACH PROPOSED COMPLETION

12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.
FIELD NAME (Exactly as shown on R. R. C. Pronunciation Schedule including Reservoir if applicable.) If Wildcat, so state below.	Completion Depth	RRC Lease or ID Number (if applicable)	Field Rule Spacing System (Distance to lease line & distance between wells. If no special rules indicate Rule 37.)	Field Rule Pronunciation 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 on 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
Wildcat 16,500'	16,500'	-	Rule 37	Rule 38	640	No	None	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.

REMARKS:
22,500' to 16,500'

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

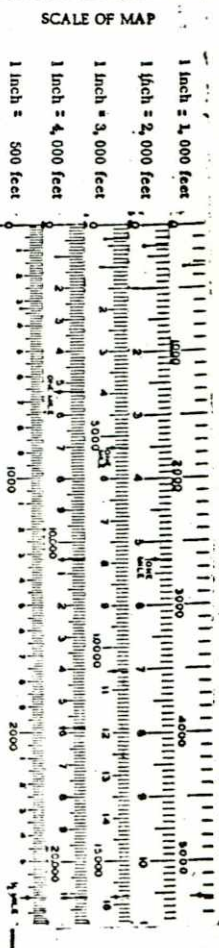
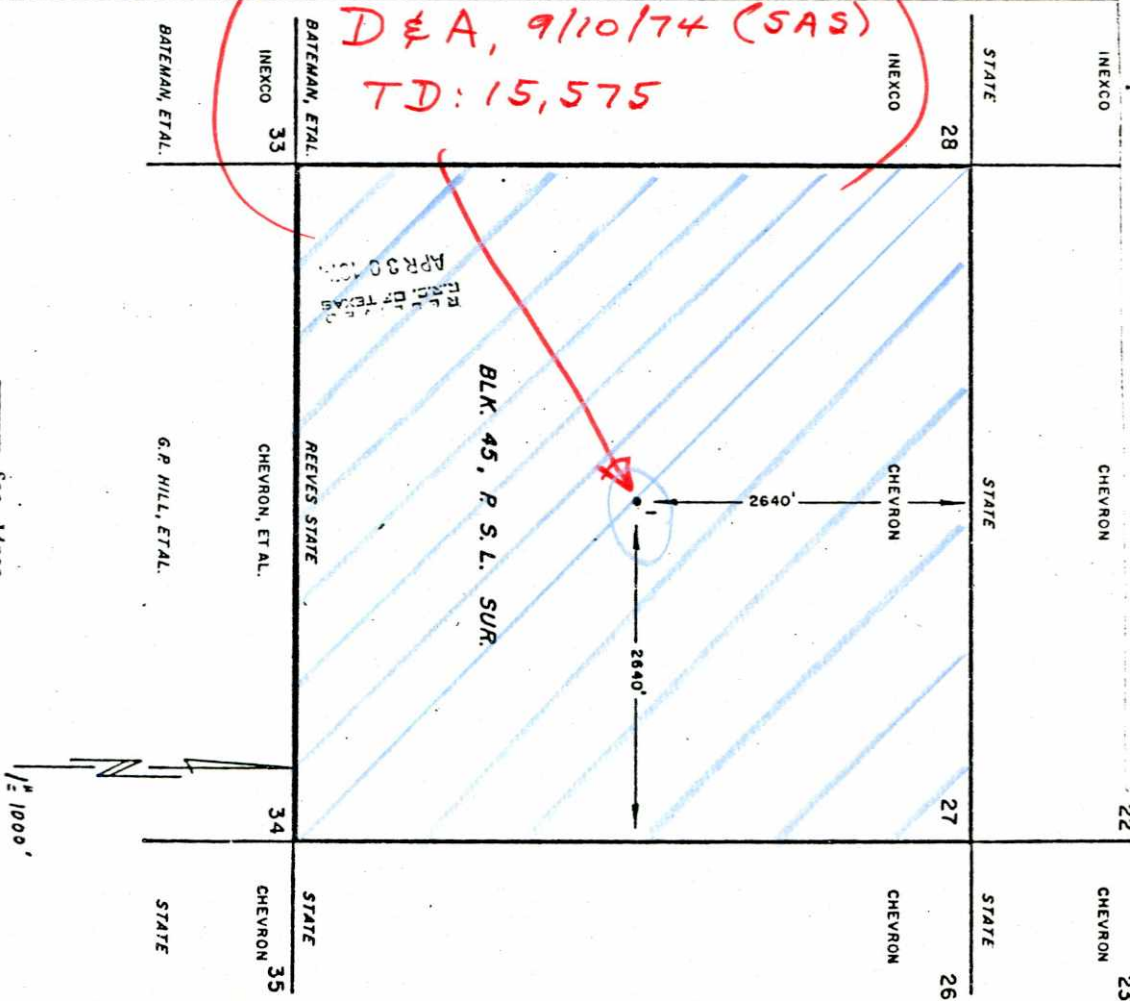
Signature J. E. Pullig
Title Senior Drilling Engineer
Date April 24, 1974
Telephone: Area Code 915, 684-4441
APR 25 1974
R.R.C. OF TE

- OVER -

D & A, 9/10/74 (SAS)
TD: 15,575

I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all

Sec. Lines
Lease Lines
Unit Lines



Statewide PLAT SERVICE
P. O. DRAWER 1887, AUSTIN, TEXAS 78769

4-30-74

N. Reeves

Need W-1 (Spotted on map)

State Fee

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.

LEASE Reeves-State

WELL NO. 1 FIELD 16,500 Wildcat

COUNTY Reeves

SPUD DATE _____ DRILLING DEPTH _____

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 to be drilled
in Reeves County on Section 27, Blk 45, Survey-PSL. They do not
have a rig for this location as yet ?

JMH/jr

3-21-60


INSPECTOR

DATE May 1, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.

LEASE Reeves-State

WELL NO. 1 FIELD Wildcat

COUNTY Reeves

SPUD DATE 5-22-74 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. They are
just about rigged up and say they will spud in tomorrow on
this location on Section 27, Blk 45, Survey- PSL- Reeves County ?
Its just East of Selina Strong #1 that they drilled and plugged
about a month ago ?

JMH/jr

3-21-60


INSPECTOR

DATE May 21, 1974



Chevron Oil Company
Western Division

P. O. Box 1660, Midland, TX 79701

May 24, 1974

161

General Land Office
200 East 12th Street
Austin, Texas 78701

Gentlemen:

This is to advise you that we spud the Reeves-State No. 1 well, located 2640' from the North and West lines of Section 27, Block 45, PSL Survey, Reeves County, Texas, on May 23, 1974.

We are attaching copies of all forms that have been filed with the Texas Railroad Commission and Texas Water Development Board.

If additional information is needed, please contact Mr. J. E. Pullig or Mr. R. J. Hand at the letterhead address or telephone (915) 684-4441, Midland, Texas.

Yours very truly,

E. O. Price
E. O. Price
Division Manager

BRG:cn
Attachments

RECEIVED

MAY 28 1974

General Land Office

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION



RECEIVED

MAY 28 1974

General Land Office

ARTHUR H. BARBECK
Chief Engineer
JAMES C. BOULDIN
Director of Production
and Proration

JIM C. LANGDON, Chairman
BEN RAMSEY, Commissioner
MACK WALLACE, Commissioner

ERNEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12967

AUSTIN, TEXAS 78711

May 3, 1974

Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701

IN RE: Reeves State Lease, Well No. 1, Wildcat Field, Section 27,
Block 45, PSL Survey, Reeves County, Texas.

Gentlemen:

This will acknowledge receipt of your letter dated April 30, 1974
concerning the above captioned well.

You are hereby authorized to set approximately 40 feet of surface casing and to use a multi-stage tool at a depth not shallower than 700* feet for the purpose of introducing sufficient cement behind the intermediate casing to reach the surface of the ground. In the event the well is a dry hole and no production string is set, it will be necessary that sufficient cement plugs be set in the well bore to protect all fresh water sands. Cement plugs are to be placed in the well bore promptly after the Commission authorizes plugging of the well and before the drilling rig is dismantled or moved.

The mixture of cement and additives used in cementing pipe through all fresh water strata must not contain more than 10 per cent gel and the normal recommended amount of mixing water. Any combination of extenders used must not result in a slurry yield of more than 2.50 cubic feet of slurry per sack of neat cement used in the mixture.

You must comply with all other provisions of Statewide Rule 13(A), and a Cementing Report (Form W-15) must be filed with each appropriate completion form showing all pertinent well information and data regarding cementing operations performed during the drilling, completion, or plugging of the well. (See instructions on Form W-15)

If cement is not circulated to ground surface while cementing through the multi-stage tool, you must submit a temperature survey indicating the top of cement to be above the surface casing shoe at least one third the distance from the surface casing shoe to ground surface.

This exception does not apply and is voided if parallel (non-concentric) strings of pipe are cemented in the hole for any reason unless all fresh water strata are protected by casing cemented in place before the parallel strings are cemented in the hole.

It is requested that the Railroad Commission District Office shown below be notified approximately 12 hours prior to the time casing is cemented in this well.

DISTRICT OFFICE

TELEPHONE NO.

Yours very truly,

Midland915-684-5581

Arthur H. Barbeck
Chief Engineer

By:

B.D. McKendree

* or cement intermediate casing from
the shoe to ground surface.

COPY TO JRL/CRP 4/17/74

RECEIVED

April 30, 1974

MAY 28 1974

General Land Office

Exception to Statewide Rule 13
Multi-Stage Cementing
Reeves State No. 1
Wildcat
Reeves County, Texas

Railroad Commission of Texas
Oil & Gas Division
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711

Attention Mr. Bishop D. McKendree

Gentlemen:

Chevron Oil Company respectfully requests exception to Statewide Rule 13 for its Reeves State Well No. 1 to permit cementing of surface casing by the multi-stage process.

Twenty inch (20") conductor pipe would be set at 40'±. Thirteen and three eighths inch (13 3/8") surface casing would be set at approximately 2700'± and cemented in two stages, the second stage through a multi-stage tool at approximately 700', using sufficient cement to circulate to the surface. Reeves State No. 1 is permitted to 16,500'. In this area, the Texas Water Development Board recommends protection of water bearing strata below the base of the Rustler, estimated to occur at a depth of 700'. We would, of course comply with other portions of Rule 13.

Exception is requested to permit most economical and efficient drilling of the well without hazard to safety or mineral or water resources. If further information is required, please contact Mr. J. W. Leonard or Mr. J. E. Pullig at the letterhead address or at (915) 684-4441.

Yours very truly,

E. O. Price
E. O. Price
Division Manager

ABS:djj

cc: Railroad Commission of Texas, Midland
bcc: Mr. E. M. Kipp, Attn: Mr. C. R. Platt, Denver

RAILROAD COMMISSION OF TEXAS

ADMINISTRATIVE SERVICES

JIM C. LANGDON, Chairman
 BEN RAMSEY, Commissioner
 MACK WALLACE, Commissioner



RECEIVED
 MAY 28 1974
 General Land Office

LARRY C. WILLIMACK,
 Chief of Services
 J. M. AKIN, JR.,
 Chief Accountant

ERNEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12967

AUSTIN, TEXAS 78711

April 29, 1974

Chevron Oil Company
 P. O. Box 1660
 Midland, Texas 79701

PERMIT TO DRILL OR DEEPEN
 REGULAR LOCATION

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

Permission is hereby granted to (drill-deepen) ~~XXXXX~~ as a regular location the following well for which application has been received:

Form W-1 (Dated) April 24, 1974Lease Name Reeves State Well No. 1
 Located in Sec. 27, Blk. 45, PSL
 (Survey, Section, Block, Etc.)

 Field Name Wildcat above 16500 County Reeves
 (Name Shown on Said Form)

Should the applicable Commission spacing rule be changed prior to commencement of actual drilling operations so that the designated location thereby becomes *irregular*, then the above permit is rendered ineffective and a special Commission permit will be required to carry out such operation at the location shown. This permit shall expire one (1) year from the date of issuance, unless actual drilling operations have been commenced, or an extension of the permit for an additional one (1) year period is requested and granted prior to such expiration date.

Based upon the representations made on the above Form W-1 and those made on any plat or plats filed therewith, it is believed that the operation indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date hereof, with the provisions of the applicable Commission spacing rule subject to the limitations, if any, set out below. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated operation at the location shown, the same being classed as *regular*.

If there are outstanding permits covering operations which have not actually been started as of the date of filing of Form W-1 above described and which, if started, would impair the regularity of this operation, then the permit covering that location on which the actual process of carrying out this indicated operation is first begun shall prevail, and all other such outstanding permits shall become ineffective.

LIMITATIONS ON REGULARITY OF OPERATION AT INDICATED LOCATION AS PERTAINS TO FORM W-1 ABOVE DESCRIBED.

Yours truly,

Larry C. Willimack,
 Chief of Services

Bob Cook/dc
 512-475-2458

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

COMMISSIONERS
JIM C. LANGDON
Chairman
BEN RAMSEY
MACK WALLACE



RECEIVED
MAY 28 1974
General Land Office

ARTHUR H. BARNICK
Chief Engineer
ROY D. PAYNE
Director, Field Operations
BILL E. WATSON
District Director

OIL AND GAS BUILDING

P. O. BOX 1110

MIDLAND, TEXAS 79701

April 25, 1974

Chevron Oil Company
P.O. Box 1660
Midland, Texas 79701

In Re: Reeves State
Well No. 1
Wildcat
Reeves County, Texas

Gentlemen:

Application(s) to drill the above-mentioned well(s) was received this date.

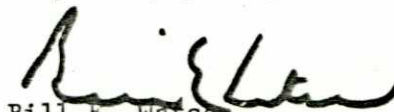
Subsequent to receipt of the permit, you are requested to contact this office prior to commencing any of the following operations in sufficient time to permit a Commission representative to be present:

- (1) Setting and cementing of surface pipe as determined by Texas Water Development Board or Field Rule.
- (2) Circulating cement from shoe to surface or multi-stage cementing of production casing in lieu of setting sufficient surface with prior approval exception to Statewide Rule 13 or as provided by Field Rule.
- (3) Plugging in event of dry hole.

The Midland District telephone is manned on a 24-hour basis. The number is (915) 684-5581.

Your cooperation will be appreciated.

Very truly yours,


Bill E. Watson
District Director

BEW/sah

TEXAS WATER DEVELOPMENT BOARD

ABS

MEMBERS

JOHN H. MCCOY, CHAIRMAN
NEW BOSTON

MARVIN SHURBET, VICE CHAIRMAN
PETERSBURG

ROBERT B. GILMORE
DALLAS

W. E. TINSLEY
AUSTIN

MILTON T. POTTS
LIVINGSTON

CARL ILLIG
HOUSTON



P. O. BOX 13087
CAPITOL STATION
AUSTIN, TEXAS 78711

April 26, 1974

RECEIVED

MAY 28 1974

General Land Office

HARRY P. BURLEIGH
EXECUTIVE DIRECTOR

AREA CODE 512
475-3571

1700 NORTH CONGRESS AVENUE

IN REPLY REFER TO:
TWDDBE-WD
SC-799

[
Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701
]

Re: Reeves State, Well #1,
Sec. #27, Blk. #45, PSL Survey,
Reeves County, Texas

Gentlemen:

Reference is made to your inquiry of April 24, 1974 regarding the protection of usable-quality water strata in your above named well.

Water-bearing strata must be protected down to the base of the Rustler, estimated to occur at a depth of 700 feet.

Please send a log showing the base of the Rustler when this data becomes available.

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling and production operations only and does not apply to salt water disposal operations. It should not be used as a recommendation for fieldwide usable-quality water protection rules.

Very truly yours,

M. R. Stephenson
M. R. Stephenson

Geologist, Surface Casing Section

cc: RRC, Austin
RRC, Dist. Office #8

April 24, 1974

RECEIVED

MAY 28 1974

General Land Office

Texas Water Development Board
P. O. Box 13087
Austin, Texas 78711

Gentlemen:

Please advise us the depth to which fresh water strata should be protected at the following location:

Lease Name:	Reeves State No. 1
Section No.:	27
Block:	45
Survey Name:	PSL
County:	Reeves, Texas
Distance and Direction	
From Nearest Town:	10 miles South of Orla
Proposed Depth of Well:	16,000'±

Yours very truly,

E. O. Price
E. O. Price
Division Manager

ABS:djj

Additional Data Enclosed:
Plat showing well site and
adjacent selections or surveys.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM W-1
(3-1-70)

API Well No. 42

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

1. Operator Chevron Oil Company	4. Lease Name Reeves State	7. RRC District 8
2. Address (Including City and Zip Code) P. O. Box 1660 Midland, Texas 79701	5. Location (Sec., Blk., Survey) Section 27, Block 45, PSE Survey	8. County Reeves
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐	6. This well is to be located <u>10</u> miles <u>South</u> Direction from <u>Orla</u> Nearest Post Office or Town.	9. Well Number 1 10. Number of Acres in Lease 640± 11. Distance from Proposed Location to Nearest Property or Lease Line (ft.) 2640'

RECEIVED
MAY 28 1974
General Land Office

EACH PROPOSED COMPLETION

12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	
FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	Completion Depth	RRC Lease or ID Number (If applicable)	Field Rule Spacing Pattern (Distance to lease line & distance between wells. If no special rules indicate Rule 37.)	Field Rule Proration Unit Pattern. (Acres. If no special rules, indicate Statewide 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 completed or applied for well in same reservoir on 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.	
										OIL	GAS
Wildcat	16,500'	-	Rule 37	Rule 38	640	No	None	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.

REMARKS: _____

CERTIFICATE

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

Signature

J. E. Pullig
Senior Drilling Engineer

J. E. Pullig

Title

April 24, 1974

Date

Telephone: Area Code 915 , 684-4441

- O V E R -

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.

LEASE Reeves-State

WELL NO. 1 FIELD Wildcat

COUNTY Reeves

SPUD DATE 5-23-74 DRILLING DEPTH 2710 feet

CORE DEPTH _____ LOGS (DEPTH) _____

COMPLETION DATE _____ PERFS _____

POTENTIAL _____ T. D. _____

IS THIS THE FIRST REPORT ON THIS WELL? 2nd

REMARKS _____

[illegible]

JMH/jr

3-21-60

James Heatherly
INSPECTOR

DATE June 4, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.
LEASE Reeves-State
WELL NO. 1 FIELD Wildcat
COUNTY Reeves
SPUD DATE 5-23-74 DRILLING DEPTH 5905 feet
CORE DEPTH _____ LOGS (DEPTH) _____
COMPLETION DATE _____ PERFS _____
POTENTIAL _____ T. D. _____
IS THIS THE FIRST REPORT ON THIS WELL? 3rd
REMARKS _____

JMH/jr

3-21-60


INSPECTOR
DATE June 18, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.
LEASE Reeves-State
WELL NO. 1 FIELD Wildcat
COUNTY Reeves
SPUD DATE 5-23-74 DRILLING DEPTH 9500 feet
CORE DEPTH _____ LOGS (DEPTH) _____
COMPLETION DATE _____ PERFS _____
POTENTIAL _____ T. D. _____
IS THIS THE FIRST REPORT ON THIS WELL? 4 th
REMARKS _____

JMH/jr

3-21-60


INSPECTOR
DATE July 9, 1974

INSPECTOR'S WELL STATUS REPORT

OPERATOR Chevron Oil Co.
LEASE Reeves-State
WELL NO. 1 FIELD Wildcat*~~Chapman~~~~Deep~~~~Fusselman~~
COUNTY Reeves
SPUD DATE 5-23-74 DRILLING DEPTH 13,950 feet
CORE DEPTH _____ LOGS (DEPTH) _____
COMPLETION DATE _____ PERFS _____
POTENTIAL _____ T. D. _____
IS THIS THE FIRST REPORT ON THIS WELL? 6 th
REMARKS _____

JMH/jr

3-21-60


INSPECTOR
DATE August 14, 1974

4

M. F. 67528
APPLICATION TO DRILL

WELL # 1

FILED 9-15 1974
BOB ARMSTRONG, COMMISSIONER

BY: MMS

MINERAL ACCOUNTING
MEMORANDUM

(File in "B" File)

RE: M- 67528

Split from M- _____
which is

Operator _____

☐ Producing

Lease _____

☐ Nonproducing

County Reeves

Date

Name

FROM: Mineral Accounting 12-9-74 md

TO: Exploration & Development _____

TO: Legal _____

NONPRODUCING

☒ Delay Rental Due On 10-2-74 Not Received

☐ Primary Term Expired _____

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

Name _____

RENTAL:

MAPS: No location 12-10-74 ewf

⑤ M-67528

ACCOUNTING MEMO

12-9-74



December 11, 1974

Chevron Oil Company
P. O. Box 599
Denver, Colorado 80201

RE: State Lease M-67528
Section 27, Block 45, PSL
Reeves County, Texas

Gentlemen:

This letter is to inform you that according to the records of this office the captioned oil and gas lease terminated October 3, 1974 for failure to pay delay rental.

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

Sincerely yours,

Bob Armstrong

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

BF/mlc

6

M-67528

Ltr to:

Chevron Oil

12-11-74

mlc

MEMORANDUM

TO: M-67528

FROM: L. Gilbert

DATE: 12-16-74

SUBJECT: ERRONEOUS TERMINATION.

On 12-16-74 ~~Mr.~~ Ms. Quinn of Chevron in Denver called to say that M-67528 did not terminate on 10-3-74. A rental payment was not submitted because a dry hole was completed on Sept. 9, 1974, within 60 days of the due date on the rental. Thus this lease is held under Provision 8 of the lease until October 3, 1975.

The erroneous termination resulted from a GLO memo (Item 5 herein) which showed no location on this lease as of 12-10-74. This info is erroneous. Our map today shows the dry hole location.

Louis Gilbert

M-67528

⑦ LEGAL MEMO
re

ERRONEOUS TERMINATION

12-16-74
LG

12-16-74

Legal Memo

M-67528

④

December 17, 1974

Chevron Oil Company
P. O. Box 599
Denver, Colorado 80201

Attention: Ms. Quinn

RE: State Lease M-67528
Section 27, Block 45
PSL
Reeves County, Texas
Reeves State No. 1 Well Wildcat

Dear Ms. Quinn:

This will confirm our telephone conversation of December 16, 1974 in which you reported that we had erroneously terminated the captioned lease for failure to pay a delay rental on October 3, 1974. We have confirmed that such termination was erroneous in that the completion of a dry hole on September 9, 1974, within sixty (60) days of the next rental installment date, extends the lease until October 3, 1975 under Provision 8 of the lease.

We hereby confirm that said Lease 67528 is a valid lease on the records of this office. We regret the inconvenience caused you by this error.

Sincerely yours,

Bob Armstrong

BY: Lanvil Gilbert, Senior Attorney
Energy Resources
Phone: 512-475-6749

LG/mlc

8

M. F. 67528

CORRESPONDENCE FILE

To Chevron

Dated 12-17-74

ml

January 10, 1975

Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701

Re: State Lease M-67528
Sec. 27, Blk. 45, PSL
Reeves State Well No. 1
Reeves County, Texas

Gentlemen:

Our files show that we failed to receive a copy of the completion reports on the captioned well as filed with the Railroad Commission.

Please submit at your earliest convenience.

If we may be of service, please let us know.

Sincerely yours,

Bob Armstrong

By

Jack M. Howard, Director
Exploration & Development Division
Phone: 512-475-3064

JMH:mhj:gs

(10)

M-67528

Ltr to

Chevron oil co.

Dated 1-10-75 ga

August 4, 1978

Chevron U.S.A., Inc.
P.O. Box 599
Denver, Colorado 80201

Attention: Ms. Catherine E. Quinn

Re: State Leases M-67525 and M-67526
Sections 22 & 27, Blk. 45, PSL
Reeves County, Texas

Dear Ms. Quinn:

On July 25, 1978, you telephoned this office regarding the amount of shut-in payments which will be due on or before October 3, 1978, unless production shall have begun sooner.

Both Sections 22 and 27 have one shut-in gas well completed on a lease basis. Each lease is held by a shut-in gas royalty payment for the period from October 3, 1977 to October 3, 1978. In addition, Section 27 has a shut-in gas well completed on a unit basis. This well, of course, is imputed to Section 22 under terms of the unit agreement. The minerals pooled are gas and gas distillate at all depths below the base of the Mississippian Lime Formation, the base which is defined as being at 15,390 feet beneath the surface.

It is our opinion that the proper shut-in gas royalty payments under the captioned leases will be \$6,400.00 as to each lease under the existing facts. Each lease bears an annual rental of \$3,200.00. The proper royalty is double the annual rental but in no event less than \$1,200.00 per shut-in well. Thus \$6,400.00 under each lease will be sufficient unless six or more shut-in wells are completed.

Yours very truly,

Bob Armstrong

By: Lanvil Gilbert, Senior Attorney
Energy Resources
Phone: 512-475-6749
LG/mow



Chevron Oil Company
Western Division

P. O. Box 1660, Midland, TX 79701

January 15, 1975

RECEIVED

JAN 17 1975

General Land Office

Reeves State No. 1
State Lease M-67528
Reeves County, Texas

file

General Land Office
Austin, Texas 78701

Attention Mr. Jack M. Howard

Gentlemen:

Please refer to your letter dated January 10, 1975 concerning the above mentioned well. Attached are plugging forms filed with the Railroad Commission as requested.

If additional information is required, please contact Mr. G. E. George or Mr. J. E. Pullig at the above letterhead address or at (915) 684-4441.

Yours very truly,

A handwritten signature in blue ink, appearing to read "E. O. Price".

E. O. Price
Division Manager

ABS:cn
Attachments

JAN 17 1975

Form W-3
Rev. 9/1/67

General Land Office

FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING				1. RRC District 8																																													
2. FIELD NAME (as per RRC Records) Wildcat		3. LEASE NAME Reeves State		4. RRC Lease or Id. Number -																																													
5. Well Number 1				6. OPERATOR Chevron Oil Company																																													
7. ADDRESS P. O. Box 1660, Midland, Texas 79701				10. County Reeves																																													
8. SURFACE LOCATION 2640 FEET FROM North LINE, AND 2640 FEET FROM East LINE				11. Date Drilling Permit Issued 4-29-74																																													
9. SECTION, BLOCK, AND SURVEY Section 27, Block 45, PSL Survey				12. Date Drilling Commenced 5-23-74																																													
15. Type of Well (Oil, Gas, Dry)* Dry		16. Type of Completion (Single, Dual, Etc.) None		13. Date Drilling Completed 9-1-74																																													
17. Total Depth 15,575'		14. Date Well Plugged 9-7-74																																															
18. FORM W-1 (Intention to Drill) Filed in Name of Chevron Oil Company																																																	
19. Manner of Placement <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">PLUG #1</td> <td style="width: 10%;">45</td> <td style="width: 10%;">SACKS</td> <td style="width: 10%;">TOP</td> <td style="width: 15%;">15,400'</td> <td style="width: 10%;">BOTTOM</td> <td style="width: 10%;">15,500'</td> <td style="width: 10%;">TYPE</td> <td style="width: 15%;">Class "H"</td> </tr> <tr> <td>PLUG #2</td> <td>45</td> <td>SACKS</td> <td>TOP</td> <td>9,450'</td> <td>BOTTOM</td> <td>9,550'</td> <td>TYPE</td> <td>Class "H"</td> </tr> <tr> <td>PLUG #3</td> <td>45</td> <td>SACKS</td> <td>TOP</td> <td>4,450'</td> <td>BOTTOM</td> <td>4,550'</td> <td>TYPE</td> <td>Class "H"</td> </tr> <tr> <td>PLUG #4</td> <td>45</td> <td>SACKS</td> <td>TOP</td> <td>650'</td> <td>BOTTOM</td> <td>750'</td> <td>TYPE</td> <td>Class "H"</td> </tr> <tr> <td>PLUG #5</td> <td>45</td> <td>SACKS</td> <td>TOP</td> <td>Surface</td> <td>BOTTOM</td> <td>30'</td> <td>TYPE</td> <td>Class "H"</td> </tr> </table>					PLUG #1	45	SACKS	TOP	15,400'	BOTTOM	15,500'	TYPE	Class "H"	PLUG #2	45	SACKS	TOP	9,450'	BOTTOM	9,550'	TYPE	Class "H"	PLUG #3	45	SACKS	TOP	4,450'	BOTTOM	4,550'	TYPE	Class "H"	PLUG #4	45	SACKS	TOP	650'	BOTTOM	750'	TYPE	Class "H"	PLUG #5	45	SACKS	TOP	Surface	BOTTOM	30'	TYPE	Class "H"
PLUG #1	45	SACKS	TOP	15,400'	BOTTOM	15,500'	TYPE	Class "H"																																									
PLUG #2	45	SACKS	TOP	9,450'	BOTTOM	9,550'	TYPE	Class "H"																																									
PLUG #3	45	SACKS	TOP	4,450'	BOTTOM	4,550'	TYPE	Class "H"																																									
PLUG #4	45	SACKS	TOP	650'	BOTTOM	750'	TYPE	Class "H"																																									
PLUG #5	45	SACKS	TOP	Surface	BOTTOM	30'	TYPE	Class "H"																																									
20. Was Well filled with Mud-Laden Fluid, according to the regulations of the Railroad Commission YES ☒ NO ☐		21. How was Mud applied? Pump		22. Mud Weight 9.5+ LBS/GAL																																													
23. Depth of Deepest Fresh Water None FEET		24. Have all Abandoned Wells on this Lease been Plugged according to RRC Rules? YES ☒ NO ☐		25. If NO, Explain																																													
26. Name and Address of Party Plugging Well Halliburton Services, Drawer "Y", Monahans, Texas 79756																																																	
27. Casing and Tubing Record after Plugging <table style="width:100%; border-collapse: collapse;"> <tr> <th colspan="3">PUT IN WELL</th> <th colspan="2">LEFT IN WELL</th> </tr> <tr> <th>SIZE</th> <th>FEET</th> <th>INCHES</th> <th>FEET</th> <th>INCHES</th> </tr> <tr> <td>20"</td> <td>60</td> <td></td> <td>60</td> <td></td> </tr> <tr> <td>13 3/8"</td> <td>2,715</td> <td></td> <td>2,715</td> <td></td> </tr> <tr> <td>9 5/8"</td> <td>9,500</td> <td></td> <td>9,500</td> <td></td> </tr> </table>					PUT IN WELL			LEFT IN WELL		SIZE	FEET	INCHES	FEET	INCHES	20"	60		60		13 3/8"	2,715		2,715		9 5/8"	9,500		9,500																					
PUT IN WELL			LEFT IN WELL																																														
SIZE	FEET	INCHES	FEET	INCHES																																													
20"	60		60																																														
13 3/8"	2,715		2,715																																														
9 5/8"	9,500		9,500																																														
28. Names and Addresses of Surface Owner of Well Site and Operators of Offset Producing Leases General Land Office, 200 E. 12th St., Austin, Texas 78701																																																	
29. Was Notice given before Plugging to each of the above and RRC District Office? YES ☒ NO ☐ RRC notified 9-6-74 per telecon with Mr. Archie Farr.																																																	

CERTIFICATE:

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



J. E. Pullig

REPRESENTATIVE OF COMPANY

Senior Drilling Supervisor

TITLE

10-8-74

DATE

Signature: REPRESENTATIVE OF RAILROAD COMMISSION

RECEIVED
JAN 17 1975

General Land Office

30. For Dry Holes, this Form must be accompanied by either a Driller's, Electric, Radioactivity or Acoustical/Sonic Log or such Log must be released to a Commercial Log Service.

☐ Log attached

☒ Log released to Electrical Log Services

Date 10-1-74

Type Logs:

☐ Driller's

☒ Electric

☐ Radioactivity

☒ Acoustical/Sonic

REMARKS

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

RECEIVED

JAN 17 1975

Form W-15
(Rev. 11-1-69)

CEMENTING REPORT

General Land Office

#661597

*1. Field Name (as per RRC Records or Wildcat) Wildcat	*2. RRC District 8
*3. Operator CHEVRON OIL CO.	*4. County REEVES
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) REEVES STATE	*6. Well Number # 1
*7. Location (Section, Block, and Survey) Section 27, Block 45, PSL Survey	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date						
*9. (a) Size of Drill Bit (inches)						
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)						
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)						
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry (If additional space is needed, use "REMARKS" on reverse side.)						
(b) In Second Slurry						
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry						
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Sacks of Cement Used						
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry						
(b) In Second Slurry						
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry						
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)						
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)						
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)						
CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date	9/7/74	9/7/74	9/7/74	9/7/74	9/7/74	
*20. Size of Hole or Pipe in which Plug Placed (inches)	8 1/2"	9 5/8"	9 5/8"	9 5/8"	9 5/8"	
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)	15,500	9,550	4,550	750	30	
22. Sacks of Cement Used (each plug)	45	45	45	45	45	
23. Slurry Volume Pumped (cu. ft.)	53.1	53.1	53.1	53.1	53.1	
24. Calculated Top of Plug (ft.)	15,400	9,450	4,450	650	0	
*25. Measured Top of Plug (if tagged) (ft.)						

(CEMENTING COMPANY AND OPERATOR MUST COMPLY WITH THE INSTRUCTIONS ON REVERSE SIDE HEREOF.)

- OVER -

* Designates items to be completed by Operator. Items not so designated shall be completed by Cementing Company.

26. Remarks:

*27. Remarks:

RECEIVED

JAN 17 1975

General Land Office

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., 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.

Signature of Cementer or Authorized Representative

J. B. BLEVINS, CEMENTER

Name of Person and Title (type or print)

HALLIBURTON SERVICES

Cementing Company

DRAWER "Y"

Street Address or P.O. Box

MONAHANS, TEXAS**79756**

City, State

Zip Code

Telephone **915** **943-2721**

Area Code

9/8/74

Date

***OPERATOR**

I declare under penalties prescribed in Article 6036c, R. C. S., 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 and information presented herein.

Signature of Operator or Authorized Representative

M. G. Pearcy - Drilling Supervisor

Name of Person and Title (type or print)

Chevron Oil Company

Operator

P. O. Box 1660

Street Address or P.O. Box

Midland, Texas**79701**

City, State

Zip Code

Telephone **915** **684-4441**

Area Code

10-8-74

Date

INSTRUCTIONS

1. A. This form shall be filed by the operator in the RRC District Office with:
 - (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
 - (2) Each copy of Form W-3;
 - (3) Each copy of Form W-4 if a multiple parallel casing completion.
- B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
- C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate).
2. Cementing Company and Operator shall comply with the applicable portions of Statewide Rules 8, 13, and 14. For offshore operations, Cementing Company and Operator shall comply with Statewide Rule 13(E).
3. If setting FULL AMOUNT OF SURFACE CASING:
 - A. Depth to protect fresh water determined by:
 - (1) Field Rule
 - (2) Texas Water Development Board, if no Field Rule
 - B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
4. IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
5. If setting NO SURFACE CASING (See Item 4 above.):
 - A. If no multi-stage tool is used, the next deeper casing string shall be cemented from the casing shoe to the surface.
 - B. If using the multi-stage tool on the next deeper string, cement from the depth that protects fresh water sands to the surface.
6. If setting SHORT SURFACE CASING (See Item 4 above.):
 - A. Cement short surface casing from the shoe to the surface.
 - B. Whether the multi-stage tool is or is not used on the next deeper casing string, cement from the depth that protects fresh water sands to:
 - (1) the surface, or
 - (2) a point midway between shoe of surface string and the surface. Compliance will be considered if a temperature survey shows that the top of the cement is at least one-third of the distance from the shoe of the surface string to the surface.
7. Setting PRODUCTION STRING of Casing: (Statewide Rules; Special Rules may vary.)
 - A. Cement to a point at least 600 feet above the casing shoe.
 - B. When 3,000 feet or more of pipe is set for the production or protecting string, a minimum of 30 feet of cement shall be left inside the pipe.
8. PLUGGING and ABANDONING:
 - A. Cement plugs shall be placed in the well bore as required by Rules and Regulations of the Commission plus any additional plugs as may be specified by the RRC District Director.
 - B. The minimum amount of cement normally used in each plug shall be a slurry volume equal to the amount necessary to fill the calculated volume of 100 feet of the hole in which the plug is placed.
 - C. A 10 foot cement plug is required to be placed in the top of the well.

11

M-67528

Flushing Record Well # 1

1/17/75 MMV

Lease



Chevron Oil Company

Western Division P. O. Box 599, Denver, Colorado 80201

250300 TEXAS MINERAL LEASE #67528

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo.	Day	Yr.	County	State	Volume	Page			Mo.	Day	Yr.
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702	10	03	1975

Payee Name — Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

STATE OF TEXAS

RECEIVED

SEP 13 1975

General Land Office

121

2217

3,200.00

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period stated.

Check No.

50437

Total Amount Due
Bank Serv. Charge

3,200.00

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

(12)

M.F.

67528

Rental Payment

Filed

9-13

1975

BOB ARMSTRONG,

COMMISSIONER

ms

Clerk

ease

250300 TEXAS MINERAL LEASE #67528

121



Chevron Oil Company
Western Division P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of				Acreage Covered		Rental Due Date		
Mo.	Day	Yr.	County	State	Volume	Page			Mo.	Day	Yr.
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702	10	03	1976

Payee Name — Address

Amount Due

COMMISSIONER OF THE GENERAL LAND
OFFICE

AUSTIN, TEXAS 78701

3200.00

STATE OF TEXAS

2729

Amount of the attached check is for deposit to the credit of the party or parties named
above in payment of rental under the oil, gas and mineral lease described above for the period

05917

Check No.

5917

Total Amount Due
Bank Serv. Charge

3200.00

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

⑬ M-67528
Rental Payment
9-17-76



September 29, 1977

Chevron U.S.A., Inc.
P. O. Box 599
Denver, Colorado 80201

ATTENTION: MR. E. DAN BOWEN

RE: State Lease M-67528
Reeves State #2 Lease
Sec. 27, Blk. 45
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your \$6,400.00 check for shut-in gas royalty for the above lease.

Please complete and return one copy of the enclosed shut-in gas affidavits.

Sincerely yours,

George A. Clark, Supervisor
Resource Accounting
Telephone No. 512-475-2858
RWB/glc
Enclosure

M. F. 67528

CORRESPONDENCE FILE

To Chevron

From

Dated 9-29-77a

14

77-67528

SHUT-IN AFFIDAVIT

Enter appropriate comments, if any,
and initial. Pass to next person
within one day.

	Initial:	Date:
Affidavit Auditor	<u>RWA</u>	<u>10/3/77</u>
Comments:	OK	

Exploration & De-	<u>MHS</u>	<u>10-3-77</u>
velopment		
Comments:	OK	

Legal-Energy	<u>JS</u>	<u>10.12.77</u>
Resources		
Comments:		

Affidavit Auditor	_____	_____
Comments:		

Lease

25030-0 TEXAS MINERAL LEASE #67528



Chevron U.S.A. Inc.

P.O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of			Acreage Covered		Rental Due Date	
Mo	Day	Yr	County	State	Volume	Page		Mo	Yr
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702	
Payee Name — Address									Amount Due

To cover Shut-In payment on the Reeves State #2 Well located Sec 27, Blk 45, P S & L Survey, Reeves County, Texas (Texas Mineral Lease 67528)

4346

**PLEASE SIGN AND RETURN ATTACHED COPY
AT ONCE, SHOWING DATE CHECK WAS RECEIVED.**

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period stated.

Check No. 18332

Total Amount Due
Bank Serv. Charge

6 400 00

Detach this stub and retain for tax purposes. Duplicates will not be furnished.



Chevron U.S.A. Inc.

1700 Broadway, P.O. Box 599, Denver, CO 80201

CERT RR - 229025

September 16, 1977

Reeves State #2 Well
Sec 27, Blk 45, P S & L Survey
Texas Mineral Lease #67528
Chevron No. 25030-0
Reeves County, Texas

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

Dear Sir:

Enclosed is Chevron U.S.A. Inc's check No. 18332 in the amount of \$6,400.00 to cover Shut-In payment covering the above captioned well.

Yours very truly,

Catherine E. Quinn
Catherine E. Quinn,
Contract Specialist

CEQ/fem
Encl.

GENERAL LAND OFFICE LEASE NUMBER M- 67528Operator Chevron U.S.A. Inc.Lease Name Texas Mineral Lease #67528 Field So. Marsh (Delaware)

Description of Lease:

Area South Orla Tract -Part All of Section 27 Block 45Grantee PSL Acres 640 County Reeves

The following well or wells are classified Gas Wells by the Railroad Commission of Texas and are Shut-in:

Well # 2 Number Gas Zones Completed one(1) Potential MCF/day 230Barrels Liquid _____ Date Shut-in 8-31, 1977

Well # _____ Number Gas Zones Completed _____ Potential MCF/day _____

Barrels Liquid _____ Date Shut-in _____, 19

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? No
If not, explain under Remarks.
2. Name of nearest purchaser Pioneer Corporation
3. Distance to nearest Gas Pipe Line 3 miles ± Price per MCF being offered see remarks below
4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No
5. Is there a well that is draining this lease, but further than 1000'? No

If Yes on 4 and/or 5, furnish: Operator _____

Lease _____ Date of first production _____

Remarks: Negotiations are now in progress to secure a suitable gas market.

I certify that this statement is true and correct.

Chevron U.S.A. Inc.

By: E. E. Hagan Title Division Production Manager

Sworn and subscribed to before me, the undersigned

authority, on this 28th day of September, 1977

Notary Public in and for

Midland County, State of Texas

rec'd \$6,400.00

9/17/77

reg # 4346

G.L.O. use only

Receiving Stamp

(15)

M-67528

Shut-In Affidavit

10/3/77 - 10/3/78

RWA

M.F. No. _____

Affidavit and

Shut-In Gas Royalty Payment

For _____ 19 / _____ 19

Commissioner

Filed by

Clerk

G.L.O. use only:

M-

Has Lease been amended? _____

Electric or Radio Active Logs filed? _____

Potential Test (RRC Form GWT-1 received? _____

Primary Term Expired _____, 19 _____

Acres _____ Rental \$ _____ Twice Rental \$ _____

Checked by _____ Audited by _____

Shut-In Gas Royalty for _____ 19 to _____ 19 \$ _____

389-30875

#00208

NI-67528

7. RRC District

8. County 07294

Reeves

2 - 21

Reeves-State

JUL 22 1977

5. Location (Sec., Blk., Survey)

Section 27, Block 45, PSL Survey

This well is to be located 10 miles South

Orla

11. Distance from Proposed Location
to Nearest Existing or Planned

12. Total Depth	3800
-----------------	------

~~SPS~~

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

7/20/77

Statewide PLAT SERVICE
P. O. DRAWER 1867, AUSTIN, TEXAS 78767

11-11-77

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.

ascertain the depth to which fresh water sands must be protected.

REMARKS: Camp: 7-20-77 (SAS)
pts: 2678-744
IPROF: 230 MCFGD
TB: 3453

I declare under penalties prescribed in Article 6036c, K. 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.

~~Billy R. Graham~~

Engineering Assistant

Title

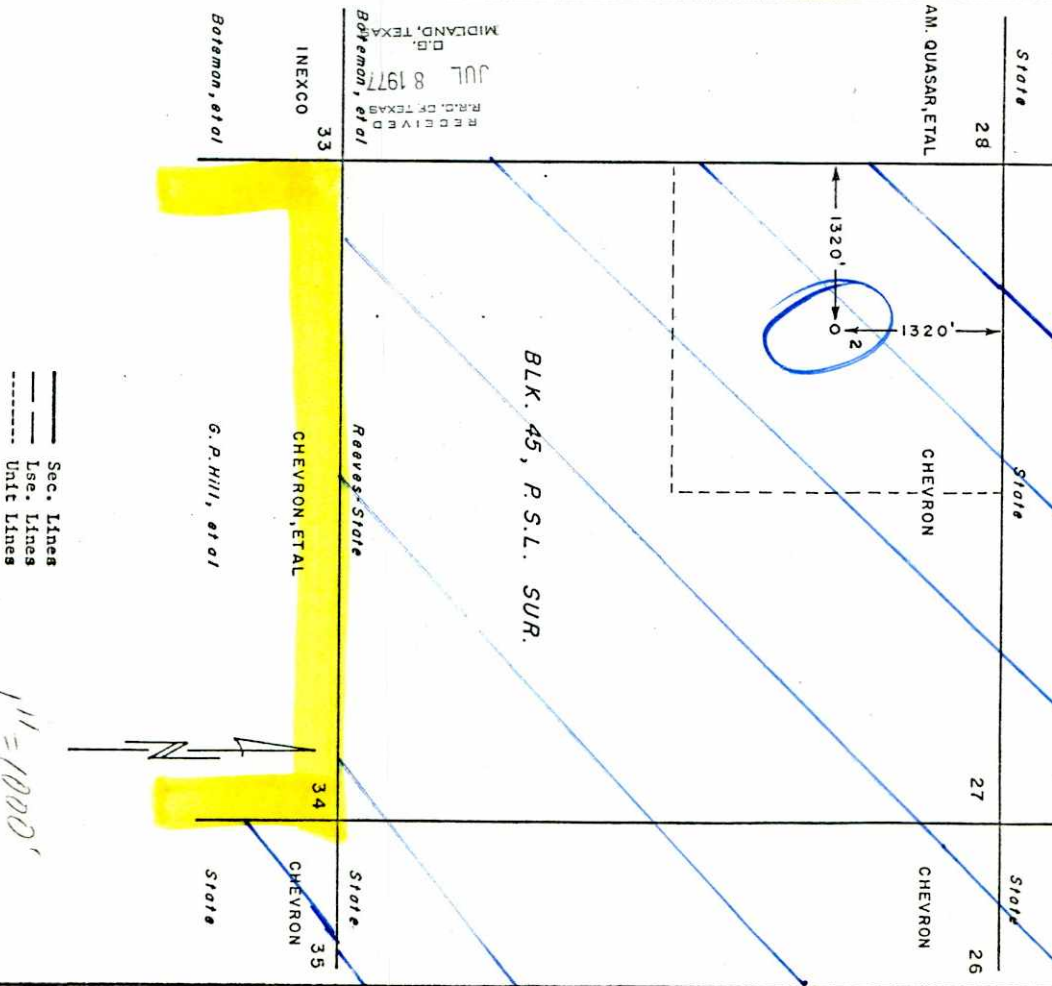
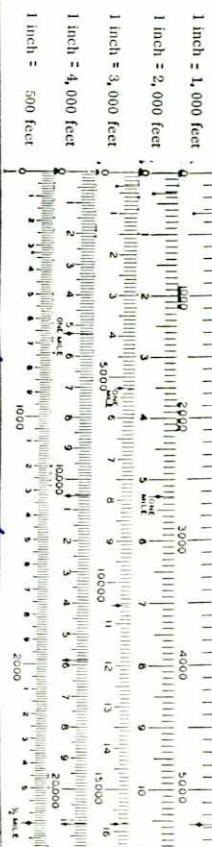
July 8, 1977

Date _____

1000

1000

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to them

-----	Unit Lines
-----	Lse. Lines
-----	Sec. Lines

1" = 1000'

NR



Chevron U.S.A. Inc.
P. O. Box 1660, Midland, TX 79702

August 2, 1977

161

State Lease M-67528

General Land Office
200 East 12th Street
Austin, Texas 78701

Gentlemen:

This is to advise you that we have spudded the Reeves-State No. 2 well, located 1320' from the north and west lines of Section 27, Block 45, PSL Survey, Reeves County, Texas, on July 31, 1977.

We are attaching copies of all forms that have been filed with the Texas Railroad Commission and Texas Water Development Board.

If additional information is needed, please contact Mr. L. E. Halpain at the letterhead address or telephone (915) 684-4441, Midland, Texas.

Yours very truly,

E. E. Hagan
Division Manager

BRG:gg
Attachments

RAILROAD COMMISSION OF TEXAS

PERMIT TO DRILL, DEEPEN OR PLUG BACK ON REGULAR LOCATION

PERMIT NUMBER 002708	DATE OF PERMIT 7/11/77	DISTRICT 08
WELL NUMBER 42 389 30875	FORM W-1 (dated) 7/08/77	COUNTY REEVES
TYPE OF OPERATION DRILL		ACRES 640
OPERATOR CHEVRON U. S. A. INC. P. O. BOX 1680 MIDLAND TX 79702		<u>NOTICE</u> NO ALLOWABLE WILL BE ASSIGNED unless well protects all fresh water sands with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Water Development Board for depth to which fresh water sands must be protected. PERMIT SUBJECT TO CONDITIONS ON BACK OF FORM District Office Telephone No.: AC 915 684-5581
LEASE NAME REEVES-STATE		WELL NUMBER 2
LOCATION 10 MILES SOUTH FROM ORLA		TOTAL DEPTH 3,800
SECTION, BLOCK and/or SURVEY SEC. 27, BL. 45, PSL SUP.		
STACED -- LEASE LINES 1320 FNL - 1320 FWL	-- SURVEY LINES 1320 FNL - 1320 FWL	-- NEAREST WELL ON LEASE N/A

WILDCAT

** LIMITATIONS **

WILDCAT ABOVE 3800.

Based upon the representations made on the above FORM W-1 and those made on any plat or plats filed therewith, it is believed that the operation indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date thereof, with the provisions of the applicable spacing rule SUBJECT TO THE LIMITATIONS, IF ANY, SET OUT ABOVE. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated operation at the location shown, the same being classed as regular.

If there are outstanding permits covering operations which have not actually been started as of the date of filing of FORM W-1 above described and which, if started, would impair the regularity of this operation, then the permit covering that location on which the actual operation is first begun shall prevail, and all other such outstanding permits shall be nullified.

PHONE:
(512) 475-2458

DIRECT INQUIRIES TO: ADMINISTRATIVE SERVICES DIVISION
DRILLING PERMIT SECTION

MAIL:
Capitol Station-P. O. Drawer 12967
Austin, Texas 78711

CONDITIONS AND INSTRUCTIONS

BEFORE DRILLING

SPACING RULE CHANGE --

Should the applicable Commission spacing rule be changed prior to commencement of actual drilling operations so that the designated location thereby becomes irregular, then the stated permit shall be nullified and a special Commission permit will be required to carry out such operation at the location shown.

PERMIT EXPIRATION --

Permit expires One (1) year from the date of issuance, unless actual drilling operations have commenced, or an extension of the permit for an additional One (1) year period is requested and granted prior to such expiration date.

FRESH WATER SAND PROTECTION --

Fresh water sands must be protected with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Water Development Board for depths to which fresh water sands must be protected.

DURING DRILLING

PERMIT AT DRILLING SITE --

A copy of the Form W-1 application, location plat and permit issued must be kept at the permitted well site while drilling.

NOTIFICATION OF SETTING CASING --

District Office must be notified a minimum of Eight (8) hours prior to the setting of Surface Casing, Intermediate Casing and Production Casing (preferably prior to 10:00 P.M.).

NOTIFICATION OF PLUGGING A DRY HOLE --

District Office must be notified a minimum of Four (4) hours prior to initiating plugging operations (preferably prior to 10:00 P.M.).

COMPLETION OF DRILLING

DRY OR NON-COMMERCIAL HOLE --

Statewide Rule 14B(2) requires that plugging operations on each dry or abandoned well must be commenced within a period of Ninety (90) days after drilling or production operations have ceased and shall proceed with due diligence until completed.

PRODUCING WELL --

Statewide Rule 16 requires that a Form W-2 (oil well) or Form G-1 (gas well) be submitted to the Commission within Thirty (30) days after the completion of such well.

NOTE

Any notification, application, and/or correspondence concerning this permit should reference the Railroad Commission Permit Number.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator Chevron U.S.A. Inc.	4. Lease Name Reeves-State	7. RRC District 8
2. Address (Including City and Zip Code) P. O. Box 1660 Midland, Texas 79702	5. Location (Sec., Blk., Survey) Section 27, Block 45, PSL Survey	8. County Reeves
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)	6. This well is to be located <u>10</u> miles <u>South</u> Direction from <u>Orla</u> Nearest Post Office or Town.	9. Well Number 2
		10. Number of Acres in Lease 640±
		11. Distance from Proposed Location to Nearest Property or Lease Line (ft.) 1320'
		12. Total Depth 3800'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	Completion Depth	All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	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 on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	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?
Wildcat	3800'	None	467-1200	40	160	No	None	Regular 1 ☒ Rule 37 2 ☐	Gas	-
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		

4. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1320' FNL & 1320' FWL of lease and section

NOTICE

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

REMARKS:

CERTIFICATE

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

Billy R. Graham
Signature

Engineering Assistant

Title

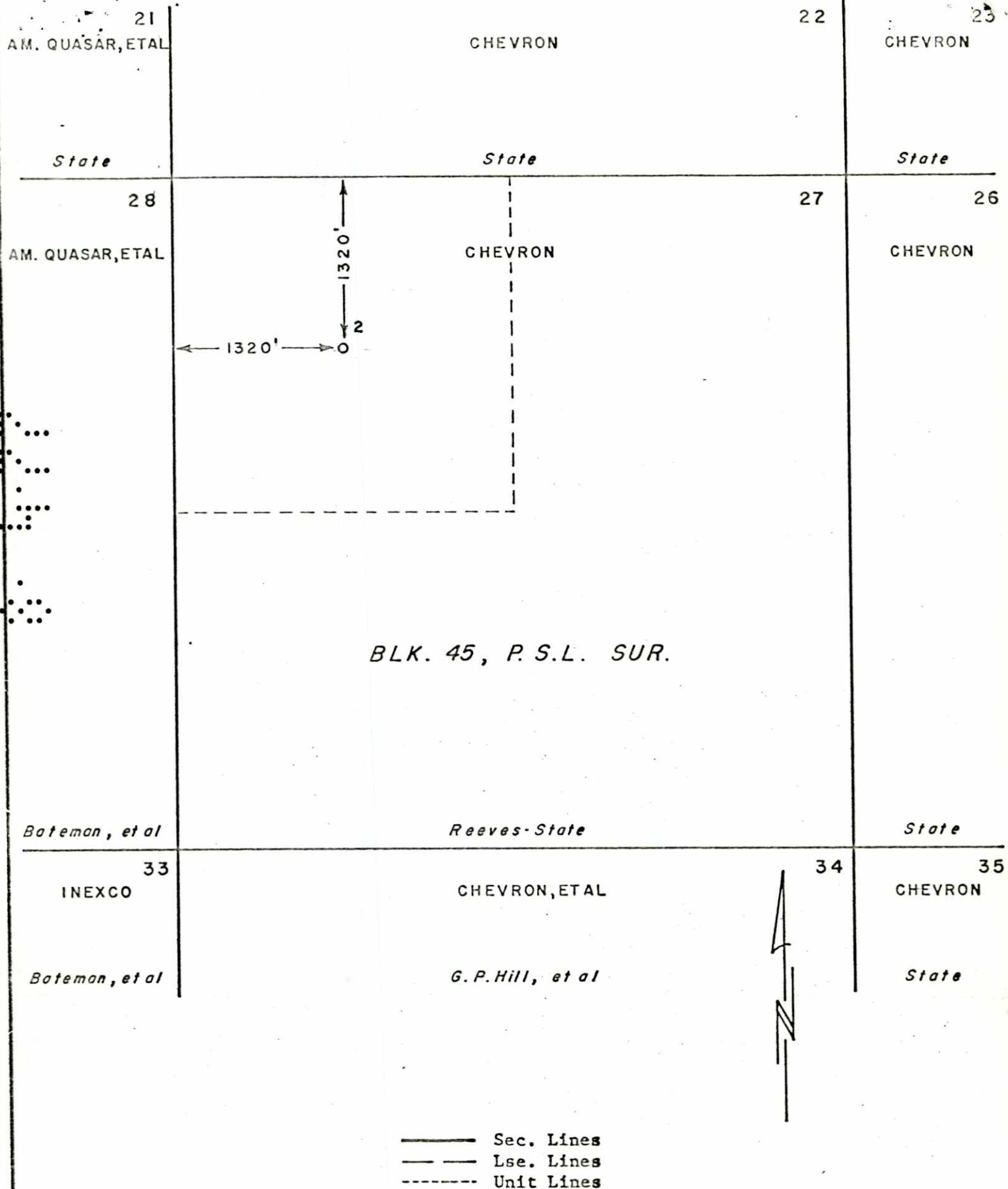
July 8, 1977

Date

Telephone: Area Code 915 684-4441

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.





I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all wells thereon; and that the number and location of wells thereon are as indicated on the plat.

Paul L. Engle
7-8, 1977

Operator of Lease: Chevron U.S.A. Inc.

Name of Lease: REEVES STATE

Well No. 2

Total acres in Lease: 640± Acres covered by this plat: 640±

Description of Property: SECTION 27, BLOCK 45, PUBLIC SCHOOL LAND SURVEY

County: REEVES

Field: WILDCAT

Scale of Plat: 1" = 1000'

MEMBERS

JAMES M. ROSE
EXECUTIVE DIRECTORA. L. BLACK, CHAIRMAN
FRIONAROBERT B. GILMORE, VICE CHAIRMAN
DALLASMILTON T. POTTS
LIVINGSTONJOHN H. GARRETT
HOUSTONGEORGE W. McCLESKEY
LUBBOCKGLEN E. RONEY
MC ALLENP.O. BOX 13087
CAPITOL STATION
AUSTIN, TEXAS 78711AREA CODE 512
475-3187
1700 NORTH CONGRESS AVENUE

July 12, 1977

[Chevron U.S.A., Inc.]
P. O. Box 1660
Midland, Texas 79702

IN REPLY REFER TO
TWDBE-WD
SC-991

[]

Gentlemen:

Re: Reeves-State, Well #2,
Public School Land Sur.,
Sec. #27, Blk. #45,
Reeves County, TexasReference is made to your inquiry of July 8, 1977 regarding the
protection of usable-quality water strata in your above named well.Water-bearing strata must be protected down to the base
of the Rustler, estimated to occur at a depth of 700 feet.

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling and production operations only and does not apply to salt water disposal operations. It should not be used as a recommendation for fieldwide usable-quality water protection rules.

Very truly yours,

R. W. Morris
Geologist, Surface Casing SectionRWM/dh
cc: RRC, Austin
RRC, Dist. Office #8



Chevron U.S.A. Inc.
Chevron Oil Company
Western Division
P. O. Box 1660, Midland, TX 79701

Re: TWDBE-GW

Surface Casing Section
Texas Water Development Board
P. O. Box 13087
Austin, Texas 78711

Gentlemen:

Please advise us on the depth to which usable-quality-water strata should be protected at the following location:

Lease Name Reeves-State Well No. 2

Section No. 27 Block No. 45 Township - Abstract No. -

Survey Name Public School Land

Distance and direction from two intersecting section or survey lines 1320'
FNL & 1320' FWL of Section

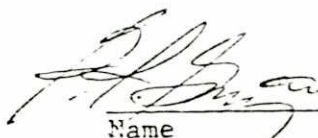
County Reeves

Distance and direction from nearest town (Name town, preferably one located in the same county as the well.) 10 miles South of Orla, Texas

Elevation (sea level datum, if available) N.A.

Proposed depth of well 3800'

Yours very truly,

 B. R. Graham

Additional data enclosed:

1. Log of same or nearby well _____
2. Plat showing well site and adjacent sections or surveys X

Name Engineering Assistant
Title Chevron U.S.A. Inc.
Company P. O. Box 1660
Mailing Address Midland, Texas 79702
City & State Zip Code

WELL STATUS REPORT

OPERATOR Chevron USA Inc.

STATE LEASE NO. M-67528 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 2

FIELD NAME WILDCAT Yes COUNTY Reeves

REPORT NO. 8-1-77 SPUD DATE DRILLING DEPTH 3450 feet

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75


INSPECTOR

DATE August 24, 1977

WELL STATUS REPORT

OPERATOR Chervon USA Inc.

STATE LEASE NO. M-67528 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 2

FIELD NAME WILDCAT Yes COUNTY Reeves

REPORT NO. 2nd SPUD DATE 8-1-77 DRILLING DEPTH

COMPLETION DATE Unkown TOTAL DEPTH 3453 feet

PERFS 2680-2746 feet 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS: Testing on this location ?

BA/jmh/gs

2-25-75


INSPECTOR
Sept 14, 1977
DATE

16

M. F. 67528

APPLICATION TO DRILL

WELL #. 2

FILED 10-3 1977

BOB ARMSTRONG, COMMISSIONER

BY: MHD

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-1
Rev. 7/7/75

M-67528

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

1. FIELD NAME (as per RRC Records or Wildcat) Wildcat	2. LEASE NAME Reeves-State	7. RRC District 8
3. OPERATOR Chevron U.S.A. Inc.		8. RRC Identification Number Not yet assigned
4. ADDRESS P. O. Box 1660, Midland, Texas 79702		9. Well Number 2-(27)
5. If Operator has changed within last 60 Days -- Give former Operator		10. County REEVES
6. LOCATION (Section, Block, and Survey) Sec. 27, Blk. 45, PSL Survey		11. Purpose of Test Initial Potential ☒ Retest ☐ Recloss ☐
12. Pipe Line Connection None at present	13. If Workover, give former Field (with Reservoir) -	14. Completion Date 8-30-77
15. List of Offset Operators Notified and Date of Notification American Quasar Petroleum Co., Inexco Oil Co., The Superior Oil Co. 9-15-77.		16. Type of Electric or other Log Run DLL, CNL-FDC-GR, CBL

Line Superior Oil Co. 7-15-77

Section I

GAS MEASUREMENT DATA

L-10: 100" x 1500#

Date of Test		Gas Measurement Method (Check One)						Gas produced during test		
8-31-77		Orifice Meter ☒	Positive Choke ☐	Orifice Vent Meter ☐	Pitot Tube ☐	Critical-flow Prover ☐	18 MCF			
Line No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tf}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY
1	4.026	1.000	6292.88	165	7	76	.9850	1.0332	1.012	220
2										
3										
4										

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) 0.562	Gravity Liquid Hydrocarbon - Deg. API	Gas-Liquid Hydro Ratio - CF/Bbl	Gravity of Mixture G _{mix} = 0.562	Avg. Shut-In Temp. NA °F	Bottom Hole Temp. 107°F @ 2541 (Depth)
$D_{eff}^{8/3} =$			$\sqrt{T_f} = \sqrt{\quad} =$		
$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} =$			$\sqrt{GL} = \sqrt{\quad} =$		

Run No.	Time of Run Min.	Choke Size	Wellhead Press P _w PSIA	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-In 146.5 Hrs.			1238	NA					
1	120	13/64	165	76					
2									
3									
4									

Run No.	F	K	S = $\frac{1}{z}$	E _{ks}	P _f and P _s	P _f ² and P _s ²	P _f ² - P _s ²	Angle of Slope
Shut-In					1308	1711		
1	*Used Amerada BHP Gauge.				251	63	1648	$\theta = 45^\circ$ $n = 1.000$
2								Absolute Open Flow
3								230 MCF/DAY
4	SN:12029N							

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 92.65 feet at a measured depth of 3450 feet.

Signature of Authorized Representative: Lana Rapp Name of Company Conducting Survey: **ROY H. SMITH DRILLING COMPANY**

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementer or Authorized Representative: W.R. Coffelt Name of Cementing Company: **BJ-Hughes, Inc.**

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

REPRESENTATIVE OF COMPANY: **W. R. Coffelt** TITLE: **Senior Petroleum Engineer** DATE: **9-15-77**

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☒ Deepening ☐ Plug Back ☐ Other ☐ 18. Date Permit Issued: 7-11-77

19. Notice of Intention to Drill this Well was filed in Name of: Chevron U.S.A. Inc. 20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 1 22. Total Number of Acres in this Lease: 640

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 7-31-77 Completed 8-17-77 24. Distance to Nearest Well, Same Lease & Reservoir: -

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 1320 Feet From North Line And 1320 Feet From West Line of The Reeves-State Lease

26. Elevation (DF, RKB, RT, GR, ETC): KB 3200; DF 3199; GL 3191 27. Was Directional Survey Made: Yes ☐ No ☒

28. Top of Pay: 2676 29. Total Depth: 3453 30. P.B. Depth: 3070 31. Surface Casing Determined By: Recommendation of Texas Water Development Board ☒ Field Rules ☐ Railroad Commission (Special) ☐

32. Is Well Multiple Completion? Yes ☐ No ☒ 33. If Multiple Completion, List All Reservoir Names (Completions in this Well): 34. Intervals Drilled By: Rotary Tools ☐ Cable Tools ☐ All ☒

35. Name of Drilling Contractor: Roy H. Smith Drilling Company 36. Is Cementing Affidavit Attached? Yes ☐ No ☒

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8	24	761	-	Class C; 485	12-1/4	Surface	775
5-1/2	14	3453	-	Class C; 1075	7-7/8	Surface	1952

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen
------	-----	--------	--------------	--------

39. TUBING RECORD

Size	Depth Set	Packer Set	Producing Interval (This completion) indicate Depth of Perforations or Open
2-3/8	2572	2572	From 2678 To 2744 (selectively)
			From To
			From To

41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

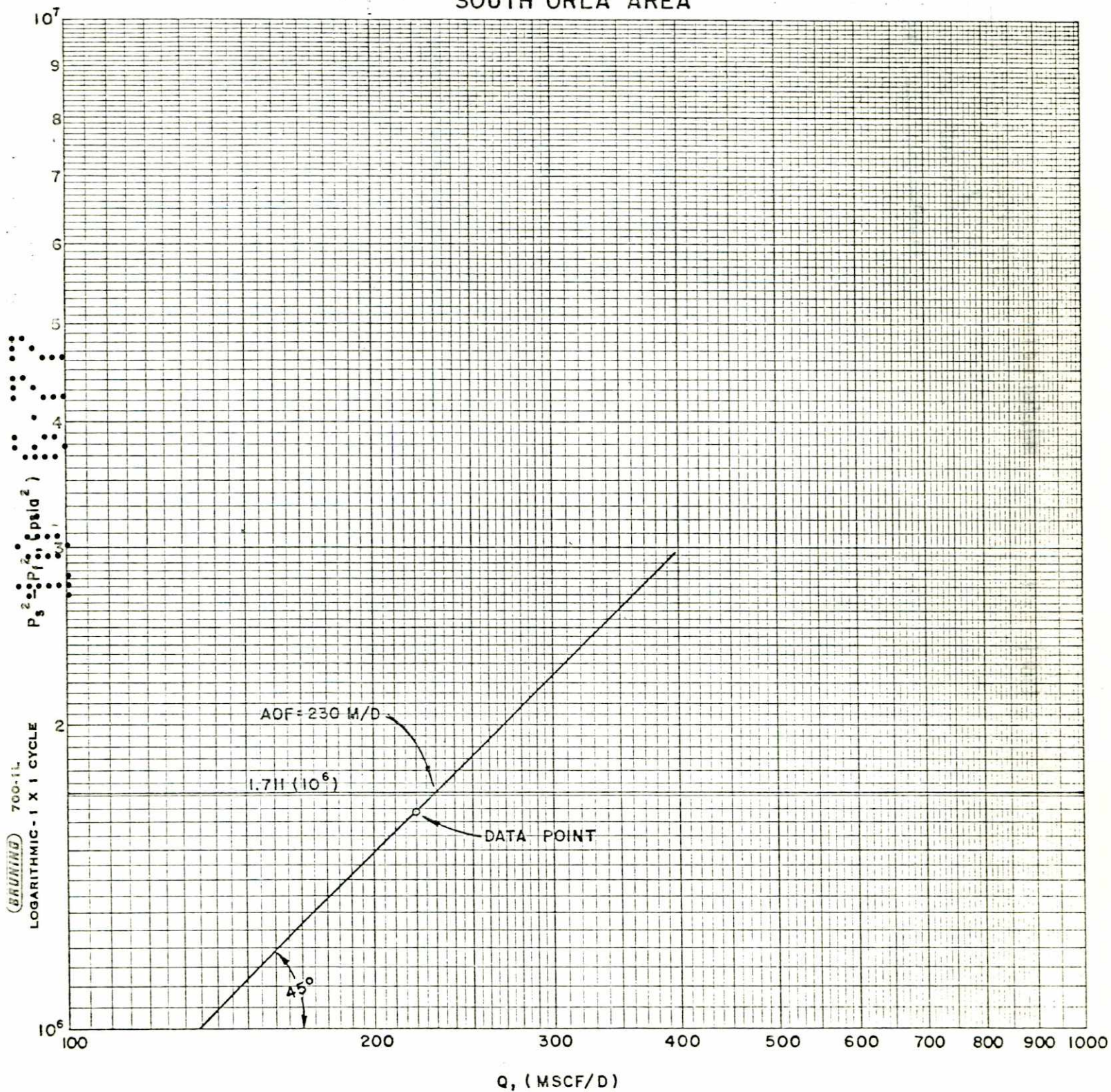
Depth Interval	Amount and Kind of Material Used
2680-2746	1008 gal. 7 1/2% NE HCL

42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Lamar Lime	2618		
Delaware Sand	2676		

REMARKS:

AOF POTENTIAL DETERMINATION
 CHEVRON - REEVES STATE No. 2
 REEVES COUNTY, TEXAS
 SOUTH ORLA AREA



(17)

M. F. 67528

WELL # 2 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED 10-6-77 BY MHS

10. 0.11

 **Chevron U.S.A. Inc.**
P. O. Box 1660, Midland, TX 79702

JUL 21 1978

General Land Office

July 19, 1978

141

State Lease No. M-67528

General Land Office
200 East 12th Street
Austin, Texas 78701

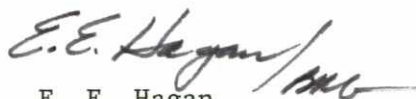
Gentlemen:

This is to advise that we have completed the drilling of the Reeves-State No. 3-27 well, located 660' FWL and 1400' FNL of Section 27, Block 45, PSL Survey, Reeves County, Texas.

We are enclosing copies of all forms that were filed with the Texas Railroad Commission and Texas Water Development Board. Also enclosed, are copies of logs run on the subject well.

If additional information is needed, please contact Mr. L. E. Halpain at the letterhead address or telephone (915) 684-4441, Midland, Texas.

Yours very truly,


E. E. Hagan
Division Manager

BRG:gg
Attachments

(18)

M-67528

Ltr. fr. Chevron U.S.A. Inc.

7/21/78 MHD

July 25, 1978

Chevron U.S.A. Inc.
P. O. Box 1660
Midland, Texas 79702

Attention: Mr. L. E. Halpain

Re: State Lease M-67528
Sec. 27, Blk. 45, PSL
Reeves-State, Well No. 3-27
King Edward Field
Reeves County, Texas

Gentlemen:

Thanks for the copies of the logs and reports as filed with the Railroad Commission.

We request that this office be provided with a copy of the completion report (G-1, etc.) as soon as it is available.

If we can be of assistance, please let us know.

Sincerely yours,

Bob Armstrong

By

Jack M. Howard, Director
Exploration & Development Division
Phone: (512) 475-3064

JMH:mhj:gs

(19)

M-675-28

Ltr to

Chevron U. S. A. Inc.
dated 7-25-78 ga

September 28, 1978

Chevron, U.S.A., Inc.
P. O. Box 599
Denver, Colorado 80201

ATTENTION: MS. CATHERINE E. QUINN

RE: State Lease M-67528
Reeves State #2 Well
Sec. 27, Blk. 45, P.S.L.
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your \$6,400.00 check for shut-in gas royalty for the above lease.

Please complete and return one copy of the enclosed shut-in gas affidavits.

If the annual shut-in affidavit has already been forwarded, please disregard this request.

Sincerely yours,

George A. Clark, Supervisor
Resource Accounting
Telephone No. 512-475-2858
RWB/glc
Enclosure

(21)

M. F. 67528
CORRESPONDENCE FILE

To Chevron

From

Dated 9-28-78



October 18, 1978

Chevron U.S.A. Inc.
P. O. Box 1660
Midland, Texas 79701

Attention: Mr. Bert Gunn, Jr.

Re: State Leases M-67525, M-67526,
M-67527 and M-67528
Sections 22, 23, 26 and 27, Block 45, PSL
Pecos County

Gentlemen:

Your company has submitted shut-in payments for Delaware gas wells on the captioned. This office has a requirement that Railroad Commission completion Form G-1 be submitted as conclusive evidence for these gas completions.

It is also requested that you submit other Railroad Commission forms on these wells and please advise if we may be of assistance.

Sincerely yours,

Bob Armstrong

By

Jack M. Howard, Director
Exploration & Development Division
Phone: (512) 475-3064

JMH:gs

(22)

M-67528

Ltr to

chevron U.S.A. Inc.

Dated 10-18-78 gn

No data on the
Sil Der Completion
but, ^{all} OK, I guess.

Pete RVP
Wrote for Comp, data
7-25-78 - no
response yet

OK in
file

3-27 @-1 enter

7M-67528

SHUT-IN AFFIDAVIT

Enter appropriate comments, if any,
and initial. Pass to next person
within one day.

Affidavit Auditor Initial: RB Date: 10-10-78
Comments:

Exploration & De-
velopment

Comments: OK RIP

Legal-Energy
Resources

Comments:

Affidavit Auditor

Comments:

Lease

25030-0

TEXAS MINERAL LEASE #67528



Chevron U.S.A. Inc.

P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of		Volume	Page	Acreage Covered		xxxxxx
Mo	Day	Yr	County	State					
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702	

Payee Name - Address

Amount Due

COMMISSIONER OF THE GENERAL LAND OFFICE

STATE OF TEXAS

AUSTIN, TEXAS 78701

6400 00

6438

To cover Shut-In payment on the Reeves State #2 Well located Sec. 27, Blk 45, PS&L Survey, Reeves County, Texas (Texas Mineral Lease #67528)

This payment covers 1978-1979 period.

**PLEASE SIGN AND RETURN ENCLOSED COPY
AT ONCE, SHOWING DATE CHECK WAS RECEIVED.**

THIS CHECK REPLACES OUR CHECK NO. 23400 DATED 9-6-78.

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period stated.

Check No.

Total Amount Due
Bank Serv. Charge

6400 00

Detach this stub and retain for tax purposes. Duplicate will not be furnished.

.ease

25030-0 TEXAS MINERAL LEASE #67528

Chevron U.S.A. Inc.
P. O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of			Acreage Covered		Period Due Date
Mo.	Day	Yr.	County	State	Volume	Page		XXXXXX
10	03	72	REEVES	TEXAS	315	107	640.00 (More or Less)	702
Payee Name - Address								Amount Due
COMMISSIONER OF THE GENERAL LAND OFFICE To cover Shut-In payment on the Reeves State #2 Well located Sec. 27, Blk 45, P S & L Survey, Reeves County, Texas (Texas Mineral Lease 67528) This payment covers the 1978-1979 period.								6 400 00
PLEASE SIGN AND RETURN ATTACHED COPY AT ONCE, SHOWING DATE CHECK WAS RECEIVED.								2186
The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period stated.						Check No.	Total Amount Due Bank Serv. Charge	6 400 00

LEASE

25030-0 TEXAS MINERAL LEASE #67528

Chevron U.S.A. Inc.
P.O. Box 599, Denver, Colorado 80201

Lease Dated			Recorded in Records of		Volume		Page		Acreage Covered		Amount Due	
Mo	Day	Yr	County	State					(More or Less)		Amount Due	
10	03	72	REEVES	TEXAS	315	107	640.00	702			6 400 00	
Payee Name — Address											Amount Due	
COMMISSIONER OF THE GENERAL LAND OFFICE To cover Shut-In payment on the Reeves State #2 Well located Sec. 27, Blk 45, P S & L Survey, Reeves County, Texas (Texas Mineral Lease 67528)											6 400 00	
This payment covers the 1978-1979 period.												

The amount of the attached check is for deposit to the credit of the party or parties named above in payment of rental under the oil, gas and mineral lease described above for the period indicated.

Check No.

Total Amount Due
Bank Serv. Charge

6 400 00



Chevron U.S.A. Inc.

Denver, Colorado

United Bank of Denver • N.A.

Denver, Colorado

No. 23400

23-7
1020

Your bank is designated as depository under this lease. Please credit the party or parties named above in the amount shown opposite each name. If there is any charge (other than shown above) for handling, please do NOT deduct from the proceeds of this check; rather, bill us direct. If a payee is unknown to you, or does not have an account in your bank, please set up a special account for the credit of such payee and advise us thereof by notation on or accompanying the signed receipt.

25030-0

Control No.

Lease Number

09 | 06 | 78
Mo. | Day | Yr.Pay To
Order Of

COMMISSIONER OF THE GENERAL LAND OFFICE
STATE OF TEXAS
AUSTIN, TEXAS 78701

2186
*refunded per
Lamill G. (duplicate
payment)*

***\$6	400	00
Dollars	Cents	

Not A Check

By:

Title:

Date:

Please sign, date and return this **RECEIPT** immediately, showing date check was **RECEIVED**.

GO-200-CW-LR (6/77)

22.

m-67528

00165

315

2. 250



Chevron U.S.A. Inc.

700 South Colorado Blvd., P.O. Box 599, Denver, CO 80201

JS
#E
F.12

October 23, 1978

J. F. Boone
Sr. Natural Gas Representative

State Lease M-67528
(Limited to the Silurian-Devonian Formation)
(Chevron File G0197)

General Land Office
Austin, Texas 78701

Attention Mr. Harry T. Finnell

Gentlemen:

The Reeves State 3-27 Well completed in the King Edward Field has been added by amendment to the Chapman Field, Gas Purchase Contract dated March 9, 1973. This contract is with Lovaca Gathering Company and Texas Utilities Fuel Company and is identified by their No. 5227-RE.

A Gas Contract Brief is enclosed for your records.

Yours very truly,

John F. Boone

Enclosure

RA HOWEY
CGL
PAN
CWP
FILE-G0358
DAN ELDRIDGE
ASSISTANT VICE PRESIDENT



P.O. BOX 235
312 PERMIAN BUILDING
MIDLAND, TEXAS 79702

October 19, 1978

(915) 682-7925

CHEVRON U.S.A. INC.
P. O. Box 599
Denver, Colorado 80201

ATTENTION: Mr. John F. Boone

REFERENCE: Amendment to Gas Purchase
Contract No. 5227-RE
Reeves State No. 3-27
King Edward Field
Reeves County, Texas

Gentlemen:

Enclosed herewith for your records is a fully executed copy of the subject Amendment adding the Reeves State 3-27 Well to the terms of Gas Purchase Contract No. 5227-RE.

If I may be of any further service, please do not hesitate to call.

Sincerely,

Dan Eldridge

Dan Eldridge

DE/dl
enclosures: (1)

cc: Mr. Mike G. Wright/TUFCO/with copy

CC: W R MENDENHALL - SRS

C L GARRISON

R C ROBINSON

R L HODGES

E E HAGAN

W R MENDENHALL - VMG, FOR BRIEFING

→ JFB
BFM

(23)

M. F. 67528

CORRESPONDENCE FILE

To Chenow

From

Dated 10-23-78

10-23-78

GENERAL LAND OFFICE LEASE NUMBER M- 67528Operator Chevron U.S.A. Inc.Lease Name Texas Mineral Lease #67528 Field S. Marsh (Delaware) & King Edward Field

Description of Lease:

Area South Orla

Tract _____

Part All ofSection 27Block 45Grantee PSLAcres 640County Reeves

The following well or wells are classified Gas Wells by the Railroad Commission of Texas and are Shut-in:

Well # 2 Number Gas Zones Completed one (1) Potential MCF/day 230Barrels Liquid -- Date Shut-in August 31, 1977
estimated* Well # 3-27 Number Gas Zones Completed one (1) Potential MCF/day 5,200Barrels Liquid _____ Date Shut-in July 23, 19 78

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? No
If not, explain under Remarks.
2. Name of nearest purchaser Pioneer Corporation
3. Distance to nearest Gas Pipe Line 3 miles ± Price per MCF being offered see remarks below
4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No
Yes, only as the Siluro-
5. Is there a well that is draining this lease, but further than 1000'? Devonian formation

If Yes on 4 and/or 5, furnish: Operator American QuasarLease Bateman et al Date of first production October, 1977

Remarks: Negotiations are now in progress with Lo Vaca to secure a suitable gas market and these negotiations are expected to be completed by November 1, 1978 with gas sales commencing immediately thereafter.

*The Reeves-State Unit Well #3-27 is located in the W/2 of Sec. 27 within a gas pooled unit consisting of the W/2 of Sec. 27 and the S/2 of Sec. 22. Said well was completed as a gas well on 7-23-78 in the Siluro-Devonian formation. The RRC form G-1 will be filed immediately after the well is connected to the sales line and potentialiaed.

rec'd \$6400.00
9-26-78
(\$6400.00 payment
reg # 2186 was refunded
duplicate) reg # 6438

I certify that this statement is true and correct.

G.L.O. use only

Chevron U.S.A. Inc.

By: D. G. Simolke - Title Division Petroleum Engineer

D. G. Simolke

Sworn and subscribed to before me, the undersigned

authority, on this 28th day of September, 1978

Notary Public in and for

Midland

County, State of Texas

Receiving Stamp

24.

M-67528
Shut-in affidavit
10/3/78 - 10/3/79
RB

M.P. No. _____
Affidavit and

Shut-in Gas Royalty Payment

For _____ 19 / _____ 19

Commissioner

Filed by _____
Clerk

M-

G.L.O. use only:

Has lease been amended? _____

Electric or Radio Active Logs filed? _____

Potential Test (RRC Form GWT-1 received? _____

Primary Term Expired _____, 19 _____

Acres _____ Rental \$ _____ Twice Rental \$ _____

Checked by _____ Audited by _____

Shut-in Gas Royalty for _____ 19 to _____ 19 \$ _____

December 27, 1978

Chevron U.S.A. Inc.
P. O. Box 1660
Midland, Texas 79702

Attention: Mr. L. E. Halpain

Re: State Lease M-67528
Section 27, Block 45, PSL
Reeves-State Well No. 3-27
Reeves County

Dear Mr. Halpain:

Thank you for the second copy of Form G-1 on Well No. 2-27 received on October 21, 1978; however, we must have the completion reports on Well No. 3-27 as specified in Paragraph 9 of your Oil and Gas Lease.

Please submit by return mail. If we can be of assistance, please call upon us.

Sincerely yours,

Bob Armstrong

By

Jack M. Howard, Director
Exploration & Development Division
Phone: (512) 475-3064

JMH:rvp:gs

(25)

M-67528

Ltr to

Chevron U.S.A. Inc.

dated 12-27-78 gsd

RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

#014647 FORM W-1
(6-8-77)

Well No. 389-30935

Directional Well ☐ Amended or Corrected Permit ☐

RRC Permit Number assigned: 080871

7. RRC District: 8

8. County: Reeves

9. Well Number: 3-27

10. Number of Acres in Lease: 660

11. Distance from Proposed Location to Nearest Property or Lease Line (ft.): 660

12. Total Depth: 16,000'

1. Operator: Chevron U.S.A. Inc.

2. Address (Including City and Zip Code): P. O. Box 1660, Midland, Texas 79702

3. Is Form P-5 (Organization Known) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)

4. Lease Name and State: Reeves State

5. Location (Sec., Blk., Survey): Section 27, Block 45, PSL Survey

6. This well is to be located 13 miles southwest of Orla. Nearest Post Office or Town.

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R.R.C. Permit Schedule including Reservoir if applicable.) If Wildcat, so state below.	All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200 (ft.)	Applicable Field Rules Density Pattern. If no Rules, State 40 (acres)	Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	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 completed well in same reservoir on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	Oil, Gas, or other Type Well (Specify)	Number of Wells or Permitted Locations on this Lease in same Reservoir or which this Permit is requested? OIL GAS
King Edward	16,000'	None	467-1200	40	40	No	None	Regular 1 ☒ Rule 37 2 ☐	Gas
									RECEIVED R.R.C. OF TEXAS DEC 20 1977 D.G. MIDLAND, TEXAS

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 660' FWL & 1400' FNL of Lease
B. Survey Lines 660' FWL & 1400' FNL of Section 27

25. DISTANCE AND DIRECTION TO NEAREST WELL IN THE SAME FIELD ON THIS LEASE: None

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.

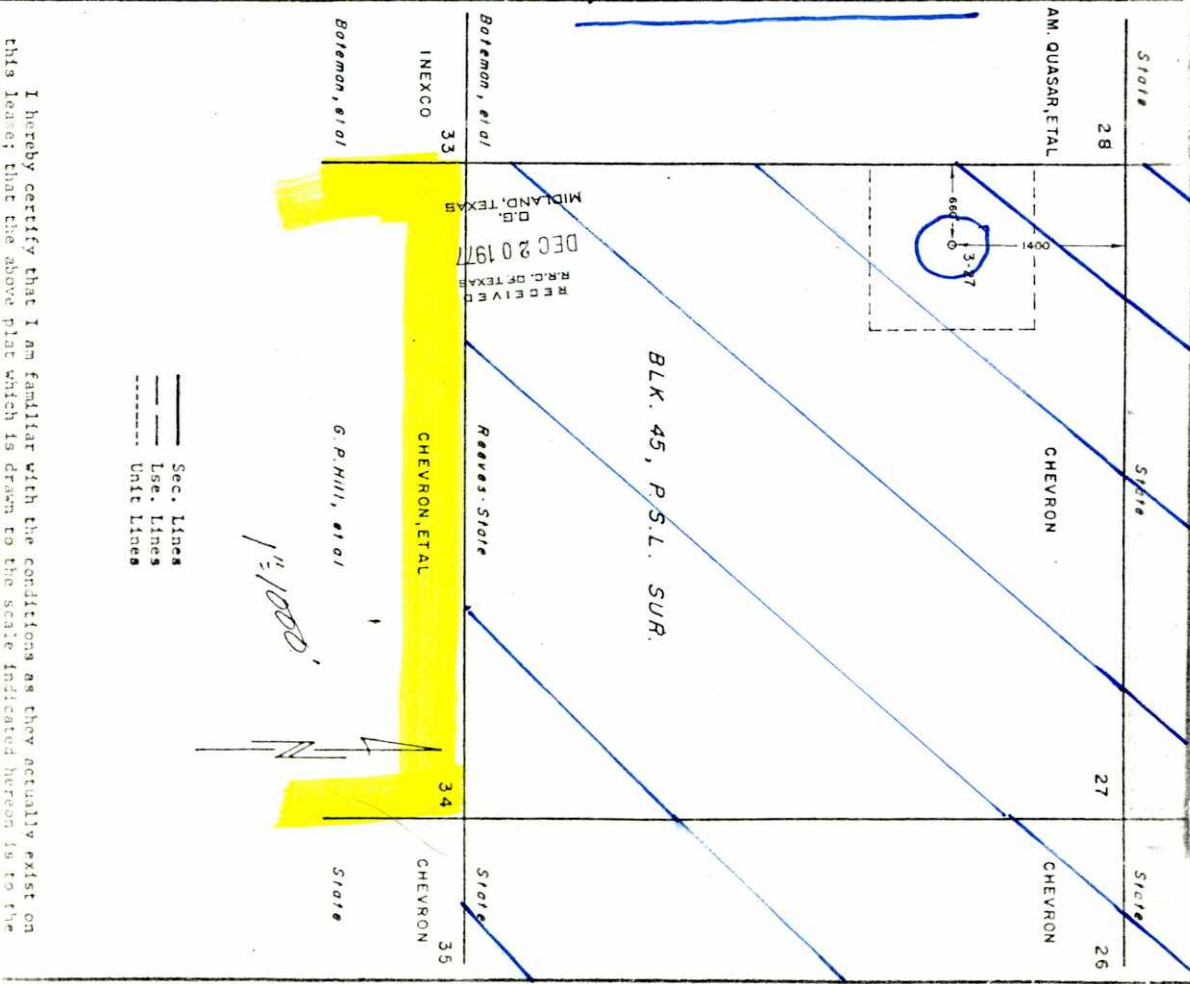
CERTIFICATE: I declare under penalties prescribed in Article 6036c, N.C. that I am authorized to make this report, that this report was prepared by me under my supervision and direction, and that data and facts stated herein are true, correct, and complete to the best of my knowledge.

Signature: B. R. Crab Engineering Assistant
Date: December 19, 1977
Telephone: Area Code 915 684-4441

REMARKS: Compri 7-20-78
IPR of 22,800 MCFD (Sil-Div)
Perfs 15,417 - 15,427
T.D. 15,4700

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

M-67528



Statewide PLAT SERVICE
P.O. DRAWER 1897, AUSTIN, TEXAS 78767

NR

WELL STATUS REPORT

Chevron U.S.A. Inc.
OPERATOR _____

STATE LEASE NO. M-67520 FEE Yes R.A.L. _____ FREE ROYALTY _____

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT _____ COUNTY Reeves

REPORT NO. 1st SPUD DATE _____ DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH _____

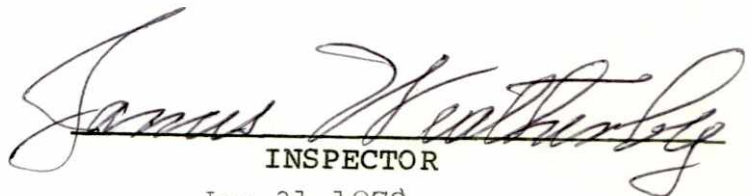
PERFS _____ 1ST COMPLETION: YES _____ NO _____

POTENTIAL/TEST: OIL _____ GAS _____ D&A _____

REMARKS: They have not moved in a big rig to drill this location as yet ?

BA/jmh/gs

2-25-75


INSPECTOR

DATE Jan 31, 1978

WELL STATUS REPORT

OPERATOR Chevron U S A Inc.

STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 2nd SPUD DATE DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS: The location is staked but no rig on it as yet ?

BA/jmh/gs

2-25-75


INSPECTOR

DATE Feb 21, 1978

WELL STATUS REPORT

OPERATOR Chevron U S A Inc.

STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. ^{3rd} SPUD DATE _____ DRILLING DEPTH _____

COMPLETION DATE	TOTAL DEPTH
-----------------	-------------

PERFS _____ 1ST COMPLETION: YES _____ NO _____

POTENTIAL/TEST: OIL GAS D&A

REMARKS: I am sure they have this location built and ready ? I found a pad
and I think this is it ??

BA/jmh/gS

2-25-75

James Weatherly
INSPECTOR

DATE March 22, 1978

WELL STATUS REPORT

OPERATOR Chevron USA Inc.
STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY
OFFSET, APPROX. FT. FROM STATE LEASE
LEASE Reeves-State WELL NO. 3-27
FIELD NAME King Edward WILDCAT COUNTY Reeves
REPORT NO. 4th SPUD DATE 4-1-78 DRILLING DEPTH 2660 feet
COMPLETION DATE TOTAL DEPTH
PERFS 1ST COMPLETION: YES NO
POTENTIAL/TEST: OIL GAS D&A
REMARKS:

BA/jmh/gs

2-25-75


INSPECTOR

DATE April 12, 1978

WELL STATUS REPORT

OPERATOR Chevron U S A Inc.

STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3027

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 5th SPUD DATE 4-1-78 DRILLING DEPTH 7449 feet

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75


INSPECTOR

DATE May 2, 1978

WELL STATUS REPORT

OPERATOR Chevron U S A Inc

STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 6th SPUD DATE 4-1-78 DRILLING DEPTH 9660 feet

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75


INSPECTOR

DATE May 24, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A., Inc.

STATE LEASE NO. M-67526 FEE yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 7 SPUD DATE 4-1-78 DRILLING DEPTH 14,490

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. "Bill" White
INSPECTOR

DATE June 20, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A., Inc

STATE LEASE NO. M-67526 FEE yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves - State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 8 SPUD DATE 4-1-78 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH 15,464

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS: Well + Did \$ Logging - Did not know if
they would set pipe or Plug back -

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE 6-28-78

WELL STATUS REPORT

OPERATOR Chevron U. S. A., Inc.

STATE LEASE NO. M-67526 FEE Yes R.A.L. FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT COUNTY Reeves

REPORT NO. 9 SPUD DATE 4-1-78 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH 15,464 & Testing Well

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 5, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A., INC

STATE LEASE NO. M-67526 FEE ☒ R.A.L. ☐ FREE ROYALTY ☐

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-state WELL NO. 3-27

FIELD NAME King Edward WILDCAT ☐ COUNTY Reeves

REPORT NO. 10 SPUD DATE 4-1-78 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH Set liner

PERFS 1ST COMPLETION: YES ☐ NO ☐

POTENTIAL/TEST: OIL ☐ GAS ☐ D&A ☐

REMARKS: No Company MAN on location - Could Not
find out total Depth from Crew - They were
getting Ready to test -

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 12, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A. Inc.

STATE LEASE NO. M-67526 FEE ☒ R.A.L. ☐ FREE ROYALTY ☐

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Reeves-State WELL NO. 3-27

FIELD NAME King Edward WILDCAT ☐ COUNTY Reeves

REPORT NO. 11 SPUD DATE 4-1-78 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH 15,464 ON 6-27-78

PERFS 1ST COMPLETION: YES ☐ NO ☐

POTENTIAL/TEST: OIL ☐ GAS ☐ D&A ☐

REMARKS: They were Acidizing while I was on
Location

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE July 20, 1978

RAILROAD COMMISSION OF TEXAS
PERMIT TO DRILL, DEEPEN OR PLUG BACK
ON REGULAR LOCATION

JUL 2 1977

General Land Office

M-67520

PERMIT NUMBER 014647	DATE OF PERMIT 12/22/77	DISTRICT 08
API NUMBER 42 389 30935	FORM W-1 (dated) 12/19/77	COUNTY REEVES
TYPE OF OPERATION DRILL		ACRES 640
OPERATOR 148113 CHEVRON U. S. A. INC. P. O. BOX 1660 MIDLAND TX 79702		NOTICE NO ALLOWABLE WILL BE ASSIGNED unless well protects all fresh water sands with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Water Development Board for depth to which fresh water sands must be protected. PERMIT SUBJECT TO CONDITIONS ON BACK OF FORM District Office Telephone No.: AC 915 684-558
LEASE NAME REEVES-STATE		WELL NUMBER 3-27
LOCATION 13 MILES SW FROM ORLA		TOTAL DEPTH 16,000
SECTION, BLOCK and/or SURVEY SEC. 27, BLK. 45, PSL SUR.		
DISTANCE -- LEASE LINES 660 FWL - 1400 FNL	-- SURVEY LINES 660 FWL - 1400 FNL	-- NEAREST WELL ON LEASE NONE

KING EDWARD

Based upon the representations made on the above FORM W-1 and those made on any plat or plats filed therewith, it is believed that the operation indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date thereof, with the provisions of the applicable spacing rule SUBJECT TO THE LIMITATIONS, IF ANY, SET OUT ABOVE. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated operation at the location shown, the same being classed as regular.

If there are outstanding permits covering operations which have not actually been started as of the date of filing of FORM W-1 above described and which, if started, would impair the regularity of this operation, then the permit covering that location on which the actual operation is first begun shall prevail, and all other such outstanding permits shall be nullified.

PHONE:
(512) 475-2458

DIRECT INQUIRIES TO: ADMINISTRATIVE SERVICES DIVISION
DRILLING PERMIT SECTION

MAIL:
Capitol Station-P. O. Drawer 129
Austin, Texas 78711

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION☐ Directional
Well☐ Amended or
Corrected
PermitAPI Well No. 42
Instruction (7a & b) on back side.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify) _____

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator

Chevron U.S.A. Inc.

4. Lease Name and RRC Lease or ID No. (If Assigned)

Reeves-State

2. Address (Including City and Zip Code)

P. O. Box 1660
Midland, Texas 79702

5. Location (Sec., Blk., Survey)

Section 27, Block 45, PSL Survey

6. This well is to be located 13 miles southwestDirection from Orla

Nearest Post Office or Town.

3. Is Form P-5 (Organization Report) in Exact Operator Name Filed?

YES ☒ NO ☐ (Instruction (2) on back side.)RRC Permit Number, if previously
assigned.

7. RRC District

8

8. County

Reeves

9. Well Number

3-27

10. Number of Acres in Lease

640

11. Distance from Proposed Location
to Nearest Property or Lease Line
(ft.)

660

12. Total Depth

16,000'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R. R. C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	Completion Depth	All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	Applicable Field Rules Density Pattern. If no Rules, State 40, (acres)	Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	Is this acre- age presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	Distance from proposed location to nearest drill- ing completed or applied for well in same reservoir on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	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? OIL GAS
King Edward	16,000'	None	467- 1200	40	40	No	None	Regular 1 ☒ Rule 37 2 ☐	Gas	- -
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:

A. Lease Lines 660' FWL & 1400' FNL of LeaseB. Survey Lines 660' FWL & 1400' FNL of Section 2725. DISTANCE AND DIRECTION TO NEAREST WELL IN THE
SAME FIELD ON THIS LEASE.

None

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 require-
ments, it will be necessary to contact Texas Water Development Board, Austin, Texas, to
ascertain the depth to which fresh water sands must be protected.

REMARKS:

CERTIFICATE

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

Signature

B. R. Graham
Engineering Assistant

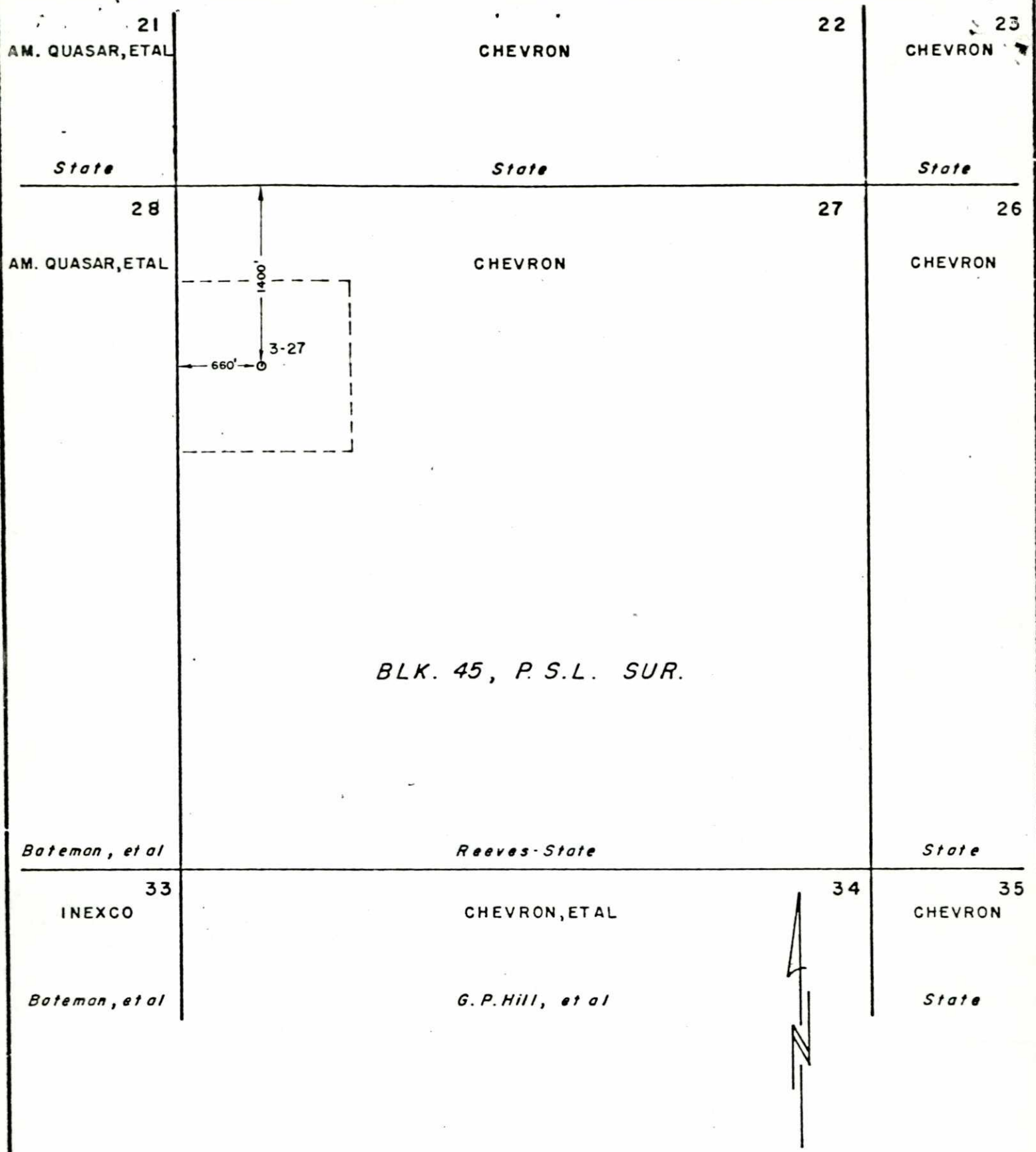
Title

December 19, 1977

Date

Telephone: Area Code 915 684-4441

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



BLK. 45, P. S. L. SUR.

- Sec. Lines
- - - Lse. Lines
- Unit Lines

I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all wells thereon; and that the number and location of wells thereon are as indicated on the plat.

P. T. Sullivan
12-19, 1977

Operator of Lease: Chevron U.S.A. Inc.
Name of Lease: REEVES STATE Well No. 3-27
Total acres, in Lease: 640 ± Acres covered by this plat: 640 ±
Description of Property: SECTION 27, BLOCK 45, PUBLIC SCHOOL LAND SURVEY
County: REEVES
Field: WILDCAT
Scale of Plat: 1" = 1000'

TEXAS DEPARTMENT OF WATER RESOURCES

1700 N. Congress Avenue
Austin, TexasHarvey Davis
Executive Director

TEXAS WATER DEVELOPMENT BOARD

A. L. Black, Chairman
Robert B. Gilmore, Vice Chairman
Milton T. Potts
John H. Garrett
George W. McCleskey
Glen E. Roney

TEXAS WATER COMMISSION

Joe D. Carter, Chairman
Dorsey B. Hardeman
Joe R. Carroll

December 27, 1977

[
Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702
[

IN REPLY REFER TO:

SC- 1041

Re: Reeves-State, Well #3-27,
Sec. #27, Blk. #45, PSL Sur.,
Reeves County, Texas

Gentlemen:

Reference is made to your inquiry of December 19, 1977 regarding the protection of usable-quality water strata in your above named well.

Water-bearing strata must be protected down to the base of the Rustler, estimated to occur at a depth of 700 feet.

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling and production operations only and does not apply to salt water disposal operations. It should not be used as a recommendation for fieldwide usable-quality water protection rules.

Very truly yours,

R. N. Webster
Geologist, Surface Casing Section

RNW/vw

cc: RRC, Austin
RRC, District Office #8



Chevron Oil Company

Western Division

P. O. Box 1660, Midland, TX 79701

December 19, 1977

Re: TWDBE-GW

Surface Casing Section
Texas Water Development Board
P. O. Box 13087
Austin, Texas 78711

Gentlemen:

Please advise us on the depth to which usable-quality-water strata should be protected at the following location:

Lease Name Reeves-State Well No. 3-27

Section No. 27 Block No. 45 Township - Abstract No. -

Survey Name PSL

Distance and direction from two intersecting section or survey lines 660'
FWL & 1400' FNL of Section.

County Reeves

Distance and direction from nearest town (Name town, preferably one located in the same county as the well.) 13 miles southwest of Orla

Elevation (sea level datum, if available) N.A.

Proposed depth of well 16,000'

Yours very truly,

 B. R. Graham

Additional data enclosed:

1. Log of same or nearby well
2. Plat showing well site and adjacent sections or surveys X

Name Engineering Assistant

Title Chevron U.S.A. Inc.

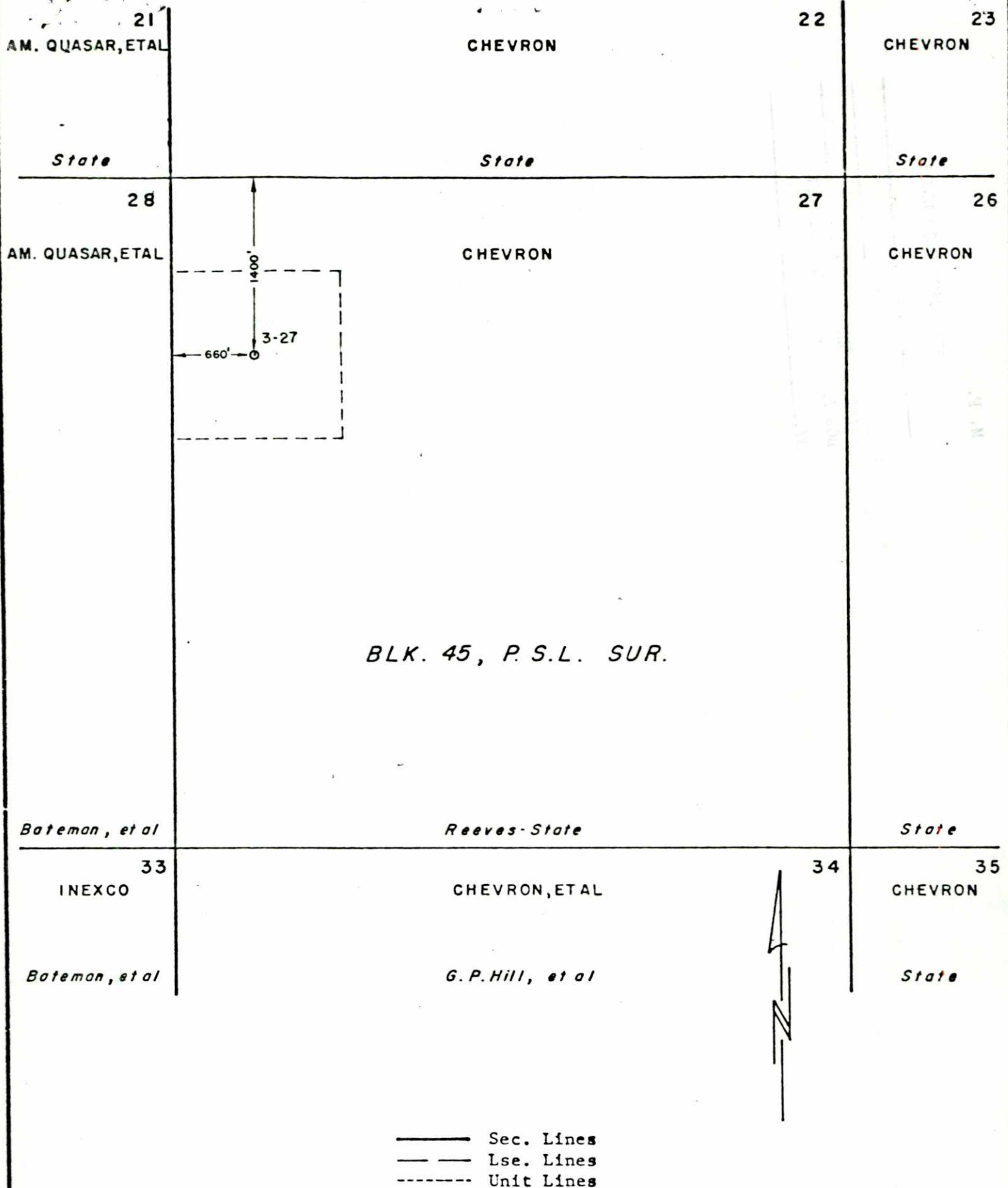
Company P. O. Box 1660

Mailing Address Midland, Texas 79702

City & State Zip Code

BRG:gg

Attachment



I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all wells thereon; and that the number and location of wells thereon are as indicated on the plat.

P. F. Smith
12-19, 1977

Operator of Lease: Chevron U.S.A. Inc.
Name of Lease: REEVES STATE
Total acres, in Lease: 640 ± Acres covered by this plat: 640 ±
Description of Property: SECTION 27, BLOCK 45, PUBLIC SCHOOL LAND SURVEY
County: REEVES
Field: WILDCAT
Scale of Plat: 1" = 1000'

(27)

M. F.

APPLICATION TO DRILL

67528

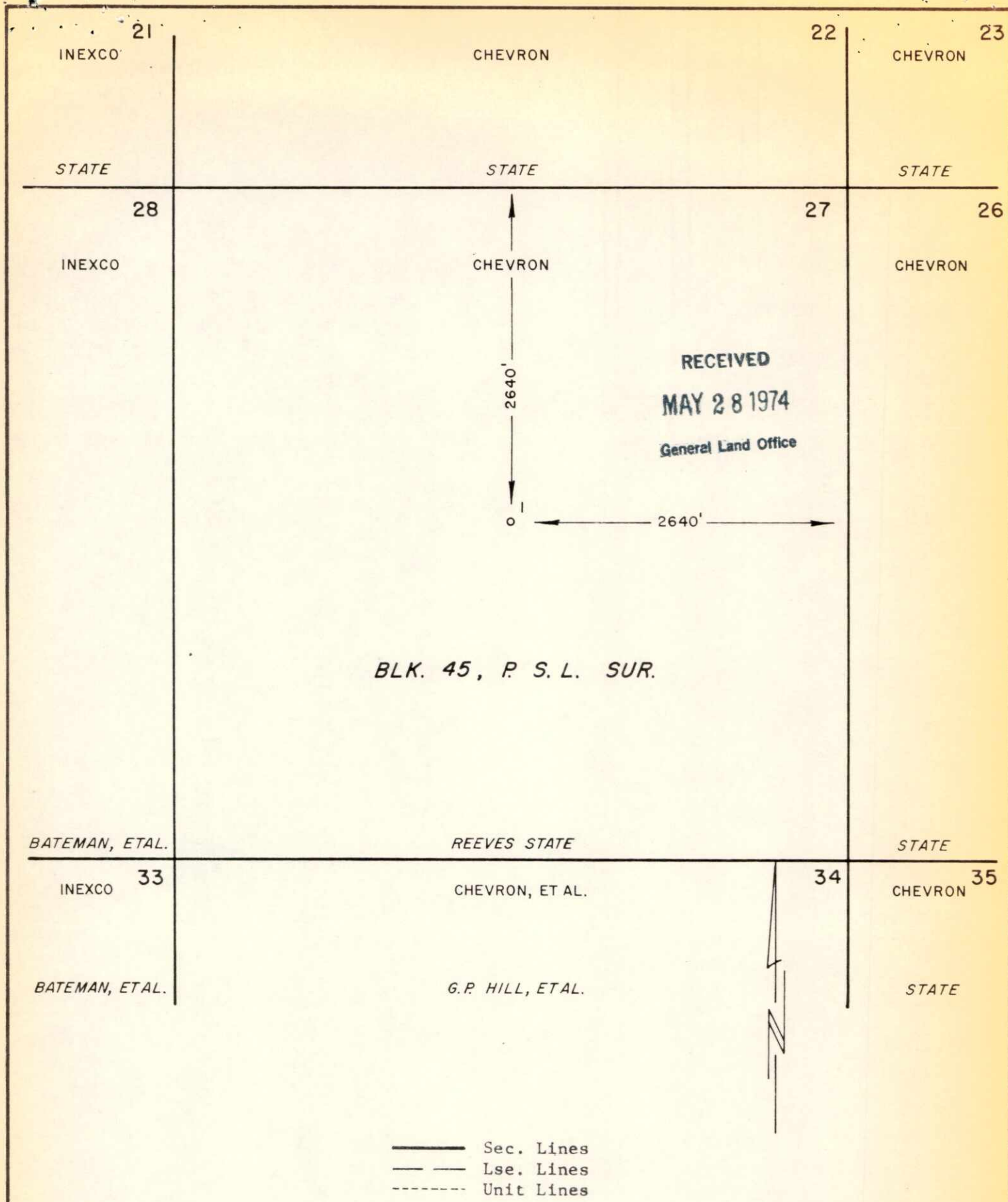
WELL # 3-27

FILED MAR 1 1979 19

BOB ARMSTRONG, COMMISSIONER

R. V. PHIPPS

BY:



I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all wells thereon; and that the number and location of wells thereon are as indicated on the plat.

_____, 19____

Operator of Lease: CHEVRON OIL COMPANY

Name of Lease: REEVES STATE

Well No. 1

Total acres in Lease: 640± Acres covered by this plat: 640±

Description of Property: SECTION 27, BLOCK 45, PUBLIC SCHOOL LAND SURVEY

County: REEVES

Field: WILDCAT

Scale of Plat: 1" = 1000'



Chevron U.S.A. Inc.
P. O. Box 1660, Midland, TX 79702

February 6, 1979

Reeves-State No. 3-27 Well
King Edward Field
Reeves County, Texas
(State Lease Nos. 67528 & 67525)

Honorable Bob Armstrong, Commissioner
General Land Office
Stephen F. Austin Building, 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701

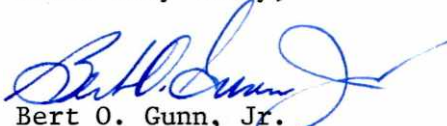
Attention Mr. Jack Howard

Dear Commissioner:

Please find attached hereto potential test results (RRC Form G-1) for Chevron's Reeves-State No. 3-27 well located in the W/2 of Section 27, Block 45, PSL, Reeves County, Texas.

You will recall that we were unable to potential this well until it was connected to a pipeline. Said well is now producing at the rate of 5 MMCFPD.

Yours very truly,


Bert O. Gunn, Jr.
Senior Land Representative

BOG:gg
Attachment

API No. if Available 42-389-30935

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

1. FIELD NAME (as per RRC Records or Wildcat) King Edward		2. LEASE NAME Reeves-State <i>14-67528</i>		7. RRC District 8
3. OPERATOR Chevron U.S.A. Inc.				8. RRC Identification Number
4. ADDRESS P. O. Box 1660, Midland, Texas 79702				9. Well Number 3-27
5. LOCATION (Section, Block, and Survey) Sec. 27, Blk. 45, PSL		5b. Distance and Direction from nearest town in this county. 13 miles SW from Orla		10. County Reeves
6. If Operator has changed within last 60 days - Give former Operator.		12. If Workover or Reclass, give former Field (with Reservoir) & Gas ID or Oil Lease #.		11. Purpose of Test Initial Potential ☒ Retest ☐ Reclass ☐
13. Pipe Line Connection Lo-Vaca Gathering Company		FIELD & RESERVOIR		14. Completion or Recompletion Date 7-20-78
15. List of Offset Operators Notified and Date of Notification American Quasar 2-1-79		Any Condensate on hand at time of Workover or Recompletion? ☐ Yes ☒ No		16. Type of Electric or other Log Run. DLL-Acoustic, CCL-GR

Section I Date of Test 1-17-18-79										GAS MEASUREMENT DATA Gas Measurement Method (Check One) Orifice Meter ☒ Positive Choke ☐ Orifice Vent Meter ☐ Pitot Tube ☐ Critical-flow Prover ☐										Gas produced during test 3200 MCF	
Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tf}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY											
1	3.6068	1.750	20668.46	812.2	42.3	96	.9671	1.0084	1.050	3923											
2	3.6068	1.750	20668.46	1022.2	42.9	76	.9850	1.0084	1.071	4604											
3	3.6068	1.750	20668.46	1046.2	53.3	80	.9813	1.0084	1.068	5158											
4	3.6068	1.750	20668.46	1046.2	60.8	79	.9822	1.0084	1.068	5514											

Section II Gravity (Dry Gas) .5899										FIELD DATA AND PRESSURE CALCULATIONS Gravity Liquid Hydrocarbon None Deg. API None CF/Bbl None										Gravity of Mixture G_{mix} =										Avg. Shut-In Temp. 68°F										Bottom Hole Temp. 260°F @ 15,400 (Depth)									
$D_{eff}^{8/3} =$										$\sqrt{T_f} =$										$\sqrt{GL} =$																													
$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} =$																				$\frac{\sqrt{GL}}{C} =$																													

Run No.	Time of Run Min.	Choke Size	Wellhead Press P _w PSIA	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-In	640800		5084.2		25849				
1	240	10/64	4979.2	67	24792				
2	240	12/64	4948.2	68	24485				
3	240	15/64	4918.2	66	24188				
4	240	18/64	4872.2	72	23738				
Run No.	F	K	S = $\frac{1}{z}$	E _{ks}	P _f and P _s	P _f ² and P _s ²	P _f ² - P _s ²	Angle of Slope	
Shut-In					6651.2	44238		θ = 60 n = .577	
1	Bottom Hole Pressure Measured with				6476.2	41941	2297	Absolute Open Flow	
2	Amerada Instrument No. 37209				6424.2	41270	2968	22,800 MCF/DAY	
3	0-8500# Element				6369.2	40567	3671		
4					6316.2	39894	4344		

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was **523.80** feet at a measured depth of **15,463** feet.

[Signature]
Signature of Authorized Representative

ROWAN DRILLING - U.S.
Name of Company Conducting Survey

I have knowledge that the cementing operations, as reflected by the information found on the reverse side of this form, were performed as indicated by such information.

[Signature]
Signature of Cementer or Authorized Representative

BJ Hughes
Name of Cementing Company

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

[Signature] **S. L. Ice** **Petroleum Engineer** **2-2-79** **915 684-4441**
REPRESENTATIVE OF COMPANY TITLE DATE Phone A/C NUMBER

SECTION III

DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

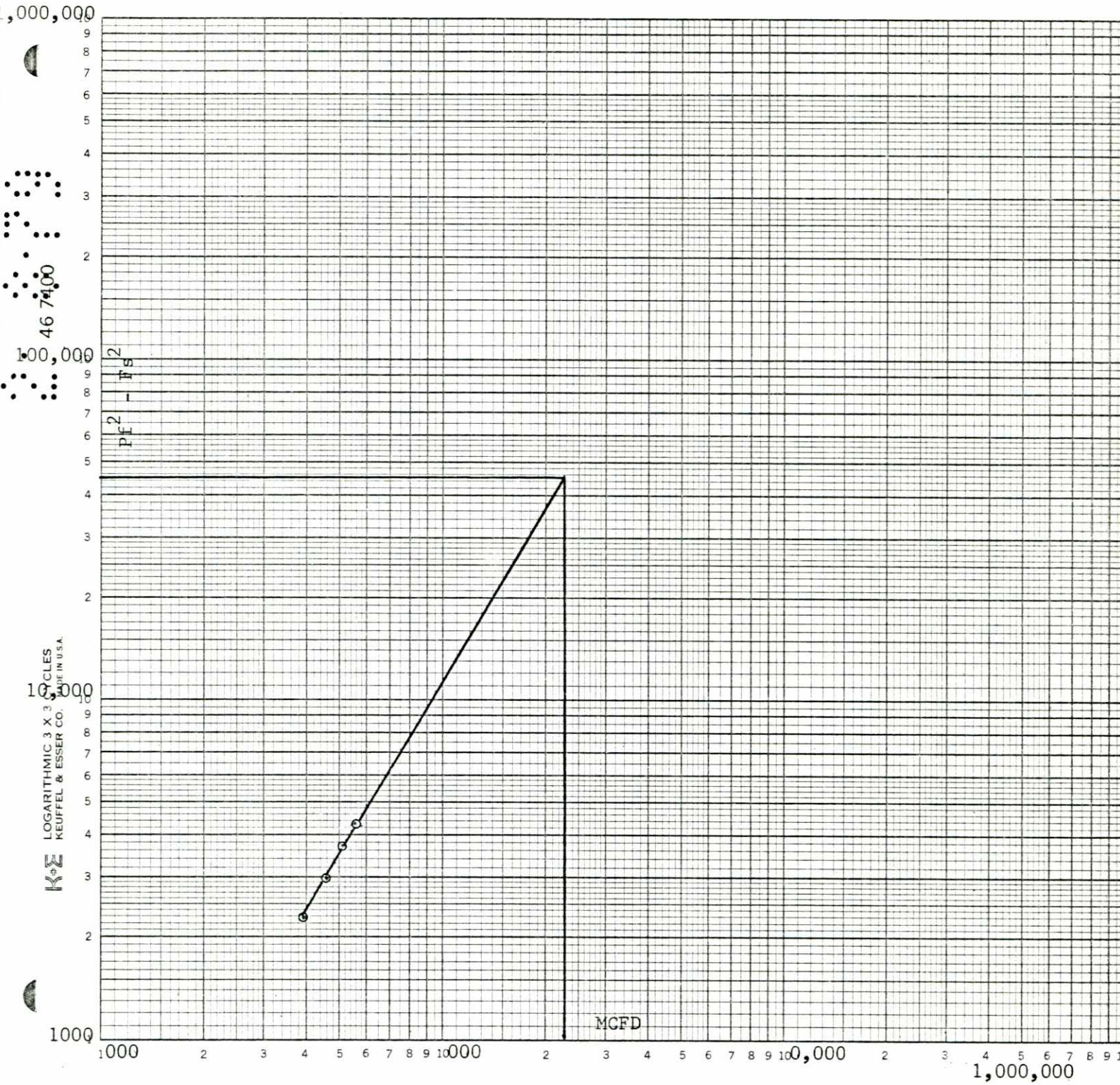
17. Type of Completion:		☒ New Well ☐ Deepening ☐ Plug Back ☐ Other	
18. Permit to Drill, Plug Back or Deepen		Rule 37 Exception Permit CASE NO. 12-22-77 014647	
19. Notice of Intention to Drill this Well was filed in Name of		Chevron U.S.A. Inc.	
20. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well		1	
21. Total Number of Acres in this Lease.		640	
22. Date Plug Back, Deepening, Work Over or Drilling		Completed 7-11-78 Commenced 4-1-78	
23. Distance to Nearest Well, Same Lease & Reservoir		—	
24. Location of Well, Relative to Nearest Lease Boundaries		Feet From West Line And 1400 Feet From North Line of the Reeves-State Lease	
25. Elevation (DF, RKB, RT, GR, ETC)		KB 3229', DF 3228', GL 3207'	
26. Was Directional Survey Made Other Than Inclination (Form W-12)?		☐ Yes ☒ No	
27. Top of Pay		15,416	
28. Total Depth		15,470	
29. P. B. Depth		15,436	
30. Surface Casing		Field ☐ Rules ☐ Determined by:	
31. Is Well Multiple Completion?		☐ Yes ☒ No	
32. If Multiple Completion List All Reservoir Names (Completion in this Well) and Oil Lease or Gas ID No.		FIELD & RESERVOIR GAS ID or OIL - O WELL # OIL LEASE # Gas - G	
33. Intervals		by: Drilled Tools Rotary Cables A11	
34. Name of Drilling Contractor		Rowan Drilling-U.S.	
35. Is Cementing Affidavit Attached?		☐ Yes ☒ No	

36. CASING RECORD (Report All Strings Set in Well)		CASING SIZE WT #/FT. DEPTH SET MULTISTAGE TYPE & AMOUNT CEMENT (Socks) HOLE SIZE TOP OF CEMENT SLURRY VOL. cu. ft.	
16"		55	
Conductor		Ready mix	
10 3/4"		17 1/2	
7 5/8"		14 3/4	
29.7; 26.4		Surface	
19,395		2560	
error		3159	
37. LINER RECORD		SIZE TOP BOTTOM Socks Cement Screen	
5"		9890	
15,456'		975	

38. TUBING RECORD		SIZE DEPTH SET PACKER SET PRODUCING INTERVAL (this completion) indicate Depth of Performance or Open Hole	
2 7/8		9924	
9865		15,417	
To 15,427 (selectively)		To 15,427	
39. PRODUCING INTERVAL (this completion) indicate Depth of Performance or Open Hole		DEPTH INTERVAL AMOUNT AND KIND OF MATERIAL USED 1500 gal. 7 1/2% HCL; 2000 gal. 15% HCL	
15,417-15,427		1500 gal. 7 1/2% HCL; 2000 gal. 15% HCL	

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)		FORMATIONS DEPTH FORMATIONS DEPTH	
Atoka		14,203	
Miss. Lime		15,214	
Siluro-Devonian		15,416	
REMARKS			

CHEVRON USA, INC.
 Reeves State 3-27
 Absolute Open Flow Test
 1-17/18-79



$Q = 22,800$ MCFD

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

1. FIELD NAME (as per RRC Records) King Edward	2. LEASE NAME Reeves-State	7. RRC District 8
3. OPERATOR Chevron U.S.A. Inc.		8. RRC Identification Number
4. ADDRESS P. O. Box 1660, Midland, TX 79702		9. Well Number 3-27
5. LOCATION (Section, Block, and Survey) Sec. 27, Blk. 45, PSL		10. County Reeves
6. Pipeline Connection or Use of Gas Lo Vaca Gathering Company		11. Utilized for Sales
		12. Acres Allocated to this Well 640

Section I		PRODUCTION TEST AT RATE ELECTED BY OPERATOR		(Data on 24-hour basis)	
A. Gas Volume	5818	(MCF)	E. Casing Pressure	0	(PSI)
B. Oil or Condensate Volume	-	(BBLs.)	F. Color of Liquid	0	
C. Gas/Liquid-Hydrocarbon Ratio	-	(CF/BBL.)	G. Gravity of Liquid	0	*API
D. Flowing Tubing Pressure	4869.65	(PSI) a	H. Specific Gravity of the Gas (AIR = 1)	.58999	

Section II		POTENTIAL TEST DATA	
A. Absolute Open Flow	22,800	(MCF/DAY)	C. Shut-in Wellhead Pressure 5084.2 (PSI) a
B. Date of Test	1-18-79		D. Length of Time Well Shut-In Prior to Test 10680. hrs.

Section III A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

DATE LIQUID SAMPLE OBTAINED:

PERCENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
F.P.	

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


SIGNATURE S. L. Ice

2-2-79

DATE

Petroleum Engineer

TITLE

AREA CODE AND TELEPHONE NUMBER 915 684-4441

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

[PRINTED FORM]

[DISTRICT —8—]

Operator Chevron U.S.A. Inc.
 Address P. O. Box 1660
 Midland, Texas 79702

FORM G-10

(Eff. 12/31/75)

GAS WELL STATUS REPORT

[] RETEST

Test Period Initial Test

Due Date

Page
Effective Date

*	FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	PRODUCING WELLS					NON-PRODUCING WELLS					
			DATE TESTED Mo/Day/Yr	DAILY PRODUCING RATE			PRESSURE PSIA	POTENTIAL BHP	SHUT IN @ (Date Required)	EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
				GAS	CONDEN- SATE	WATER							
King Edward Reeves-State			1-17, 18-79	5818 MCF	0. BBLS	0 BBLS	5084.2 SIWH	22,800 MCF/DAY					
	3-27			. 5899 Spec.Grav.	0. Grav. °API	0 MCF/Bbl	4812.2 Flowing	6316.2 PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				
				MCF	BBLS	BBLS	SIWH	MCF/DAY					
				Spec.Grav.	Grav. °API	MCF/Bbl	Flowing	PSIA	SIWH PSIA				

* COMMINGLING TEST REQUIREMENT
 (Gas Specific Gravity, Condensate Gravity and
 Gas/Condensate Ratio Required)

@Wells with an exception to SWR 14(B)(2) must insert the date (Mo/Yr) the well was last produced or utilized.

CERTIFICATE

X ADDITIONAL SPECIAL TEST REQUIREMENT

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

Signature S. L. Ice
 Petroleum Engineer
 Title

2-2-79
 Date
 (915) 684-4441
 Telephone

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the Chevron U.S.A. Inc.,
OPERATOR

Reeves-State LEASE, No. 3-27 WELL; that such well is completed in the King Edward Field, Reeves County,

Texas and that the acreage claimed, and assigned to such well for proration purposes as authorized by special rule and as shown on the attached certified plat embraces 640

 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

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

Date 2-2-79 Signature S. L. Ice S. L. Ice

Telephone 915 684-4441 Title Petroleum Engineer
AREA CODE

21

Chevron

22

Chevron

23

320 AC. $\pm$ (640 AC. $\pm$)
State

State

28

Amer. Quasar, et al.

27

Chevron

26

Chevron

1400'

660'

3-27

320 AC. $\pm$

BLK. 45, P.S.L. SUR.

(640 AC. $\pm$)

Reeves - State

State

Bateman, et al.

33

Inexco

34

Chevron, et al.

35

Chevron

Bateman, et al.

G.P. Hill, et al.

State

— SEC. LINE
--- UNIT LINE

I hereby certify that I am familiar with the conditions as they actually exist on this lease; that the above plat which is drawn to the scale indicated hereon is to the best of my knowledge true and correct; that it accurately reflects said lease with all wells thereon; and that the number and location of wells thereon are as indicated on the plat.

February 2

, 1979

Operator of Lease: Chevron U.S.A. Inc.

Name of Lease: REEVES - STATE

Well No. 3-27

Total acres in Lease: 1280 $\pm$ Acres covered by this plat: 640 $\pm$

Description of Property: Sections 22 & 27, Blk. 45, Public School Land Survey.

County: REEVES

Field: KING EDWARD

Scale of Plat: 1" = 1000'

TEXAS DEPARTMENT OF WATER RESOURCES

1700 N. Congress Avenue
Austin, Texas



Harvey Davis
Executive Director

TEXAS WATER DEVELOPMENT BOARD

A. L. Black, Chairman
Robert B. Gilmore, Vice Chairman
Milton T. Potts
John H. Garrett
George W. McCleskey
Glen E. Roney

TEXAS WATER COMMISSION

Joe D. Carter, Chairman
Dorsey B. Hardeman
Joe R. Carroll

December 27, 1977

IN REPLY REFER TO:

SC- 1041

[
Chevron U.S.A., Inc.
P. O. Box 1660
Midland, Texas 79702
]

Re: Reeves-State, Well #3-27,
Sec. #27, Blk. #45, PSL Sur.,
Reeves County, Texas

Gentlemen:

Reference is made to your inquiry of December 19, 1977 regarding the protection of usable-quality water strata in your above named well.

Water-bearing strata must be protected down to the base of the Rustler, estimated to occur at a depth of 700 feet.

NOTE: The depth to which we recommend that usable-quality water strata should be protected is intended to apply only to the subject well. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling and production operations only and does not apply to salt water disposal operations. It should not be used as a recommendation for fieldwide usable-quality water protection rules.

Very truly yours,

R. N. Webster
Geologist, Surface Casing Section

RNW/vw

cc: RRC, Austin
RRC, District Office #8

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISIONForm P-4
Rev. 3/1/77

Producer's Certificate of Compliance and Authorization to Transport Oil and/or Casinghead Gas From an Oil Lease or Gas and/or Condensate from a Gas Well.		RRC District 8
Field Name (as per RRC records) King Edward		RRC Oil Lease No. —
Lease Name Reeves-State		RRC Gas Well Ident. No.
Operator Name Chevron U.S.A. Inc.		Gas Well No. 3-27
Address P. O. Box 1660		Effective Date February 1979
City, State, Zip Code Midland, Texas 79702		County Reeves
		Survey PSL

GAS GATHERER, PURCHASER, AND NOMINATOR
NOTE: The names of all three of the above must be furnished for all gas sold.

Name Lo Vaca Gathering Company	RRC USE ONLY 	INDICATE MARKET	☐ Interstate ☒ Intrastate
Address 5 Greenway Plaza East	100 % of the	☒ Gas Well Gas ☐ Full Well ☐ Stream ☐ Casinghead Gas	☒ Gatherer ☒ Purchaser ☒ Nominator
City, State, Zip Code Houston, Texas 77046			
Name	RRC USE ONLY 	INDICATE MARKET	☐ Interstate ☐ Intrastate
Address	% of the	☐ Gas Well Gas ☐ Full Well ☐ Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator
City, State, Zip Code			
Name	RRC USE ONLY 	INDICATE MARKET	☐ Interstate ☐ Intrastate
Address	% of the	☐ Gas Well Gas ☐ Full Well ☐ Stream ☐ Casinghead Gas	☐ Gatherer ☐ Purchaser ☐ Nominator
Zip Code			

OIL OR CONDENSATE GATHERER

Name NONE	RRC USE ONLY 	☐ Oil ☐ Condensate
Address	% of the	
City, State, Zip Code		
Name	RRC USE ONLY 	☐ Oil ☐ Condensate
Address	% of the	
City, State, Zip Code		

INDICATE PURPOSE OF FILING

☒ New Oil Lease or Gas Well. Form W-1 (Application for Permit to Drill, Deepen or Plug Back) filed in the name of: Chevron U.S.A. Inc. Reeves-State	
Operator	Lease
☐ Change of Gatherer	☐ Change of Purchaser
☐ Change field name from	☐ Change of Nominator
☐ Change operator name from	
☐ Change lease name from	
☐ Consolidation or subdivision of lease (Attachments required - - See instructions.)	
Previous Form P-4 approval date if filed (or prior SW-1 number) _____ mo. day yr. SW-1 Number or Date	
REMARKS: _____	

FOR RRC USE ONLY

Field No.

Operator No.

Approved

AUTHORIZATION BY CURRENT OPERATOR

The undersigned certifies that the above agent is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property in accordance with the regulations of the Railroad Commission of Texas, and that this authorization will be valid until further notice or until cancelled by the Railroad Commission of Texas, and the undersigned further certifies that the conservation laws of the State of Texas and all rules, regulations, and orders of the Railroad Commission of Texas have been complied with in respect to the property covered by this report.

2-2-79
Date

Signature

S. L. Ice

Petroleum Engineer
Title(915) 684-4441
Area Code & Telephone No.

OPERATOR NAME CHANGE (Acknowledgment required on changes of operator.)

The undersigned, being the previous operator, has transferred operating responsibility on the above property.

Previous
Operator

Signature

Address

Title

City, State
& Zip Code

Date

Area Code &
Telephone No.

If there are additional gatherers, purchasers, or nominators, check here ☐ and use reverse side of this form.

(28)

67528

M. F. 3-27 COMPLETION REPORT
WELL # 3-27
BOB ARMSTRONG, COMMISSIONER
FILED MAR 1 1978 BY R. V. PHIPPS

5 0 1 0



Chevron U.S.A. Inc.
P. O. Box 1660, Midland, TX 79702

161

January 3, 1979

State Lease M-67528
Section 27, Block 45, PSL
Reeves-State Well No. 3-27
Reeves County, Texas

Honorable Bob Armstrong, Commissioner
General Land Office
Stephen F. Austin Building, 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701

Attention Mr. Jack Howard

Dear Commissioner:

With reference to your letter of December 27, 1978, please be advised that our plans are to potential Chevron's Reeves-State No. 3-27 well (King Edward Field) immediately after said well is connected to the purchaser's pipeline which is now under construction and scheduled for completion between January 15 and January 31, 1979. A copy of the G-1 Form pertaining to subject well will be forwarded to you as soon as possible after same is filed with the Railroad Commission.

Trust the above method of handling this matter meets with your approval.

Yours very truly,

D. G. Simolke
Division Petroleum Engineer

BOG:gg

(29) M-67528 3-11-78
Ltr from Chevron RVP

T. 250

ENERGY RESOURCES

WELL/LEASE STATUS REPORT INFORMATION

TO George Clark FROM D. F. Linderwood
DATE ACTION INITIATED 10/21/77 DATE ACTION COMPLETED 5/3/79
ORIGINATING SOURCE Pete Janszen DATA SOURCE LRC
NAME OF OPERATOR Chevron OPERATOR NO. 148113
RRC DISTRICT 08 FIELD Marsh S. (Delaware) FIELD CODE 57700500
LEASE Reeves - State LEASE NO. OR WELL ID NO. 72794
OIL WELL ☐ GAS WELL ☒ WELL NO. #2 COUNTY Reeves
COMPLETION DATE 8/30/77 DEPTH 3453
POTENTIAL 230 MCF/D AOF G.L.O. MINERAL FILE NO. 67528 (10-3)
DRILLING PERMIT NO. _____
OTHER INFORMATION _____

REPLY

DATE OF INITIAL PRODUCTION 2/79
GATHERER OF GAS Lo Vaca
GATHERER OF CONDENSATE/CRUDE OIL _____
OTHER INFORMATION _____

PRODUCTION INFORMATION

PERIOD	GAS PRODUCTION (MCF)	CONDENSATE/CRUDE OIL PRODUCTION (BBLs)
<u>1/79</u>	<u>4513</u>	<u>0</u>
<u>2/79</u>	<u>9,126</u>	<u>0</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(36) M-67528
Will Gene Staton Report
5-3-79

December 28, 1979
GLO 786B

Chevron, U.S.A.
P. O. Box 599
Denver, Colorado 80201

ATTENTION: John F. Boone

RE: State Lease M-67528
King Edward Field
Reeves County, Texas
Contract Number 5227-RE

Gentlemen:

The Gas Purchase Contract between you, as seller, and Lo Vaca and Texas Utilities,, as buyer, dated March 9, 1973, includes the above State Lease. The price is due to be renegotiated on April 23, 1980.

Please furnish this office a copy of the document covering gas sales after April 23, 1980. If it is your intent not to renegotiate, please advise.

Sincerely yours,

Harry T. Finnell,
Supervisor Gas Contracts
Energy Resources
Phone: 512 475-4541
HF/lg

(31) M. F. 67528

CORRESPONDENCE FILE

To Chenrow

~~From~~

Dated 12-28-79



General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

June 23, 1980
GLO 7868

Chevron, U.S.A.
P. O. Box 599
Denver, Colorado 80201

SECOND REQUEST

ATTENTION: John F. Boone

RE: State Lease M-67528
King Edward Field
Reeves County, Texas
Contract Number 5227-RE

Gentlemen:

Enclosed is a copy of our letter to you dated December 28, 1979 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/19

(32)

M. F. 67528

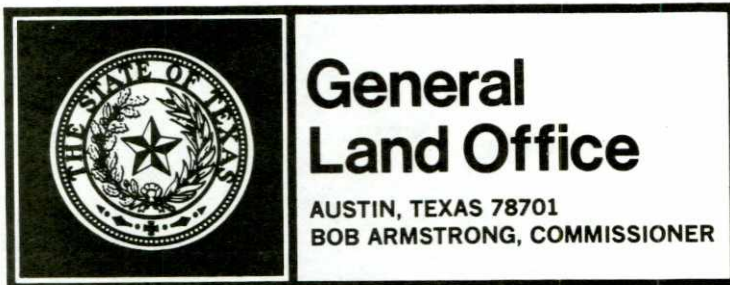
CORRESPONDENCE FILE

TO

Chewron, U.S.A.

FROM

DATED 6-23-80



June 23, 1980
GLO 786B

Chevron, U.S.A.
P. O. Box 599
Denver, Colorado 80201

SECOND REQUEST

ATTENTION: John F. Boone

RE: State Lease M-67528
King Edward Field
Reeves County, Texas
Contract Number 5227-RE

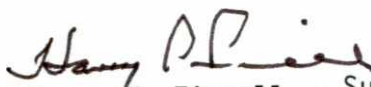
Gentlemen:

Enclosed is a copy of our letter to you dated December 28, 1979 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/lg

— See attached for documents
sent you March 31, 1980

John Boone

(33)

M. F. 67528

CORRESPONDENCE FILE

①

Chenon, U.S.A.

FROM

DATED 6-28-80

000000

AMENDMENT OF OIL AND GAS LEASE

GENERAL LAND OFFICE

AUSTIN, TEXAS

WHEREAS, State Lease No. M-67528 covering the hereinafter described tract of land, was issued to Chevron Oil Company on the 3rd day of October, 1972, and known as all of Section 27, Block 45, PSL Survey, Reeves County, Texas, containing 640 acres; and

WHEREAS, House Bill No. 1691, Chapter 438, Page 1858, Acts of the 67th Legislature, 1981, Reg. Session, (Section 52.024, V.T.C.A., Natural Resources Code), provides for the amendment of valid and existing leases upon application of the lessee to provide for shut-in oil or gas well provisions; and

WHEREAS, the owner of said lease has made application for an amendment thereof in accordance with said Act:

NOW THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, by virtue of the authority vested in me and in accordance with the provisions of said act, do hereby amend numeral Paragraph 17 of said lease so that it shall hereafter include the following provisions:

17 (a) If at the expiration of the primary term or at any time after the expiration of the primary term a well or wells capable of producing oil or gas in paying quantities are located on the leased premises but oil or gas is not being produced for lack of suitable production facilities or a suitable market and the lease is not being maintained in force and effect, before the expiration of the primary term or if the primary term has expired, within 60 days after Lessee ceases to produce oil or gas from the well, Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities;

(b) if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term;

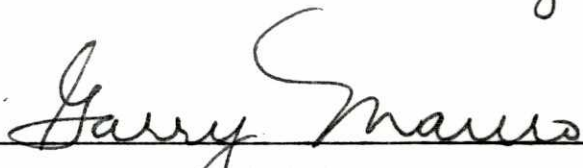
(c) if, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within 1,000 feet of the leased premises and completed in the same producing reservoir or in any case in which drainage is occurring, the right to continue to extend the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid and for an additional period of not more than five years from the expiration of the primary term by Lessee paying compensatory royalty at the royalty rate provided in the lease of the value at the well of production from the well which is causing the drainage or which is completed in the same producing reservoir and within 1,000 feet of the leased premises;

(d) the compensatory royalty is to be paid monthly to the Commissioner of the General Land Office beginning on or before the last day of the month next succeeding the month in which the oil or gas is sold and delivered from the well located within 1,000 feet of or draining the leased premises and completed in the same reservoir;

(e) if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within 30 days from the end of the 12-month period; and

(f) none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Section 52.034 of the Natural Resources Code.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas, under the seal thereof, this 13th day of February 1987.



COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

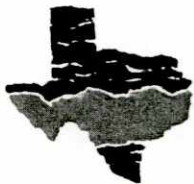
34

M 67528

Amendment Oil & Gas

File dated 2-13-87

Garry Mauro, Commissioner



Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

January 7, 1993

Ensouth Exploration & Production Co.
P.O. Box 2125
Midland Texas 79702

Attn Mark C. Carr

Re: Rule 37 Exception
State Lease M-67528✓
Sec. 27, Blk. 45, PSL Svy.
Reeves County, Texas

Dear Mr. Carr

This letter is to inform you that the General Land Office does not sign waivers to rule 37 requests. However, the Land Office will not oppose your request.

The railroad Commission examiners have been made aware of our position and will act accordingly.

Please call us if we can be of further assistance.

Sincerely,

Debra Baukus
Debra Baukus, Geologist
Mineral Evaluation
(512) 474-1441

cc: RRC Rule 37 Examiner, District 7C

M-67528 (37)

Ltr. to ENSOUM

1-7-93

► Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Box 12967
Austin, Texas 78711-2967

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

► File a copy of W-1 and plat in RRC District Office

► Read Instructions on Back

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY
ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM NO. 9 BELOW.

0-2000' - \$100,	2001' - 4000' - \$125
4001' - 9000' - \$150	9001' or deeper - \$200

Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Horizontal ☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)		Enter here, if assigned: API No. 42- Permit No. Rule 37 Case No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) Lobo Resources, Inc.		3. RRC Operator No. 504659 4. RRC District No. 8 5. County of Well Site Reeves	
2. Address (including city and zip code) 200 N. Loraine Suite 1245 Midland, TX 79701		6. Lease Name (32 spaces maximum) Reeves State 7. RRC Lease/ID No. 8. Well No. 5027 9. Total Depth 3300'	
10. Location • Section <u>27</u> Block <u>45</u> Survey <u>PSL</u> Abstract No. A- <u>3654</u> • This well is to be located <u>12.5</u> miles in a <u>SW</u> direction from <u>Orla, Texas</u> which is the nearest town in the county of the well site.			
11. Distance from proposed location to nearest lease or unit line <u>467</u> ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract <u>640</u> (OUTLINE ON PLAT.)			
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.		14. Completion depth 15. Spacing pattern (ft.) 16. Density pattern (acres) 17. Number of acres in drilling unit for this well. OUTLINE ON PLAT. 18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. 19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.) 20. Oil, gas, or other type well (Specify) 21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL GAS	
Marsh, S. (Delaware)		3300 467/933 40 40 No 2143 GAS 2 2	
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <u>2000 FSL, 467 FWL</u> • Survey/Section <u>2000 FSL, 467 FWL</u>		If a directional well, show also projected bottom-hole location: • Lease/Unit _____ • Survey/Section _____	
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)		24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)	
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒		If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ If not filed, explain in Remarks.	
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐		I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Steven Gray</u> Steven D. Gray, President Signature Name and title of operator's representative Date: <u>4</u> mo. <u>6</u> day <u>94</u> yr. Tel.: <u>(915)</u> Area Code <u>687-0404</u> Number	
Remarks			

DATE: MARCH 30, 1944, ACAD FILE #: REEVES6.DWG, F/B: 149/25, TOPO: DERRICK DRAW

(38)

M-67528

W-1

11-29-95



February 26, 1997

I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records, and documents of said office show:

That the file wrapper for School File 118812 is endorsed: "A 3675", "Reeves County", "G&M 11-14-12", "Elmer Robinson", "640 acres", "Section 27", "Block 45", "Public School Land", "orig file lost", "Sold 11-16-1912", "Forfeited 09-22-1925", "SL860062";

That on October 3, 1972, pursuant to Chapter 271, General Laws, Acts of the 42nd Legislature, Regular Session, 1931, as amended, (Art. 5421c, V.T.C.S.), Senate Bill 816, Acts of the 63rd Legislature, 1973, and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board, pursuant to Articles 5366 and 5421c-3, V.T.C.S., as amended, and all other applicable statutes and amendments thereto, Bob Armstrong, Commissioner of the Texas General Land Office, executed and delivered State Oil & Gas Lease M-67528, covering "All of Section 27, Blk. 45, PSL Survey, Reeves County, containing 640 acres", as shown by the official map filed in the Texas General Land Office, to Chevron Oil Company, for a cash bonus of \$76,161.17, with a primary term of five (5) years, an annual delay rental of \$5/00 per acre, and a royalty to the State of one-sixth (1/6) of the production of oil and gas from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on October 3, 1972, in Mineral File M-67528;

That on January 17, 1975, Railroad Commission Form W3, Plugging Record, was filed in the Texas General Land Office in Mineral File M-67528, indicating that well No. 1, Wildcat, Reeves State, was completed on September 1, 1974, and was plugged on September 7, 1974;

That on August 31, 1977, Chevron U.S.A., Inc. executed a Shut-In Gas affidavit and a Shut-In Royalty Payment for well no. 2, So. Marsh (Delaware), Reeves County, from October 3, 1977 to October 3, 1978, and a certified copy of said affidavit was filed in the Texas General Land Office on September 17, 1977, in Mineral File M-67528;

That on August 31, 1977, Chevron U.S.A., Inc. executed a Shut-In Gas affidavit and a Shut-In Royalty Payment for well no. 2, S. Marsh, (Delaware), Reeves County, and well no. 3-27, King Edward Field, from October 3, 1978 to October 3, 1979, and a

Hinkle, Cox, Eaton, Coffield, Hensley
February 26, 1997
Page 2

certified copy of said affidavit was filed in the Texas General Land Office on September 30, 1978, in Mineral File M-67528;

That on October 6, 1977, Railroad Commission Form G-1, Gas Well Back Pressure Test, Completion or Recompletion Report and Log, was filed in the Texas General Land Office in Mineral File M-67528, indicating that well No. 2, Wildcat, Reeves State, was completed as a new well on August 30, 1977;

That on March 1, 1978, Railroad Commission Form G-1, Gas Well Back Pressure Test, Completion or Recompletion Report and Log, was filed in the Texas General Land Office in Mineral File M-67528, indicating that well No. 3-27, King Edward, Reeves State, was completed as a new well on July 20, 1978;

That on March 31, 1978, Chevron U.S.A., Inc. and Bob Armstrong, Commissioner of the Texas General Land Office, executed a Pooling Agreement concerning gas, which Pooling Agreement included 640 acres in Mineral File M-67525 and 640 acres in Mineral File M-67528, and was recommended that pooling be limited to gas below the Mississippian Lime, and was approved by the School Land Board on March 7, 1978, and a copy of said Pooling Agreement was filed in the Texas General Land Office on March 31, 1978, in Mineral File M-67525;

That on February 13, 1987, Garry Mauro, Commissioner of the Texas General Land Office, amended State Oil & Gas Lease M-67528, pursuant to Section 52.024, Vernon's Texas Code Annotated, Natural Resources Code, providing for shut-in oil or gas well provisions, and more specifically, amending paragraph 17 of the lease upon the application of Chevron Oil Company for the amendment, and a copy of said amendment was filed in the Texas General Land Office on February 13, 1987, in Mineral File M-67528;

That on July 29, 1988, effective date of August 1, 1988, Chevron U.S.A., Inc. assigned to Charlie D. Davis d/b/a Hoolihan Production Company, various interests in lease M-67528, as well as other leases, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 487, Page 240, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on June 5, 1992, in Mineral File M-67525;

That on January 6, 1992, Charlie D. Davis, individually and d/b/a Hoolihan Production Company assigned to Ensouth Exploration and Production Co., various interests in lease M-67528, as well as other leases, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 514, Page

Dicta No. 97-054

Hinkle, Cox, Eaton, Coffield, Hensley
February 26, 1997
Page 3

545, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on June 5, 1992, in Mineral File M-67525;

That on February 4, 1992, Allen G. Harvey, Substitute Trustee, executed a Substitute Trustee's Deed, to Ensouth Acquisition Corporation in lease M-67528, as well as other leases, and reference to said deed is herein made for all purposes to the instrument which was filed of record in Book 515, Page 202 and as well as Page 215, Deed Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on June 5, 1992, in Mineral File M-67525;

That on December 1, 1993, Ensouth Acquisition Corporation, Ensouth Operating, Inc., and Ensouth Exploration and Production Co assigned to Lobo Oil & Gas Partners, L.P., various interests in lease M-67528, as well as other leases, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 534, Pages 309-317, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on January 22, 1994, in Mineral File M-67525;

That on August 1, 1995, Lobo Oil & Gas Partners, L.P. and Lobo Resources, Inc. assigned to Vista Resources Partners, L.P., various interests in lease M-67528, as well as other leases, and reference to said assignment is herein made for all purposes to the instrument which was filed of record in Book 554, Pages 651-657, Official Public Records, Reeves County, a certified copy of which was filed in the Texas General Land Office on March 7, 1996, in Mineral File M-67525;

That the latest royalty payments for lease M-67528 were received in the Texas General Land Office on November 11, 1996, for oil produced during September, 1996, and on January 2, 1997, for gas produced during November, 1996;

That on April 1, 1986, pursuant to Chapter 271, General Laws, Acts of the 42nd Legislature, Regular Session, 1931, as amended (Chapter 53, Subchapter E, N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the Texas General Land Office and/or the School Land Board pursuant to Section 52.032 and Chapter 32, N.R.C. as amended, and all other applicable statutes and amendments thereto, Garry Mauro, Commissioner of the Texas General Land Office, executed and delivered State Sulphur Lease M-92002, covering "All of Section 27, Block 45, PSL in Reeves County containing 640 acres, more or less", as shown by the official map filed in the Texas General Land Office, to Pennzoil Sulphur Company, for a cash bonus

Dicta No. 97-054

Hinkle, Cox, Eaton, Coffield, Hensley
February 26, 1997
Page 4

of \$28,947.20, with a primary term of five (5) years, an annual delay rental of \$3,200.00, and a royalty to the State of one-sixth (1/6) of the production from the tract, and, upon the payment of the cash bonus due, and the 1.0% statutory sale fee when required, a copy of the lease was filed in the Texas General Land Office on April 1, 1986, in Mineral File M-92002;

That the file wrapper for Sulphur Lease M-92002 is endorsed: "Release, (initialed) NS";

That on November 18, 1996, effective date of July 1, 1996, pursuant to the authority of V.T.C.A., Natural Resources Code §51.291 et seq, and subject to all rules of the Texas General Land Office, the State of Texas, Garry Mauro, Commissioner of the Texas General Land Office, issued a renewal of Miscellaneous Easement ME-860139 to Western Gas Resources-Texas, Inc. for the construction, operation and maintenance of structures on State-owned lands, for a term of ten years, and a certified copy of said easement was filed in the Texas General Land Office on November 25, 1996, in Miscellaneous Easement File ME-860139;

IN TESTIMONY WHEREOF, I hereto set my hand and seal of said office the first date above written.

GARRY MAURO
COMMISSIONER

GM/MC

Mr. William B. Burford
Hinkle, Cox, Eaton, Coffield & Hensley
PO Box 3580
Midland, TX 79702-3580

Fee: \$100.00

Account No. 885

Dicta No. 97-054

Files: School File 118812, Mineral Files: M-92002, M-67528, Miscellaneous Easement: ME-860139

Dicta No. 97-054

(39)

FILE NO. M-67528

Reeves COUNTY

C/7 99-054

FILED 3-5 19 97

GARRY MAURO, COM'R

BY M Canale

**Texas General
Land Office**



**David Dewhurst
Commissioner**

July 12, 2001

I, David Dewhurst, Commissioner of the General Land Office of the State of Texas, do hereby certify that the papers, records, and documents of said office show;

This Certificate of Fact is supplemental to one written February 26, 1997, for Mr. William B. Burford, @ Hinkle, Cox, Eaton, Coffield & Hensley, covering Section 27, Block 45, PSL Survey, Reeves County, Texas, and contains title and status facts since that date only;

That the latest royalty payments for lease M-67528 were received in the Texas General Land Office on October 4, 2000, for oil produced during August, 2000, and on February 2, 2001, for gas produced during December, 2000;

IN TESTIMONY WHEREOF, I hereto set my hand and seal of said office the first date above written.

DAVID DEWHURST
COMMISSIONER

DD:MC

Mailing

Post Office Box 12873
Austin, Texas
78711-2873

Street

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

512.463.5001
1.800.998.4GLO
www.glo.state.tx.us

Mr. Bill Burford
Hinkle, Hensley, Shanor & Martin, LLP
PO Box 3580
Midland, Texas 79702-3580

Fee: \$100.00
Register No. 45444
Dicta No. 2001-59
Files: Mineral File: M-67528

File No. M-67528 (40)

Reeves County

47 2001-59

Date Filed: 7-13-01

By David Dewhurst, Commissioner WC

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

April 4, 2003

CERTIFIED MAIL 7002 0860 0007 9386 8321

SECOND REQUEST

SOUTH MARSH DEVELOPMENT INC
11782 JOLLYVILLE RD
AUSTIN TX 78759-3938

FIRST BILLING WAS HANDLED
BY LEGAL DEPT + TOE KING.

PARTIAL PAYMENT WAS REC'D
2-21-03 + 3-10-03.

RE: Notice of non-payment on State Lease(s) MF-067525, 067526, 067529, 067953, and 068440

Dear Sir or Madam:

We have reviewed the GLO-3 forms attached to your checks and the emailed EOTT documents you supplied, and find the paperwork insufficient to settle our first billings. The State requires solid third party price documentation to cancel any part of a billing. So far you have failed to provide it.

Six revised schedules are enclosed showing updated penalty and interest. The amount now due is \$10,227.46, comprised of \$5,376.92 in additional royalty, \$2,999.79 in penalty and \$1850.75 in interest. Penalty and interest have been computed in accordance with Section 52.131 of the Texas Natural Resources Code, and continue to accrue until payment is received. Penalty and interest are therefore due through either 02/21/03 or 3/10/03 on the royalty due amount shown in column (5), and from 02/21/03 through 4/29/03 on the amount shown in column (7).

You are also hereby notified that if the amount now due is not received in this office by April 29, 2003, these leases will be forwarded to our legal division for appropriate action.

If you have any questions, please call Teresa Telkes, Accounts Examiner, at (512) 936-6928.

Sincerely,

Joe King, Supervisor
Royalty Management
Energy Resources 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

SOUTH MARSH DEVELOPMENT INC
 STATE LEASE M-067528
 REEVES STATE 27
 SOUTH MARSH FIELD
 REEVES COUNTY TEXAS
 RRC OIL WELL #08-33832
 RRC GAS WELL #08-072794, 150160, 170408
 STATE ROYALTY DECIMAL .166667

ATTACHMENT II - SECOND NOTICE

AUDITOR:
 FILE NAME:
 DATE:

TMT
 067528.XLS
 04/04/03

PENALTY/ 02/21/03 (E)
 INTEREST DATE: 04/29/03 (E)

GAS (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

MONTH/ YEAR YEAR	VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	ROYALTY DUE (4)X(.166667)	ROYALTY PAID (D)	ADDITIONAL ROYALTY DUE (5)-(6)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE ON OLD AMOUNT (5)	INTEREST DUE ON NEW AMOUNT (7)	TOTAL DUE (7)+(9)+(10)+(11)
Jul-00	389	4.3500	1.000	1,692.15	282.03	0.00	282.03	889	28.20	76.96	6.21	393.40
Aug-00	368	3.7700	1.000	1,387.36	231.23	0.00	231.23	859	25.00	60.82	5.09	322.14
Oct-00	356	5.1500	1.000	1,833.40	305.57	0.00	305.57	798	30.56	74.24	6.73	417.10
Nov-00	282	4.5200	1.000	1,274.64	212.44	0.00	212.44	767	25.00	49.45	4.68	291.57
Mar-01	264	5.1200	1.000	1,351.68	225.28	0.00	225.28	647	25.00	43.55	4.96	298.79
Nov-01	123	2.7900	1.000	343.17	57.20	50.43	6.77	402	25.00	6.45	0.15	38.37
Dec-01	106	2.3500	1.000	249.10	41.52	35.16	6.36	371	25.00	4.26	0.14	35.76
Jan-02	133	2.5700	1.000	341.81	56.97	7.70	49.27	343	25.00	5.32	1.09	80.68
Feb-02	160	1.8300	1.000	292.80	48.80	9.80	39.00	312	25.00	4.06	0.86	68.92
Mar-02	132	2.1800	1.000	287.76	47.96	9.76	38.20	282	25.00	3.52	0.84	67.56
Apr-02	95	3.1800	1.000	302.10	50.35	20.31	30.04	251	25.00	3.18	0.66	58.88
May-02	89	3.1200	1.000	277.68	46.28	16.65	29.63	221	25.00	2.46	0.65	57.74
Jun-02	54	2.8600	1.000	154.44	25.74	19.19	6.55	190	25.00	1.11	0.15	32.81
Jul-02	236	3.1600	1.000	745.76	124.29	17.68	106.61	159	25.00	4.09	2.35	138.05
Aug-02	35	2.7600	1.000	96.60	16.10	16.10	0.00	129	25.00	0.37	0.00	25.37
Sep-02	122	3.0500	1.000	372.10	62.02	10.56	51.46	98	25.00	0.80	1.13	78.39
Oct-02	179	3.2700	1.000	228.73	38.12	11.70	26.42	68	25.00	0.11	0.58	52.11
Nov-02	149	3.8800	1.000	225.92	37.65	29.86	7.79	37	25.00	0.00	0.12	32.91
Dec-02	185	3.9100	1.000	282.67	47.11	30.03	17.08	6	25.00	0.00	0.08	42.16

SOUTH MARSH DEVELOPMENT INC
STATE LEASE M-067528
REEVES STATE 27
SOUTH MARSH FIELD
REEVES COUNTY TEXAS
RRC OIL WELL #08-33832
RRC GAS WELL #08-072794, 150160, 170408
STATE ROYALTY DECIMAL .166667

ATTACHMENT II - SECOND NOTICE

AUDITOR: TMT
FILE NAME: 067528.XLS
DATE: 04/04/03

PENALTY/ 02/21/03 (E)
INTEREST DATE: 04/29/03 (E)

GAS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
MONTH/ YEAR YEAR	VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	ROYALTY DUE (4)X(.166667)	ROYALTY PAID (D)	ADDITIONAL ROYALTY DUE (5)-(6)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE ON OLD AMOUNT (5)	INTEREST DUE ON NEW AMOUNT (7)	TOTAL DUE (7)+(9)+(10)+(11)
	3,457			\$11,739.87	\$1,956.66	\$284.93	\$1,671.73		\$483.76	\$340.75	\$36.47	\$2,532.71

- COMMENTS:
- (A) VOLUME - HIGHER OF DISPOSITIONS REPORTED BY SOUTH MARSH TO RRC FOR #08-33832, 072794, 150160 AND 170408, OR VOLUMES FOUND ON GLO-3 FORMS PREPARED BY SOUTH MARSH CPA.
CASINGHEAD GAS FROM WELL ID 08-33832 BELONGS ON THIS LEASE AND WAS NOT INCLUDED ON PREVIOUS BILLING.
 - (B) PRICE/BTU - HISTORICAL INSIDE FERC EL PASO PERMIAN POSTINGS.
 - (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.
 - (D) PAYMENTS MADE BY SOUTH MARSH AT GLO OFFICES ON 2/21/03 BY CKS # 4211, 4212, 4213, 4214 AND 4215
 - (E) COLUMN (10) SHOWS INTEREST ON COLUMN (5) BALANCES AT 2/21/03. COLUMN (11) SHOWS INCREMENTAL INTEREST ON COLUMN (7) BALANCE, FROM 02/21/03 THRU 04/25/03.

(45)

MF-067528

BILLING

4-4-03

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 19, 2004

*2 copies made. 1 forward file.
3/4/04 JR*

Chevron Texaco Global Trading
PO Box 421889
Houston, Texas 77242

Re: State Lease MF067525, **MF067528**
Reeves-State
5045890

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

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

16 DO's
CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004 Issued By: MLAMB Division Order Contract Document No: 499633 Page 1 of 8

We, the undersigned, and each of us, whether one or more, hereby declare, warrant and agree that we are the owners of all the oil and/or gas and associated production in the properties set out below:

Property Number: 2000270

Property Name: DUVAL STATE #1

Operator: R W BLAIR

Field: HEINER S (COMB) MF091475

Described as: NW/4 NW/4 SECTION 14, BLOCK 105, GC&SF SURVEY,
PECOS COUNTY, TEXAS, LIMITED TO PRODUCTION BELOW 1,200 FEET

DOI Number: 97005

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.10000000	RI Less Taxes

Property Number: 5006644

Property Name: MITCHELL #1

Operator: U S ENERGY CORPORATION

Field: G.P.M. (PENN) MF081214

Described as: SW/4 OF SECTION 4, BLOCK B-10, PSL SURVEY, WINKLER CO, TEXAS,
CONTAINING 160 ACRES, MORE OR LESS.

DOI Number: 1233

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.09375000	RI Less Taxes

Property Number: 5034773

Operator: GREAT WESTERN DRILLING CO *Rewer + Word*

Property Name: TWO FRED'S UNIT #1591

Field: MF049811

Described as: LOCATED IN LOVING COUNTY, TEXAS
EFFECTIVE 11/01/1996 LIMITED TO 25.4779% OF PRODUCTION FROM UNIT.
PLEASE NOTE ALL RI & ORI DECIMALS HAVE BEEN REDUCED BY 25.4779%.

DOI Number: 36596 LIMITED TO 25.4779% OF UNIT PRODUCTION EFFECTIVE 11/1/1996

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.00002242	RI Less Taxes

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

499633

499633

CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004 Issued By: MLAMB Division Order Contract Document No: 499633 Page 2 of 8

Property Number: 5044569
Operator: BEBCO PARTS INDUSTRIES INC

Property Name: BLAYDES MF074077 ✓
Field: PECOS VALLEY (HIGH GRAV)

Described as: ALL OF SECTION 50, BLOCK 10, H&GN RY. CO., ABSTRACT NO. 8963, CERTIFICATE
2/366, SAVE AND EXCEPT THE MOST SOUTHERLY ONE-FOURTH OF SAID SURVEY
50 AND EXCEPT THE MOST WESTERLY ONE-FOURTH OF THE MOST NORTHERLY ONE-
FOURTH OF SAID SURVEY 50 CONTAINING 440 ACRES OF LAND, FROM THE SURFACE
OF THE EARTH DOWN TO AND INCLUDING 2,500 FEET SUBSURFACE. PECOS COUNTY, TEXAS

DOI Number: 90110

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.09375000	RI Less Taxes

Property Number: 5045890
Operator: SOUTH MARSH DEVELOPMENT INC

Property Name: REEVES-STATE (22) MF067525
Field: MARSH, S. (DELAWARE) (27) MF067528 ✓

Described as: SECTIONS 22 & 27, BLK 45, PSL SURVEY, REEVES COUNTY, TEXAS

DOI Number: 12408

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.16666670	RI Less Taxes

Property Number: 5057792
Operator: R W BLAIR

Property Name: DUVAL (A) STATE L-A- ✓
Field: HEINER, S. (COMBINED)

Described as: NE/4 NW/4 SECTION 14, BLOCK 105, GC & SF SURVEY,
STATE OF TEXAS LEASE NO. M-77651, PECOS COUNTY, TEXAS

DOI Number: 16761

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.09375000	RI Less Taxes

STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OF
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

499633

499633

CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004 Issued By: MLAMB Division Order Contract Document No: 499633 Page 3 of 8

Property Number: 5058138
Operator: JOE V MASSEY

Property Name: GRANT, J. W. -ESTATE-
Field: PECOS VALLEY (HIGH GRAV

Described as: SW/4 SECTION 18, BLOCK 10, H & GN RY. CO. SURVEY.
WARD COUNTY, TEXAS *PECOS*

MF036340

DOI Number: 16867

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.06250000	RI Less Taxes

Property Number: 5064009
Operator: SOUTH MARSH DEVELOPMENT INC

Property Name: HILL & HILL 34 *MF068440*
Field: MARSH,S.(DELAWARE)

Described as: SECTION 34, BLOCK 45, PSL SURVEY, REEVES COUNTY, TEXAS, SAVE AND EXCEPT
THE NW/4 OF SECTION 34 (THE NW/4 OF SECTION 34 IS DESIGNATED AS THE
CHEVRON STATE LEASE, EOTT D/O #45891).

DOI Number: 19546

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.09375000	RI Less Taxes

Property Number: 5075418
Operator: MARSHALL & WINSTON INC

Property Name: REVEILLE #1 *MF097734*
Field: FRANCES HILL (PENN LOWER)

Described as: S/2 SEC 45, ABS 739 (338.85 ACRES) AND S/2 OF SEC 64 ABS 2462
(347.35 ACRES) CCSD&RGNG RY CO SURVEY - *EDWARDS*

OWNERSHIP, PER TITLE OPINION DATED 2-3-97 FROM LYNCH CHAPPELL & ALSUP

DOI Number: 46959

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.25000000	RI Less Taxes

STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OF
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

499633

499633

CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004 Issued By: MLAMB Division Order Contract Document No: 499633 Page 4 of 8

Property Number: 5080132

Operator: MARSHALL & WINSTON INC

Property Name: SPIRIT #1 MF099310

Field: FRANCES HILL (PENN, LOWER)

Described as: TEXAS A&M UNIVERSITY LEASE COVERING THE N/2 OF SECTION 45, ABSTRACT NO. 739 AND THE N/2 OF SECTION 64, ABSTRACT NO. 2462, CCSD&RGNG RY. CO. SURVEY, CONTAINING 686.2 ACRES, MORE OR LESS
EDWARDS COUNTY, TEXAS

DOI Number: 45041

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.25000000	RI Less Taxes

Property Number: 5081655

Operator: MARSHALL & WINSTON INC

Property Name: SPIRIT "A"

Field: FRANCES HILL (PENN, LOWER)

Described as: TEXAS A & M UNIVERSITY LEASE COVERING THE NW/4 OF SECTION 64, ABSTRACT NO 2462, CCSD & RGNG RY. CO. SURVEY, EDWARDS COUNTY, TX

DOI Number: 69676

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.25000000	RI Less Taxes

Property Number: 5083756

Operator: MARSHALL & WINSTON INC

Property Name: HOLMAN FAGAN 46-2 MF099299

Field: FRANCES HILL PENN LOWER

Described as: SW/4 OF SECTION 46, ABSTRACT NO. 2103, M H TAYLOR, SAVE AND EXCEPT THE INTERVAL FROM THE SURFACE TO 1000 FEET, EDWARDS COUNTY, TEXAS

DOI Number: 72321

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.00805120	RI Less Taxes

Property Number: 5083757

Operator: MARSHALL & WINSTON INC

Property Name: HULLABALOO #1 MF066351

Field: FRANCES HILL PENN LOWER

Described as: (Please see attached.)

STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OF
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

499633

499633

CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004

Issued By: MLAMB

Division Order Contract

Document No: 499633

Page 7 of 8

Property Number: 5083757

Property Name: HULLABALOO #1

Operator: MARSHALL & WINSTON INC

Field: FRANCES HILL PENN LOWER

Described as: TEXAS A&M UNIVERSITY LEASE COVERING THE SW/4 OF SECTION 63, CERTIFICATE NO. 552, ABSTRACT NO. 740, CCSD&RGNG RY CO SURVEY, BUT ONLY AS TO ALL DEPTHS BELOW THE STRATIGRAPHIC EQUIVALENT OF THE BASE OF THE SECOND HOLMAN SAND BEING IDENTIFIED AS 6,667 FEET IN THE MARSHALL & WINSTON INC - SPIRIT #1 WELL IN THE NE/4 OF SECTION 45, CCSD&RGNG RY CO SURVEY AND 6,694 FEET IN THE JOHNSON & LINDLEY INC - TEXAS A&M "63" #5 WELL IN THE SW/4 OF SECTION 63, CCSD&RGNG RY CO SURVEY, EDWARDS COUNTY, TEXAS

cont.

*63
45*

CHEVRON TEXACO GLOBAL TRADING
P O BOX 421889
HOUSTON, TX 77242-1889
(713)993-5750

Date: 02/10/2004 Issued By: MLAMB Division Order Contract Document No: 499633 Page 5 of 8

DOI Number: 72320

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.16666670	RI Less Taxes

Property Number: 5091573

Operator: WHITEMOUND OIL CO

Property Name: SOUTHLAND ROYALTY MF 049174
Field: PECOS VALLEY (PERMIAN LO) ✓

Described as: LEGAL 53 BLK 10
PECOS COUNTY, TEXAS

DOI Number: 70304

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.06250000	RI Less Taxes

Property Number: 5091927

Operator: SCHLAGAL, INC.

Property Name: MOSS STATE "28" #1 MF 080086
Field: TROPORO (DEVONIAN) ✓

Described as: SECTION 28, BLOCK 1 H&TC RY CO SURVEY
CRANE COUNTY, TEXAS

DOI Number: 46378

Effective 7:00 a.m. 01/01/2004 the interest(s) shall be credited and paid as follows:

Owner No	Site No	Owner Name and Revenue Address	Decimal Interest	Interest Type
307284	1	STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OFFICE STEPHEN F AUSTIN BLDG 1700 NORTH CONGRESS AVE AUSTIN, TX 78701	0.12500000	RI Less Taxes

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by Chevron Texaco Global Trading (Payor).

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

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

Payor may accrue proceeds until the total amount equals applicable state statute amounts.

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 and gas.

In addition to the terms and conditions of this Division order, the undersigned and Payor may have certain statutory rights under the laws of the

STATE OF TEXAS COMMISSIONER OF THE GENERAL LAND OF
STEPHEN F AUSTIN BLDG
1700 NORTH CONGRESS AVE
AUSTIN, TX 78701

499633

499633

File No. NF 067528 42.

Division Order

Date Filed: 2/19/04

Jerry E. Patterson, Commissioner

By [Signature]

MEMO TO FILE MF 067525 & MF 067528

Date: January 28, 2011

From: Harriet Dunne 

Re: What lands & depths do leases cover?

This lease originally covered the following:

MF 067525 – All of Sec 22, Blk 45, PSL Survey, Reeves Co TX

By partial release effective March 1, 2006, the S/2 of Sec 22 was released. In addition, all depths below the base of Bell Canyon Formation or below a subsurface depth of 4000 ft, whichever is deeper, were released under the N/2 of Sec 22.

This lease originally covered the following:

MF 067528 – All of Sec 27, Blk 45, PSL Survey, Reeves Co TX

By partial release effective March 1, 2006, the N/2 of Sec 27 was released. In addition, all depths below the base of Bell Canyon Formation or below a subsurface depth of 4000 ft, whichever is deeper, were released under the S/2 of Sec 27.

These two sections were nominated for the lease bid sale for April 2011. This research was conducted to determine what is available for nomination.

File No. MF 067528 43.

Memo to file - status
of lease

Date Filed: 1-28-11

Jerry E. Patterson, Commissioner

By HD

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 10, 2006

VIA CRRR #7000 0520 0024 5632 9368

*See MF 067525 for
Return Receipt
Received 2-15-06*

South Marsh Development, Inc.
10522 Carrollton Court
Missouri City, TX 77459

RE: Termination of State Lease MF067525 & MF067528
Lease Name: (Unit # 301) (08-148705, 150377)
Reeves County

*Re-traited
CYB*

Gentlemen:

A review of our records has determined that the above-referenced leases and unit terminated due to failure to produce in paying quantities. The lease provide that if it is extended beyond its primary term the lease shall remain in effect as long thereafter as oil and/or gas are produced in paying quantities.

As a result, the lease has terminated under the terms and conditions of the lease and the laws of the State as further defined in Title 31 of the Texas Administrative Code ("TAC"). Pursuant to the TAC, a recorded original or certified copy of a Release of the State Oil and Gas Lease must be filed with our office.

If the wells are plugged, copies of Railroad Commission Form W-3 must be filed with our office. Our Audit Division will notify you shortly if delinquent royalties are due.

In accordance with the provisions of the TAC, if you disagree with this assessment please provide evidence to this office at the address shown below within 30 days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of the lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to termination.

Sincerely,

Carl F. Bonn, CPL
Mineral Leasing
Office: (512) 463-5407

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

File No. MF 067528
Termination ltr

Date Filed: 1-28-11
Jerry E. Patterson, Commissioner

By [Signature]

44.

MEMO TO FILE MF 067525 & MF 067528 - updated

MF112443
MF112444

Date: December 6, 2011

From: Harriet Dunne

Re: What lands & depths do these leases cover?

MF067525 originally covered the following:

All of Sec 22, Blk 45, PSL Survey, Reeves Co TX

- 1) Lease dated Oct 3, 1972, to Chevron Oil Company, Lessee
- 2) Assignment dated 7/29/88 from Chevron to Charlie D Davis dba Hoolihan Production Company assigning all assignor's rights from surface to base of Bell Canyon Formation.
- 3) Assignment dated 1/6/92 from Charlie D Davis dba Hoolihan Production Company to Ensouth Exploration and Production Co assigning all his interest.
- 4) Trustee's Deed dated 2/4/92 foreclosing the interest of Charlie D Davis dba Hoolihan Production Company and conveying all his interest to Ensouth Acquisition Corporation.

[note on this deed states Chevron retains the rights below the base of Bell Canyon Formation.]

- 5) Assignment dated 12/1/93 from Ensouth Acquisition Corporation, Ensouth Operating, Inc and Ensouth Exploration and Production Co. assigning an 85% interest to Lobo Oil & Gas Partners, LP.
- 6) Assignment effective 8/1/95 from Lobo Oil & Gas Partners, LP and Lobo Resources, Inc assigning all assignors' rights to Vista Resources Partners, LP **insofar as said lease covers Sec 22, Blk 45 PSL Survey, from surface to base of Bell Canyon Formation with respect to the N/2 of Sec 22.**
- 7) Correspondence in the file with South Marsh Development Inc concerning the payment of royalty revenue. No assignment in the file.
- 8) Division Order dated 2/10/04 from Chevron Texaco Global Trading stating South Marsh Development Inc is the operator of the Reeves-State property covering Sec 22 and 27, the State having a 0.16666670 royalty interest.
- 9) Partial release effective March 1, 2006, executed by South Marsh Development, Inc states that South Marsh is the owner of MF067525, Sec 22, Blk 45, PSL insofar as lease covers the S/2 of Sec 22. South Marsh releases all depths below

the base Bell Canyon Formation or below a subsurface depth of 4000 feet, whichever is deeper.

[note: files contains nothing that would have conveyed the depths below the base of the Bell Canyon Formation out of Chevron.]

MF067528 originally covered the following:

All of Sec 27, Blk 45, PSL Survey, Reeves Co TX

- 1a) Lease dated Oct 3, 1972, to Chevron Oil Company, Lessee
- 2a) Assignment dated 7/29/88 from Chevron to Charlie D Davis dba Hoolihan Production Company assigning all assignor's rights from surface to base of Bell Canyon Formation.
- 3a) Assignment dated 1/6/92 from Charlie D Davis dba Hoolihan Production Company to Ensouth Exploration and Production Co assigning all his interest.
- 4a) Trustee's Deed dated 2/4/92 foreclosing the interest of Charlie D Davis dba Hoolihan Production Company and conveying all his interest to Ensouth Acquisition Corporation. [note on this deed states Chevron retains the rights below the base of Bell Canyon Formation.]
- 5a) Assignment dated 12/1/93 from Ensouth Acquisition Corporation, Ensouth Operating, Inc and Ensouth Exploration and Producton Co. assigning an 85% interest to Lobo Oil & Gas Partners, LP.
- 6a) Assignment effective 8/1/95 from Lobo Oil & Gas Partners, LP and Lobo Resources, Inc assigning all assignors' rights to Vista Resources Partners, LP **insofar as said lease covers Sec 27, Blk 45 PSL Survey, from surface to base of Bell Canyon Formation with respect to the W/2 of Sec 27.**
- 7a) Correspondence in the file with South Marsh Development Inc concerning the payment of royalty revenue. No assignment in the file.
- 8a) Division Order dated 2/10/04 from Chevron Texaco Global Trading stating South Marsh Development Inc is the operator of the Reeves-State property covering Sec 22 and 27, the State having a 0.16666670 royalty interest.
- 9a) Partial release effective March 1, 2006, executed by South Marsh Development, Inc states that South Marsh is the owner of MF067528, Sec 27, Blk 45, PSL insofar as lease covers the N/2 of Sec 27. South Marsh releases all depths below the base Bell Canyon Formation or below a subsurface depth of 4000 feet, whichever is deeper.

[note: files contains nothing that would have conveyed the depths below the base of the Bell Canyon Formation out of Chevron. Also there is nothing in the file that would conveyed the NE/4 of Sec 27 to South Marsh. See 6a above]

These two sections were nominated for the lease bid sale for April 2011.

MF112443 dated 4/5/11 covers N/2 Sec 27 below the base of the Bell Canyon Formation.

MF112444 dated 4/5/11 covers S/2 Sec 27 with no depth restriction.

File No. ME 067528 45.

Memo - Landor Dept.
Covered

Date Filed: 12-6-11

Jerry E. Patterson, Commissioner

By JD

Harriet Dunne - MF067528 - Sec 27, Blk 45, PSL, Reeves Co TX

From: Harriet Dunne
To: <john@remudaoperating.com>
Date: 12/7/2011 9:50 AM
Subject: MF067528 - Sec 27, Blk 45, PSL, Reeves Co TX
CC: Alex Saenz; Daryl Morgan

Mr. Aylesworth,
Alex Saenz with the GLO gave me your name and e-mail address.

I have researched the GLO files on this lease and prepared a chain of title for the documents that are in our file. We need some information in order to resolve the question of the State's royalty interest under your wells.

The last assignment in our file was into Vista Resources Partners. We need a copy of the assignment out of Vista Resources as well as an assignment into South Marsh Development Inc. That may be the same document.

We also need an assignment out of South Marsh as well as an assignment into Remuda Operating. That may be the same document as well.

In paragraph 12 of the 1972 lease to Chevron, there is a requirement that a certified copy of any transfers must be filed with the General Land Office within 90 days of the execution date. In order to establish the title of Remuda, we need copies of any transfers from Vista Resources forward. Those can be copies of assignments, but we need the certified copy into Remuda.

We will try to get this matter resolved as soon as we receive these transfer documents.

Thank you,

Harriet Dunne, CPL
Manager, Mineral Leasing, Energy Resources
Texas General Land Office
512-475-1579
harriet.dunne@glo.state.tx.us

File No. MF 067528

46.

Email requesting
Assignment

Date Filed: 12-7-11

Jerry E. Patterson, Commissioner

By JD

From: Carl Bonn
To: Dunne, Harriet
CC: Arellano, Jesse; Hatter, Robert; Martin, George
Date: 12/15/2011 2:37 PM
Subject: MF067525, MF067528 Reeves County

Harriet,

As you and Robert requested, I reviewed the referenced leases and other leases covering lands under production by Remuda in Section 22 & 27 and find no production gaps greater than 60 days in the last 3 years.

However, Remuda's well in S/2 of Section 27 had a production gap in May, June and July 2007. Interestingly, Remuda is currently producing (API 389-30238 - Reeves State -27- #4) which is a shallow well located on a lease owned by Cimarex Energy, Co. (MF112444 S/2 of Section 27, all depths).

Apparently Cimarex is not aware of the presence of Remuda on this tract. Please let me know when Rick Gamen has completed his title check on Remuda's ownership in Section 22 and 27, Reeves County.

Thanks,
Carl

File No. MF 067528

Email re: gaps in
production

Date Filed: 12-15-11

Jerry E. Patterson, Commissioner

By JEP

47.

Richard J. Ganem

101 Colorado, Suite 2507

Austin, Texas 78701

Phone: 432.638.9100

January 12, 2012

Ms. Harriet Dunne, CPL
Manager, Mineral leasing, Energy Resources
Texas General Land Office
1700 Congress Avenue
Austin, Texas 78701

Re: GLO Lease MF067528
Section 27, Blk 45, PSL
Reeves County, Texas

Dear Ms. Dunne:

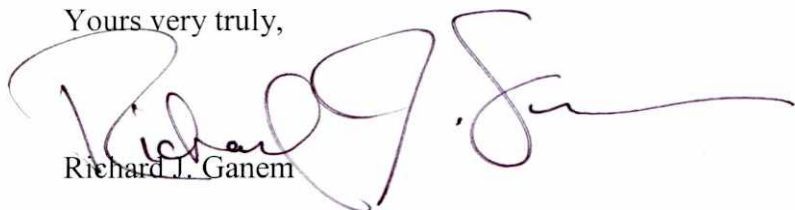
Reference is herein made to our continuing conversations relative to the referenced lease, among others in the immediate vicinity, more specifically to our meeting on or about December 7, 2011, and to you E-mail to Mr. John Aylesworth also on December 7, 2011. In this regard I am pleased to enclose the following for your review:

1. RunSheet covering Section 27, Blk 45, PSL, Reeves County, Texas, covering the period from April 1, 1991 through August 10, 2011.
2. Assignment and Conveyance dated effective December 1, 1996, from Grayson Oil and Gas, as Assignor to, South Marsh Development, Inc., as Assignee, recorded Book 572, page 482.
3. Assignment and Conveyance, dated effective December 1, 1996, from David Myers, as Assignor to, South Marsh Development, Inc., as Assignee, recorded Book 572, page 468.
4. Assignment and Conveyance, dated effective December 1, 1996, from Vista Resources Partners, LP, as Assignor to, South Marsh Development, Inc., as Assignee, recorded Book 572, page 475
5. Assignment and Bill of Sale, dated effective November 1, 1999, from ARCH Petroleum, Inc., as Assignor and South Marsh Development, Inc., as Assignee, recorded in Book 614, page 619.
6. Assignment and Bill of Sale, dated effective January 1, 2000, from Telluride, Inc., as Assignor and South Marsh Development, Inc., as Assignee, recorded in Book 614, page 616...
7. Assignment of Oil and Gas Leases, dated effective May 1, 2009, from South Marsh Development, Inc., Assignor to Kenneth Venable, as Assignee, filed for record in Reeves County, Texas under Clerk's File Number 08890.
8. Assignment of Oil and Gas Leases, dated effective May 1, 2009, from South Marsh Development, Inc., Assignor to Tom Aylesworth, as Assignee, filed for record in Reeves County, Texas under Clerk's File Number 08889.
9. Assignment of Oil and Gas Leases, dated effective May 1, 2009, from South Marsh Development, Inc., Assignor to John Aylesworth, as Assignee, filed for record in Reeves County, Texas under Clerk's File Number 08888.

10. Check from Robert E. Barba (owner of South Marsh Development, Inc.) in the amount of One Hundred Fifty and no/100 dollars (\$150.00) to the GLO as filing fees for Assignments listed as Number 7, 8 and 9 above. This sum represents a filing fee to the GLO for late filing of the Assignments.

Additionally, we want to advise you that Remuda Operating Company, as contract operator for the owners under the referenced lease, has brokers in the field continuing their due diligence on Sections 14, 22, 34 and 35, Block 45, PSL, Reeves County, Texas. The compiled due diligence will be provided to the General Land Office as soon as it becomes available to us. In the interim, should you require additional information relative to this matter please do not hesitate to contact the undersigned at the above stated phone number.

Yours very truly,


Richard L. Ganem

CC: Robert Barba
John Aylesworth
South Marsh Development, Inc.(File)

Elliott and Waldron Abstract Company of Pecos

GLO

	Grantor	Grantee	Part	Indexed under	Type Inst.	File #	Recording information	Filed
1	Production Operators, Inc.	Hoolihan Production Company		Sec. 27, Block 45, PSL	ML	554	23/306 ML R	04/01/1991
2	First Natl Bank of Sterling City	Ensouth Exploration & Production Co. (		Sec. 27, Block 45, PSL	Transfer	2426	514/252 D R	12/30/1991
3	Charlie D. Davis Indivd. and D/b/a Hool	Reagan State Bank (Big Lake)		Sec. 27, Block 45, PSL	DT	2427	152/188 DT R	12/30/1991
4	Fdic Receiver of Reagan State Bank By	Ensouth Exploration & Production Co. (		Sec. 27, Block 45, PSL	Tr/Lien	2428	514/254 D R	12/30/1991
5	Fdic, Receiver of Reagan State Bank, E	Ensouth Exploration & Production Co. (		Sec. 27, Block 45, PSL	Tr/Lien	2429	514/267 D R	12/30/1991
6	Fdic Receiver of Reagan State Bank, B	Ensouth Exploration & Production Co. (		Sec. 27, Block 45, PSL	Tr/Lien	2430	514/279 D R	12/30/1991
7	Charlie D. Davis, Indiv. and D/b/a Hoolil	Ensouth Exploration and Production Co		Sec. 27, Block 45, PSL	Assignmen	56	514/545 D R	01/09/1992
8	Ensouth Exploration and Production Co	Allen G. Harvey		Sec. 27, Block 45, PSL	Apt/Sub/Tr	76	514/598 D R	01/13/1992
9	Ensouth Exploration and Production Co	Allen G. Harvey (Sub. Tr.); Removing H		Sec. 27, Block 45, PSL	Apt/Sub/Tr.	77	514/599 D R	01/13/1992
10	Allen G. Harvey, Sub. Trustee For Char	Ensouth Acquisition Corporation		Sec. 27, Block 45, PSL	Sub/Tr's De	251	515/202 D R	02/04/1992
11	Allen G. Harvey, Sub. Trustee	Ensouth Acquisition Corporation		Sec. 27, Block 45, PSL	Sub/Tr's De	252	515/215 D R	02/04/1992
12	Ensouth Acquisition Corporation, Succ'r	Fdic, Succ'r to Reagan State Bank		Sec. 27, Block 45, PSL	Tr/DT	867	517/113 D R	04/27/1992
13	Ensouth Exploration & Production Com	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	77	523/487 OPR R	01/11/1993
14	Ensouth Exploration & Production Com	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	77	523/487 OPR R	01/11/1993
15	Ensouth Exploration & Production Com	Midland American Bank (401 W. Texas,		Sec. 27, Block 45, PSL	Amend/DT	987	527/56 OPR R	05/06/1993
16	Ensouth Exploration & Production Com	Midland American Bank (401 W. Texas,		Sec. 27, Block 45, PSL	Amend/DT	987	527/56 OPR R	05/06/1993
17	Ensouth Exploration & Production Com	Cielo Oil Corporation (Box 5872, Midlar		Sec. 27, Block 45, PSL	A/OGLS	1057	527/455 OPR R	05/17/1993
18	Ensouth Exploration & Production Co.;	Midland American Bank (401 W. Texas,		Sec. 27, Block 45, PSL	Amend/DT	1079	527/564 OPR R	05/19/1993
19	Ensouth Exploration & Production Co.;	Midland American Bank (401 W. Texas,		Sec. 27, Block 45, PSL	Amend/DT	1079	527/564 OPR R	05/19/1993
20	Ensouth Exploration & Production Co.;	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	1080	527/572 OPR R	05/19/1993
21	Ensouth Exploration & Production Co.;	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	1080	527/572 OPR R	05/19/1993
22	State National Bank, Big Spring, Texas	Ensouth Exploration & Production Co. (		Sec. 27, Block 45, PSL	P/Rel/Lien	1081	54/233 REL R	05/19/1993
23	Ensouth Exploration & Production Com	Candelero Oil & Gas Company (1604 N		Sec. 27, Block 45, PSL	A/OGLS	1105	527/696 OPR R	05/25/1993
24	Acid Engineering, Inc. (Box 753, Kilgore	Ensouth Operating, Inc.	All acreage situated within said leases	Sec. 27, Block 45, PSL	Afdt/MML	1450	24/27 ML R	07/21/1993
25	Schlumberger Well Services	Ensouth Operating, Inc.		Sec. 27, Block 45, PSL	Afdt/ML	1675	24/46 ML R	08/23/1993
26	Production Operators, Inc.	Ensouth Exploration & Production Com		Sec. 27, Block 45, PSL	ML Afdt	1775	24/79 ML R	09/08/1993
27	State of Texas	Mrs. Buck Miller (This Is Edith)		Sec. 27, Block 45, PSL	Amend/Gz.	2530	533/735 OPR R	12/20/1993
28	Midland American Bank	Lobo Oil & Gas Partners, L.P.		Sec. 27, Block 45, PSL	P/Rel/DT	49	54/509 REL R	01/06/1994

Elliott and Waldron Abstract Company of Pecos

	Grantor	Grantee	Part	Indexed under	Type Inst.	File #	Recording information	Filed
29	Midland American Bank	Lobo Oil & Gas Partners, L.P.		Sec. 27, Block 45, PSL	P/Term/FS	50	534/288 OPR R	01/06/1994
30	Musselman, Owen & King Operating, Ir	Ensouth Operating Inc. (Which Also Sig	W/2	Sec. 27, Block 45, PSL	Assignmen	51	534/295 OPR R	01/06/1994
31	Ensouth Operating, Inc.; Ensouth Explo	Ensouth Acquisition Corporatikn (1801 '		Sec. 27, Block 45, PSL	Assignmen	52	534/303 OPR R	01/06/1994
32	Ensouth Acquisition Corporation; Ensou	Lobo Oil & Gas Partners, L.P. (Which S		Sec. 27, Block 45, PSL	P/A/OGLs	53	534/309 OPR R	01/06/1994
33	Lobo Oil & Gas Partners, L.P. (Which S	Arch Petroleum Inc. (Fort Worth Club Tr		Sec. 27, Block 45, PSL	P/A/OGLs	55	534/322 OPR R	01/06/1994
34	Lobo Oil & Gas Partners, L.P. (Which S	Grayson Oil & Gas (Drawer 258, Artesia		Sec. 27, Block 45, PSL	P/A/OGLs	56	534/330 OPR R	01/06/1994
35	Lobo Oil & Gas Partners, L.P. (Which S	David Meyers (2205 Wellington Court, I		Sec. 27, Block 45, PSL	P/A/OGLs	57	534/338 OPR R	01/06/1994
36	Lobo Oil & Gas Partners, L.P. (Which S	Wayne Merritt, Tr. For Texas Natl Bank		Sec. 27, Block 45, PSL	DT	58	534/346 OPR R	01/06/1994
37	Lobo Resources, Inc. (Operator)	Lobo Oil & Gas Partners, L.P. By Lobo I		Sec. 27, Block 45, PSL	Memo/Opti	59	534/357 OPR R	01/06/1994
38	Cielo Oil Corporation	Ensouth Acquisition Corporation (1801		Sec. 27, Block 45, PSL	Assignmen	349	535/307 OPR R	02/15/1994
39	Candelero Oil & Gas Company	Ensouth Acquisition Corporation (1801		Sec. 27, Block 45, PSL	Assignmen	350	535/313 OPR R	02/15/1994
40	Schlumberger Well Services (1013 And	Ensouth Operating, Inc.		Sec. 27, Block 45, PSL	Rel. Lien	1062	537/765 OPR R	05/27/1994
41	Tommy White Supply Co., Inc.	Lobo Oil & Gas Partners, L.P.		Sec. 27, Block 45, PSL	ML Afdt	1538	24/669 ML R	07/28/1994
42	Ensouth Acquisition Corporation	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	1920	541/245 OPR R	09/19/1994
43	Ensouth Acquisition Corporation	John E. Grist, Trustee For Midland Ame		Sec. 27, Block 45, PSL	DT	1920	541/245 OPR R	09/19/1994
44	Ensouth Operating, Inc.; Ensouth Explo	Ensouth Acquisition Corporation (#6 Pir		Sec. 27, Block 45, PSL	Blanket Coi	1921	541/263 OPR R	09/19/1994
45	Ensouth Operating, Inc.; Ensouth Explo	Ensouth Acquisition Corporation (#6 Pir		Sec. 27, Block 45, PSL	Blanket Coi	1921	541/263 OPR R	09/19/1994
46	Ensouth Acquisition Corporation	Telluride Co. South Marsh Venture (316	Unit for Lobo Resources Reeves State 27 No.	Sec. 27, Block 45, PSL	P/A/OGLs	1940	541/323 OPR R	09/20/1994
47	Ensouth Acquisition Corporation	Radiologists of Russellville, P.A. (Retire	Unit for Lobo Resources Reeves State 27 No.	Sec. 27, Block 45, PSL	P/A/OGLs	1941	541/329 OPR R	09/20/1994
48	Telluride Company	Ensouth Acquisition Corporation		Sec. 27, Block 45, PSL	ML Afdt	2383	24/719 ML R	11/01/1994
49	Telluride Co. South Marsh Venture	Lou Durbin (.03 Nwi); Michael W. Barba		Sec. 27, Block 45, PSL	P/A/OGLs	2421	543/334 OPR R	11/04/1994
50	Oasis Pipe Line Company	Western Gas Resources-Texas, Inc.		Sec. 27, Block 45, PSL	Assignmen	2730	544/696 OPR R	12/12/1994
51	Houston Pipe Line Company and Intrate	Oasis Pipe Line Company (1000 Louisi		Sec. 27, Block 45, PSL	Asgn	668	548/797 OPR R	04/05/1995
52	Lobo Oil & Gas Partners, L.P. (Which S	Norwest Bank Texas, Midland (Box 209		Sec. 27, Block 45, PSL	Ren/DT	669	548/803 OPR R	04/05/1995
53	Acid Engineering, Inc.	Ensouth Operating, Inc.		Sec. 27, Block 45, PSL	Waiver	1449	552/900 OPR R	08/04/1995
54	Norwest Bnak Texas, Midland	Lobo Oil and Gas Partners		Sec. 27, Block 45, PSL	Rel/Lien	1897	554/650 OPR R	10/09/1995
55	Lobo Oil & Gas Partners, L.P. and Lobo	Vista Resources Partners, L.P. 200 Nor	surface to base of Bell Canyon with respect to	Sec. 27, Block 45, PSL	Assignmen	1898	554/651 OPR R	10/09/1995
56	Ensouth Acquisition Corporation	Midland American Bank (John E. Grist)	REEVES- STATE 27-2, 27-4, AND 27-5 WELL	Sec. 27, Block 45, PSL	Apt/Sub/Tr	265	558/673 OPR R	02/05/1996

Elliott and Waldron Abstract Company of Pecos

	Grantor	Grantee	Part	Indexed under	Type Inst.	File #	Recording information	Filed
57	Ensouth Acquisition Corporation	Midland American Bank (John E. Grist)	REEVES STATE 1-23 DISPOSAL WELL	Sec. 27, Block 45, PSL	Apt/Sub/Tr	265	558/673 OPR R	02/05/1996
58	Michael T. Morgan, Substitute Trustee	Midland American Bank	limited from surface to base of the Bell Canyon	Sec. 27, Block 45, PSL	Tr/Deed	506	559/834 OPR R	03/05/1996
59	Midland American Bank	Telluride Co (316 Meadowcrest Dr, Rich		Sec. 27, Block 45, PSL	Assignmen	1093	562/336 OPR R	05/21/1996
60	State of Texas	Western Gas Resources, Inc. (12200 N		Sec. 27, Block 45, PSL	Esmt	2930	569/799 OPR R	12/16/1996
61	Oasis Pipe Line Company (1000 Louisi	Western Gas Resources-Texas, Inc. (12	30' wide R-O-W for one 4" O.D. pipeline for pu	Sec. 27, Block 45, PSL	Asgn	495	572/392 OPR R	03/04/1997
62	David Myers (27 Gallant Oak Place, Th	South Marsh Development, Inc. (316 M	W/2 OF	Sec. 27, Block 45, PSL	Asgn	520	572/468 OPR R	03/06/1997
63	vista Resources Partners, L.P., A. Texa	South Marsh Development, Inc. (316 M	W/2 OF	Sec. 27, Block 45, PSL	Asgn	521	572/475 OPR R	03/06/1997
64	grayson Oil & Gas, A. New Mexico Ger	South Marsh Development, Inc. (316 M	W/2 OF	Sec. 27, Block 45, PSL	Asgn	522	572/482 OPR R	03/06/1997
65	Pecos-Barstow-Toyah Isd, Reeves Cou	South Marsh Development Inc. (Pob 10		Sec. 27, Block 45, PSL	Tax Suit	16237	DC R	02/04/1999
66	Western Gas Resources-Texas, Inc. (12	Mi Vida/richardson Gas Treating L.P. (2		Sec. 27, Block 45, PSL	A/ROWS	1604	607/22 OPR R	07/20/1999
67	Telluride Inc.(8905 Tweed Berwick Drive	South Marsh Development, Inc. (11782	Surface down to the base of the Bell Canyon fi	Sec. 27, Block 45, PSL	Assignmen	284	614/616 OPR R	02/10/2000
68	Arch Petroleum Inc. (Po Box 2504, Hou	South Marsh Development, Inc. (11782	Surface down to the base of the Bell Canyon fi	Sec. 27, Block 45, PSL	Assignmen	285	614/619 OPR R	02/10/2000
69	The State of Texas	The Public	640.00 acres	Sec. 27, Block 45, PSL	Statement	522	616/10 OPR R	03/21/2000
70	Mi Vida/richardson Gas Treating L.P. (2	Michael V. Addy, Trustee F/b/o The Cha		Sec. 27, Block 45, PSL	DT	33	629/280 OPR R	01/05/2001
71	South Marsh Development, Inc., A. Tex	Baron Energy Ltd., A. Texas Limited Pa	40 acres surrounding the State No. 27-3 Well c	Sec. 27, Block 45, PSL	Part/Asgn	829	649/296 OPR R	04/16/2002
72	Camwest Limited Partnership, An Arkar	Camwest li, L.P., A. Texas Limited Partr		Sec. 27, Block 45, PSL	Assignmen	877	649/509 OPR R	04/22/2002
73	Sid Richardson Pipeline, Ltd. (Fka Mi V	Michael V. Addy, Trustee Fbo Jpmorgar		Sec. 27, Block 45, PSL	DT on Mine	1756	667/374 OPR R	07/30/2003
74	Sid Richardson Pipeline, Ltd. (Fka Mi V	Michael V. Addy, Trustee Fbo Jpmorgar		Sec. 27, Block 45, PSL	DT	2521	685/692 OPR R	10/18/2004
75	State of Texas, Acting By and Through I	Tony Masarweh (1121 Abbott Ave., Can	All, containing 640 acres	Sec. 27, Block 45, PSL	Award	1663	699/470 OPR R	05/05/2005
76	Tony Masarweh, A. Single Man	Dave Pardun (Pmb 443, 515 E. Carefre	All, 640 acres, more or less	Sec. 27, Block 45, PSL	Deed	1695	699/612 OPR R	05/09/2005
77	David Pardun	Ahmad Zawati (5252 Balboa Arms Dr. #	E/2, containing 320 acres, more or less	Sec. 27, Block 45, PSL	WD	1947	701/34 OPR R	05/25/2005
78	David Pardun	Grey Dawn Investments Llc (1645 W. V	W/2, containing 320 acres, more or less	Sec. 27, Block 45, PSL	WD	2029	701/526 OPR R	05/31/2005
79	Grey Dawn Investments, Llc, An Arizon	Amy Meredith (110 Green Meadows, At	NW/4 NE/4 NW?4	Sec. 27, Block 45, PSL	Deed	2636	704/783 OPR R	06/30/2005
80	Grey Dawn Investments, L.L.C., An Ariz	Hung Van Vo (15232 Ilex Dr., Chino Hill	E/2 NW/4 SW/4, containing 20 acres, more or	Sec. 27, Block 45, PSL	Deed	2682	705/128 OPR R	07/05/2005
81	Grey Dawn Investments, Llc, An Arizon	Carl Bailey and Penelope Bailey Husba	SE/4 NE/4 NW/4, 10 acres, +/- There is to be	Sec. 27, Block 45, PSL	Deed	3214	707/250 OPR R	08/01/2005
82	Jacob E. Goodman and Carolyn G. Goc	Raul Rodriquez and Alejandra Rodrique	NW4 NE4 NW4-435, 600 sq. ft., 10 acres, M/	Sec. 27, Block 45, PSL	WD	3384	708/171 OPR R	08/09/2005
83	Ahmad Zawati	Jason A. Martin (8609 Danza Del Sol, L	NE/4 of the NW/4 of the NW/4, 10 acres	Sec. 27, Block 45, PSL	WD	3488	708/731 OPR R	08/15/2005
84	Grey Dawn Investments, Llc, An Arizon	Gregg Robert Stapp and Elizabeth Ann	SE/4 SE/4 NW/4 - 10 acres, more or less	Sec. 27, Block 45, PSL	Deed	3494	708/750 OPR R	08/15/2005

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85	Grey Dawn Investments, Llc, An Arizona	Rafid E. Khoshaba and Lamyaa Korial	W/2 NW/4 SW/4 - 20 acres, more or less	Sec. 27, Block 45, PSL	Deed	3495	708/751 OPR R	08/15/2005
86	Grey Dawn Investments, Llc, An Arizona	Taunya L. Wilson, An Individual (3709 S	NE/4 NW/4 NW/4, containing 10 acres, more c	Sec. 27, Block 45, PSL	Deed	3795	710/368 OPR R	08/29/2005
87	Ahmad Zawati	Ivan A. Khan (10401 Snug Harbor Rd. #	NE/4 of the NE/4 of the NW/4, containing 10 a	Sec. 27, Block 45, PSL	WD	3796	710/369 OPR R	08/29/2005
88	Ahmad Zawati	Land Sales R. Us, Llc (570 Sw 49 Terra	NW/4 of the NE/4 of the NW/4 - 10 acres	Sec. 27, Block 45, PSL	WD	3904	710/789 OPR R	09/06/2005
89	Ahmad Zawati	Randy Cheng, A. Married Man (6169 N	SE/4 of the NW/4 of the NW/4, 10 acres	Sec. 27, Block 45, PSL	WD	3932	711/18 OPR R	09/06/2005
90	Ahmad Zawati	Omar Jacobo (933 Sunlite Drive, Santa	W/2 of the NE/4 of the SW/4 of the SW/4, 5 ac	Sec. 27, Block 45, PSL	WD	3934	711/24 OPR R	09/06/2005
91	Ahmad Zawati	Ralph Jason Cook (1920 S. Lexington,	SW/4 of the NW/4 of the NW/4 - 10 acres	Sec. 27, Block 45, PSL	WD	4114	711/580 OPR R	09/12/2005
92	Ahmad Awati	Peter A. Josa (2829 Fletcher Dr., Los Ai	SE/4 of the NE/4 of the NW/4	Sec. 27, Block 45, PSL	WD	4136	711/684 OPR R	09/12/2005
93	Ahmad Zawati	Brenda Maggard (11649 Thurston Way,	W/2 of the sW/4 of the sW/4 of the SW/4, cont	Sec. 27, Block 45, PSL	WD	4178	711/803 OPR R	09/14/2005
94	Grey Dawn Investments, Llc, An Arizona	Claudia Carros, A. Single Person (3109	SW/4 NE/4 NW/4 - 10 acres, m/l. There is to b	Sec. 27, Block 45, PSL	Deed	4246	712/755 OPR R	09/20/2005
95	Ahmad Zawati	Margaret Joseph (18386 90th St. North	NE/4 of the SE/4 of the NW/4, containing 10 a	Sec. 27, Block 45, PSL	WD	4429	713/238 OPR R	09/26/2005
96	Ahmad Zawati	Twyla Bowman (P.O. Box 820, Lebec, C	NW/4 of the SE/4 of the NW/4, containing 10 a	Sec. 27, Block 45, PSL	WD	4430	713/240 OPR R	09/26/2005
97	Ahmad Zawati	Twyla R. Bowman (P.O. Box 820, Lebec	E/2 of the NW/4 of the SW/4 of the SW/4, cont	Sec. 27, Block 45, PSL	WD	4431	713/242 OPR R	09/26/2005
98	Ahmad Zawati	Terri Miller (15757 Aqueduct Lane, Chir	SE/4 of the SW/4 of the NW/4	Sec. 27, Block 45, PSL	WD	4549	713/710 OPR R	10/04/2005
99	Ahmad Zawati	Terri Miller (15757 Aqueduct Lane, Chir	W/2 of the NW/4 of the SE/4 of the SW/4, cont	Sec. 27, Block 45, PSL	WD	4550	713/712 OPR R	10/04/2005
100	Admad Zawati	Donald R. Carroll, Jr. (1219 Krupp Park	E/2 of the NE/4 of the SE/4 - 20 acres. There i	Sec. 27, Block 45, PSL	WD	4584	713/841 OPR R	10/05/2005
101	Ahmad Zawati	Melissa Depestre (18386 90th Street N	NW/4 of the SW/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	WD	4612	714/20 OPR R	10/06/2005
102	Ahmad Zawati	Peter Heinz Lange (1222 San Julian Dr	W/2 of the SW/4 of the SE/4 of the SE/4 - 5 ac	Sec. 27, Block 45, PSL	WD	4636	714/91 OPR R	10/07/2005
103	Ahmad Zawati	Tina Nadine Barnes and Keith Eugene	SW/4 of the SW/4 of the NE/4 - 10 acres. Ther	Sec. 27, Block 45, PSL	WD	4662	714/196 OPR R	10/12/2005
104	Ahmad Zawati	Keith Retess (6330 Dawson St., Hollyw	E/2 of the SE/4 of the SW/4 of the SE/4	Sec. 27, Block 45, PSL	WD	4779	714/776 OPR R	10/20/2005
105	Ahmad Zawati	Margaret Joseph (18386 90th Street N	NE/4 of the SE/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4784	714/807 OPR R	10/20/2005
106	Ahmad Zawati	Rachel Joy Canlas (16150 Peterson Dr	SW/4 of the SE/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4785	714/811 OPR R	10/20/2005
107	Ahmad Zawati	Jason A. Martin (8609 Danza Del Sol, L	NE/4 of the NW/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4786	714/815 OPR R	10/20/2005
108	Ahmad Zawati	Ivan A. Khan (10401 Snug Harbor Rd. #	NE/4 of the NE/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4787	714/819 OPR R	10/20/2005
109	Ahmad Zawati	Ralph Jason Cook (1920 S. Lexington,	SW/4 of the NW/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4788	714/823 OPR R	10/20/2005
110	Ahmad Zawati	Terri Miller (15757 Aqueduct Lane, Chir	SE/4 of the SW/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4789	714/827 OPR R	10/20/2005
111	Ahmad Zawati	Terri Miller (15757 Aqueduct Lane, Chir	W/2 of the NW/4 of the SE/4 of the SE/4 - 5 ac	Sec. 27, Block 45, PSL	Corr/WD	4790	714/831 OPR R	10/20/2005
112	Ahmad Zawati	Jimmy Willis (7408 N. 6th Street, Fresn	W/2 of the SE/4 of the SW/4 of the SE/4 - 5 ac	Sec. 27, Block 45, PSL	Corr/WD	4791	714/835 OPR R	10/20/2005

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113	Ahmad Zawati	Omar Jacobo (933 Sunlite Drive, Santa	W/2 of the NE/4 of the SW/4 of the SE/4 - 5 ac	Sec. 27, Block 45, PSL	Corr/WD	4792	714/839 OPR R	10/20/2005
114	Ahmad Zawati	Charles David Carnahan (12405 Puebl	E/2 of the NE/4 of the SW/4 of the SE/4 - 5 acr	Sec. 27, Block 45, PSL	Corr/WD	4793	714/843 OPR R	10/20/2005
115	Ahmad Zawati	Leland and Naomi Fackrell (1231 West	E/2 of the SW/4 of the SE/4 of the SE/4 - 5 acr	Sec. 27, Block 45, PSL	Corr/WD	4794	714/847 OPR R	10/20/2005
116	Ahmad Zawati	Peter A. Jozsa (2829 Fletcher Drive, Lo	SE/4 of the NE/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	Corr/WD	4795	714/851 OPR R	10/20/2005
117	Ahmad Zawati	Leland and Naomi Fackrell (1231 West	E/2 of the SW/4 of the SE/4 of the SW/4, 5 acr	Sec. 27, Block 45, PSL	WD	4874	715/412 OPR R	10/25/2005
118	Ahmad Zawati	Allan & Shannon Lucadano (P.O. Box 8	E/2 of the NW/4 of the SE/4 of the SE/4, conta	Sec. 27, Block 45, PSL	WD	5013	716/18 OPR R	11/01/2005
119	Ahmad Zawati	Harold Jaral Farmbry (1413 Corner Oal	E/2 of the NE/4 of the SE/4 of the SE/4, containi	Sec. 27, Block 45, PSL	WD	5084	716/333 OPR R	11/07/2005
120	Ahmad Zawati	Clifford Labady (21 Nw 189th Terrace, N	NW/4 of the NW/4 of the SE/4	Sec. 27, Block 45, PSL	WD	5085	716/335 OPR R	11/07/2005
121	Margaret Joseph	David Williams (17359 Sw 21 Ct., Mirar	NE/4 of the SE/4 of the NW/4, containing 10 ac	Sec. 27, Block 45, PSL	WD	5091	716/354 OPR R	11/08/2005
122	Ahmad Zawati	Llwellyn A. Aubertin (4200 Inverrary Blv	SE/4 of the SE/4 of the NE/4 - 10 acres	Sec. 27, Block 45, PSL	WD	5097	716/366 OPR R	11/08/2005
123	Ahmad Zawati	Karl Anderson & Portia Anderson (6150	W/2 of the NE/4 of the SE/4 of the SE/4, conta	Sec. 27, Block 45, PSL	WD	5154	716/621 OPR R	11/14/2005
124	Ahmad Zawati	Land Sales R. Us, Llc (570 Sw 49 Terra	NW/4 of the NE/4 of the NE/4	Sec. 27, Block 45, PSL	Corr/WD	5155	716/623 OPR R	11/14/2005
125	Ahmad Zawati	Twyla R. Bowman (P.O. Box 820, Lebec	E/2 of the NW/4 of the SW/4 of the SE/4, cotai	Sec. 27, Block 45, PSL	Corr/WD	5156	716/627 OPR R	11/14/2005
126	Ahmad Zawati	Twyla Bowman (P.O. Box 820, Lebec, C	NW/4 of the SE/4 of the NE/4, containing 10 ac	Sec. 27, Block 45, PSL	Corr/WD	5157	716/631 OPR R	11/14/2005
127	Ahmad Zawati	Brenda Maggard (11649 Thurston Way,	W/2 of the SW/4 of the SW/4 of the SE/4, cont	Sec. 27, Block 45, PSL	Corr/WD	5158	716/635 OPR R	11/14/2005
128	Ahmad Zawati	Matthew Z. Beckwith Or Juli Beckwith (	W/2 of the NW/4 of the SW/4 of the SE/4, cont	Sec. 27, Block 45, PSL	Corr/WD	5159	716/639 OPR R	11/14/2005
129	Ahmad Zawati	Don A. Nicholas (21010 Sw 85 Passage	NE/4 of the SW/4 of the NE/4, containing 10 ac	Sec. 27, Block 45, PSL	Corr/WD	5160	716/643 OPR R	11/14/2005
130	Ahmad Zawati	Randy Cheng (6169 North Reno Ave., T	SE/4 of the NW/4 of the NE/4, containing 10 ac	Sec. 27, Block 45, PSL	Corr/WD	5161	716/647 OPR R	11/14/2005
131	Ahmad Zawati	Rita Hershcovich (6500 S. Dayton St., A	SW/4 of the NW/4 of the SE/4, containing 10 a	Sec. 27, Block 45, PSL	Corr/WD	5162	716/651 OPR R	11/14/2005
132	Ahmad Zawati	Joseph and Beverly Terrazzano (26 Grc	NW/4 of the NW/4 of the NE/4, containing 10 ε	Sec. 27, Block 45, PSL	Corr/WD	5163	716/655 OPR R	11/14/2005
133	Ahmad Zawati	Joyce James-Roberson (P.O. Box 2204	E/2 of the SE/4 of the SE/4 of the SE/4, containi	Sec. 27, Block 45, PSL	WD	5177	716/691 OPR R	11/15/2005
134	Grey Dawn Investments, L.L.C., An Ariz	David Warren Evans li and Paula Sirpoi	NE/4 NE/4NW/4, cotaining 10 acres, more or l	Sec. 27, Block 45, PSL	Deed	5328	717/461 OPR R	11/23/2005
135	Ahmad Zawati	William E. Ortega and Heidy S. Ortega	NE/4 of the NW/4 of the SE/4 - 10 acres	Sec. 27, Block 45, PSL	WD	5428	718/55 OPR R	12/05/2005
136	Grey Dawn Investments, Llc, An Arizona	Kevin M. Powers and Lisa L. Powers, A	SE/4 SW/4 NW/4, 10 ac, +/-	Sec. 27, Block 45, PSL	Deed	5520	718/445 OPR R	12/08/2005
137	Ahmad Zawati	Komlan Amedon (624 Huntover Lane, F	W/2 of the SE/4 of the SE/4 of the SE/4m bein	Sec. 27, Block 45, PSL	WD	5800	719/723 OPR R	12/27/2005
138	Ahmad Zawati	Larry Barnes, Linda Barnes and Tina B	E/2 of the SW/4 of the NE/4 of the SE/4, being	Sec. 27, Block 45, PSL	WD	5815	719/777 OPR R	12/27/2005
139	Allan & Shannon Lucadano	Shirley D. Martin, A. Single Woman (79	E/2 of the NW/4 of the SE/4 of the SE/4 - 5 acr	Sec. 27, Block 45, PSL	WD	8	720/34 OPR R	01/03/2006
140	Grey Dawn Investments, L.L.C.	Marshall Platt, A. Single Person (4402 N	E/2 SE/4 SW/4SW/4 being 5 ac	Sec. 27, Block 45, PSL	Deed	112	720/447 OPR R	01/12/2006

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141	Grey Dawn Investments, Llc, An Arizona	Marshall Platt (4402 Martinque Court, L	E/2 NW/4 SW/4 NW/4, 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	168	721/3 OPR R	01/17/2006
142	Grey Dawn Investments, Llc, An Arizona	Scott Wigger, A. Single Person (8425 S	E/2 NE/4 SW/4 NW/4, 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	169	721/4 OPR R	01/17/2006
143	Grey Dawn Investments, L.L.C.	Carmalita Balkaran, A. Single Person (2	W/2 NW/4 SW/4 NW/4	Sec. 27, Block 45, PSL	Deed	217	721/175 OPR R	01/18/2006
144	Grey Dawn Investments, L.L.C.	Marshall Platt, A. Single Person (4402 M	W/2 NE/4 SW/4 NW/4	Sec. 27, Block 45, PSL	Deed	253	721/444 OPR R	01/23/2006
145	Grey Dawn Investments, L.L.C.	Frank Frasca and Margaret Frasca, As	W/2 NW/4 SE/4 NW/4	Sec. 27, Block 45, PSL	Deed	342	722/43 OPR R	01/27/2006
146	Grey Dawn Investments, L.L.C.	Jeanette Pinkham, A. Single Person (95	E/2 SW/4 SW/4 SW/4	Sec. 27, Block 45, PSL	Deed	343	722/44 OPR R	01/27/2006
147	Grey Dawn Investments, L.L.C.	Ruben Beltran Et Ux Corina Beltran, As	NW/4 NW/4 NW/4	Sec. 27, Block 45, PSL	Deed	384	722/182 OPR R	01/31/2006
148	Grey Dawn Investments, L.L.C.	Evet Thompson, A. Single Person (423	E/2 NE/4 SE/4 SW/4	Sec. 27, Block 45, PSL	Deed	418	722/283 OPR R	02/03/2006
149	Grey Dawn Investments, L.L.C.	Berrer Bogner, A. Single Person (8421	W/2 NE/4 NE/4 SW/4	Sec. 27, Block 45, PSL	Deed	591	723/283 OPR R	02/09/2006
150	Rodella Ervin Dba Land Sales R. Us, L.	Jositte Pascal & Webster St. Georges (	NW/4 of the NE/4 of the NE/4, being 10 ac	Sec. 27, Block 45, PSL	SWD	592	723/287 OPR R	02/09/2006
151	Jpmorgan Chase Bank	Sid Richardson Pipeline, Ltd & Sid Rich		Sec. 27, Block 45, PSL	Rel/DTs	678	723/543 OPR R	02/10/2006
152	Grey Dawn Investments, L.L.C.	Jon T. Ellis, A. Single Person (Pob 935,	W/2 SW/4 SW/4 NW/4, containing 5 ac	Sec. 27, Block 45, PSL	Deed	687	723/582 OPR R	02/13/2006
153	Grey Dawn Investments, L.L.C.	Jon T. Ellis, A. Single Person (Pob 935,	W/2 NE/4 SE/4 SW/4, containing 5 ac	Sec. 27, Block 45, PSL	Deed	688	723/583 OPR R	02/13/2006
154	Grey Dawn Investments, L.L.C.	Jon T. Ellis, A. Single Person (Pob 935,	W/2 SW/4 SW/4 SW/4, containing 5 ac	Sec. 27, Block 45, PSL	Deed	689	723/584 OPR R	02/13/2006
155	Grey Dawn Investments, L.L.C.	Jon T. Ellis, A. Single Person (Pob 935,	E/2 SE/4 SE/4 SW/4, containing 5 ac	Sec. 27, Block 45, PSL	Deed	690	723/585 OPR R	02/13/2006
156	Grey Dawn Investments, L.L.C.	Alix Edwards, A. Single Person (813 Nc	W/2 SW/4 NE/4 SW/4	Sec. 27, Block 45, PSL	Deed	846	724/359 OPR R	02/20/2006
157	Grey Dawn Investment, L.L.C.	Alix Edwards, A. Single Person (813 Nc	E/2 SW/4 NE/4 SW/4	Sec. 27, Block 45, PSL	Deed	847	724/360 OPR R	02/20/2006
158	Grey Dawn Investments	Danny A. Abbott, A. Single Person (881	W/2 NE/4 SW/4 SW/4	Sec. 27, Block 45, PSL	Deed	851	724/368 OPR R	02/20/2006
159	Grey Dawn Investments, L.L.C.	Danny Abbott, A. Single Person (8815 2	W/2 SE/4 SW/4 SW/4	Sec. 27, Block 45, PSL	Deed	852	724/369 OPR R	02/20/2006
160	Grey Dawn Investments, L.L.C.	Steve Hernandez, A. Single Person (54	E/2 SE/4 NW/4 NW/4	Sec. 27, Block 45, PSL	Deed	853	724/370 OPR R	02/20/2006
161	Grey Dawn Investemnts, L.L.C.	Risto Muvceski and Menka Muvceski, A	E/2 NW/4 SE/4 NW/4 being 5 ac	Sec. 27, Block 45, PSL	Deed	937	725/94 OPR R	02/24/2006
162	Greay Dawn Investments, L.L.C.	Pao Chen Lin, Ni Tai, and Po Hsun Lin	E/2 NW/4 NE/4 SW/4, being 5 ac	Sec. 27, Block 45, PSL	Deed	952	725/166 OPR R	02/27/2006
163	Grey Dawn Investments, L.L.C.	Michael E. Cox Et Ux Desiree R. Cox, A	W/2 SW/4 NW/4 NW/4, being 5 ac.	Sec. 27, Block 45, PSL	Deed	956	725/175 OPR R	02/27/2006
164	Grey Dawn Investments, L.L.C.	Roberto Tarin and Marcelina Romero, A	SW/4 SE/4 NW/4, being 10 ac	Sec. 27, Block 45, PSL	Deed	964	725/192 OPR R	02/27/2006
165	Grey Dawn Investments, L.L.C.	Kevin J. Fehrmann (Pob 3217, Camder	E/2 SE/4 NE/4SW/4, being 5 ac	Sec. 27, Block 45, PSL	Deed	1033	725/441 OPR R	02/28/2006
166	Ahmad Zawati	Kimberly Nichols (4232 Charing Cross I	W/2 of SW/4 of NE/4 of SE/4, being 5 ac	Sec. 27, Block 45, PSL	WD	1161	726/56 OPR R	03/06/2006
167	Grey Dawn Investments, L.L.C.	Sam Mdanat, A. Single Person (10493 I	E/2 NE/4 NE/4 SW/4, being 5 ac	Sec. 27, Block 45, PSL	Deed	1191	726/180 OPR R	03/07/2006
168	Grey Dawn Investments, L.L.C.	Bryan Mendelson, A. Single Person (16	W/2 SE/4 NE/4 SW/4, 5 ac	Sec. 27, Block 45, PSL	Deed	1405	727/182 OPR R	03/16/2006

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169	Grey Dawn Investments, Inc.	Jason J. Reynolds, A. Single Man (723	W/2 SE/4 SE/4 SW/4	Sec. 27, Block 45, PSL	Deed	1493	727/414 OPR R	03/21/2006
170	Grey Dawn Investments, Llc, An Arizon	Richard Gomez (5347 Northwest 190th	W/2 NW/4 NE/4 SW/4 - 5 acres, m/l.	Sec. 27, Block 45, PSL	Deed	1685	728/407 OPR R	04/03/2006
171	Grey Dawn Investments, Llc, An Arizon	Loren Van Tilburg, A. Single Person (37	E/2 SW/4 SW/4 NW/4 - 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	1708	728/474 OPR R	04/03/2006
172	Charles David Carnahan (12405 Puebl	Elizabeth A. Jorgensen (208 S. E. 27th	E/2 of NE/4 of the SW/4 of the SE/4, 5 acres	Sec. 27, Block 45, PSL	SWD	1910	729/382 OPR R	04/11/2006
173	Ahmad Zawati	Veronica E. Chambers and Ryan M. Ch	SW/4 of the NE/4 of the NE/4 - 10 acres, m/l	Sec. 27, Block 45, PSL	WD	1952	729/560 OPR R	04/12/2006
174	Melissa Depestre	Debbie-Ann Harris (12399-2 Pembrook	NW/4 of the SW/4 of the NE/4, 10 acres	Sec. 27, Block 45, PSL	WD	2139	730/405 OPR R	04/26/2006
175	Melissa Depestre	Debbie-Ann Harris (12399-2 Pembrook	NE/4 of the SE/4 of the NE/4, 10 acres	Sec. 27, Block 45, PSL	WD	2140	730/406 OPR R	04/26/2006
176	Grey Dawn Investments, Llc, An Arizon	Richard Davison, A. Single Person (182	E/2 SW/4 NW/4 NW/4, cont 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	2739	733/346 OPR R	05/26/2006
177	State of Texas	Chalfant Properties, Inc. (P. O. Boix 312	N/2	Sec. 27, Block 45, PSL	OGL	4933	745/47 OPR R	09/22/2006
178	State of Texas	Chalfant Properties, Inc. (P. O. Boix 312	S/2	Sec. 27, Block 45, PSL	OGL	4934	745/53 OPR R	09/22/2006
179	Scott Wiggers, A. Single Man	Eric C. McCartney	E/2 NE/4 SW/4 NW/4, being 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	5239	746/494 OPR R	10/06/2006
180	Grey Dawn Investments, Llc, A. Arizona	Keith Scot Carson, A. Single Person	E/2 NE/4 SW/4 SW/4, being 5 acres, m/l	Sec. 27, Block 45, PSL	Deed	5495	747/684 OPR R	10/18/2006
181	Chalfant Properties, Inc.	Chesapeake Exploration Limited Partne	S/2	Sec. 27, Block 45, PSL	A/OGL	5523	747/774 OPR R	10/19/2006
182	Chalfant Properties, Inc.	Chesapeake Exploration Limited Partne	N/2, covering those depths below 4, 000' or th	Sec. 27, Block 45, PSL	A/OGL	5524	747/775 OPR R	10/19/2006
183	South Marsh Development	Chevron Oil Co.	N/2 ; All depths below the base of the Bell Can	Sec. 27, Block 45, PSL	P/Rel/OGL	6204	750/660 OPR R	12/04/2006
184	Grey Dawn Investments, Llc, An Arizon	Daniel Berbel, A. Single Person (3105 C	E/2 NW/4 SW/4 SW/4 with a 20' easement on	Sec. 27, Block 45, PSL	Deed	270	753/826 OPR R	01/16/2007
185	Taunya L. Wilson (3500 Iowa Avenue, E	Petro-Hunt, Llc (1601 Elm Street, Ste 3	The NE/4 of the NW/4 of the SW/4, containing	Sec. 27, Block 45, PSL	WD	457	755/371 OPR R	01/30/2007
186	Ruben and Corina Beltran, Dealing In T	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 of NW/4 of NW/4, or approximately 10 a	Sec. 27, Block 45, PSL	ROW	458	755/373 OPR R	01/30/2007
187	Raul Rodriguez Et Ux Alejandra Rodrig	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 of NE/4 of NW/4, or approximately 10 ac	Sec. 27, Block 45, PSL	ROW	459	755/375 OPR R	01/30/2007
188	David Warren Evans, li Et Ux Paula Sir	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NE/4 OF NE/4 OF NW/4 or approximately 10 ε	Sec. 27, Block 45, PSL	ROW	460	755/377 OPR R	01/30/2007
189	Joseph Terrazzano Et Ux Beverly Terra	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 of the NW/4 of the NE/4, cont 10 acres,	Sec. 27, Block 45, PSL	WD	461	755/379 OPR R	01/30/2007
190	Jason A. Martin, Dealing In His Sole an	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NE/4 of NW/4 of NE/4 or approximately 10 acr	Sec. 27, Block 45, PSL	ROW	462	755/381 OPR R	01/30/2007
191	Webster M. St. Georges (800 Ne 182nc	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 of the NE/4 of the NE/4, being 5.0 acres	Sec. 27, Block 45, PSL	WD	463	755/383 OPR R	01/30/2007
192	Josette Pascal (2821 Huron Way, Miran	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 of the NE/4 of the NE/4, being 5.0 acres	Sec. 27, Block 45, PSL	WD	464	755/385 OPR R	01/30/2007
193	Ivan A. Khan, Dealing In His Sole and S	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NE/4 of NE/4 of NE/4 or approximately 10 acr	Sec. 27, Block 45, PSL	ROW	465	755/387 OPR R	01/30/2007
194	Margaret Joseph ; Claude A. Joseph ; M	David Williams (17359 Sw 21 Ct, Miran	NE/4 SE/4 NW/4, being 10 acres, m/l, with a 2	Sec. 27, Block 45, PSL	WD	903	757/545 OPR R	03/02/2007
195	Raul Rodriguez Et Ux Alejandra Rodrig	Petro - Hunt, Llc (1601 Elm Street, Ste	NW/4 of the NE/4 of the NW/4, being 10.0 acr	Sec. 27, Block 45, PSL	WD	1956	763/234 OPR R	05/07/2007
196	David Warren Evans, li Et Ux Paula Sir	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NE/4 of the NE/4 of the NW/4, being 10 acres,	Sec. 27, Block 45, PSL	RWE	2324	765/49 OPR R	05/29/2007

Elliott and Waldron Abstract Company of Pecos

	Grantor	Grantee	Part	Indexed under	Type Inst.	File #	Recording information	Filed
197	Ruben & Corina Beltran (5311 North Si	Rbestates, Llc, By Ruben Beltran, Pres	NW/4 NW/4 NW/4, being 10 acres, m/l	Sec. 27, Block 45, PSL	WD	2747	767/222 OPR R	06/28/2007
198	Rbestates, Llc, By Ruben Beltran, Pres	Petro-Hunt, Llc (1601 Elm Street, Ste 3	NW/4 NW/4 NW/4, being 10 acres, m/l	Sec. 27, Block 45, PSL	RWE	2748	767/223 OPR R	06/28/2007
199	Jason A. Martin (1930 Village Center Ci	Petro-Hunt Llc (1601 Elm Street, Ste 3	NE/4 of the NW/4 of the NE/4, being 10 acres, Sec. 27, Block 45, PSL		WD	3106	769/317 OPR R	07/24/2007
200	Ivan A. Khan (10605 Poplar Street, Ne,	Petro-Hunt Llc (1601 Elm Street, Ste 3	NE/4 of the NE/4 of the NE/4, being 10 acres, Sec. 27, Block 45, PSL		WD	3107	769/318 OPR R	07/24/2007
201	Brenda Maggard	Bahram Esfandabad (8415 Villiage Gre	W/2 of the SW/4 of the SW/4 of the SE/4, cont	Sec. 27, Block 45, PSL	WD	514	783/770 OPR R	02/07/2008
202	Bahram E. Esfandabad (8415 Village G	Benjamin Eslahpazir (995 Troon Trale, '	W/2 SW/4 SW/4 SE/4	Sec. 27, Block 45, PSL	QCD	905	786/77 OPR R	03/10/2008
203	Petro-Hunt, Llc (1601 Elm Street, Ste 3	Chesapeake Exploration, Llc, Successc	NW/4 of the NW/4 of the NE/4, cont 10 acres, Sec. 27, Block 45, PSL		WD	1761	790/786 OPR R	05/02/2008
204	Twyla R. Bowman	Diadana Family Limited Partnership (57	NW/4, SE/4, NE/4	Sec. 27, Block 45, PSL	QCD	2113	792/602 OPR R	05/23/2008
205	Twyla R. Bowman	Diadana Family Limited Partnership (57	E/2, NW/4, SW/4, SE/4	Sec. 27, Block 45, PSL	QCD	2114	792/601 OPR R	05/23/2008
206	Marshall D. Platt, A. Married Man (No A	Robert Weiss, A. Married Man (13140 C	E/2 of the NW/4 of the SW/4 of the NW/4 - 5.0	Sec. 27, Block 45, PSL	Deed	1414	819/465 OPR R	04/24/2009
207	Marshall Platt, A. Single Man (No Addre	Jason Johnson, A. Single Man and Lau	E/2 SE/4 SW/4, there is to be a 20' easement i	Sec. 27, Block 45, PSL	Deed	2298	824/195 OPR R	07/17/2009
208	Petro-Hunt, Llc (1601 Elm St. , Suite 34	Chesapeake Exploration, Lp (6100 N. V	NW/4 of the NW/4 of the NE/4, cont 10 acres, Sec. 27, Block 45, PSL		Assignmen	2613	826/209 OPR R	08/20/2009
209	Grey Dawn Investments, Llc, An Arizona	Virgil W. Field Nd Marilyn J. Field, As Jc	E/2 NE/4 SE/4 NW/4; 5 acres m/l; There is to t	Sec. 27, Block 45, PSL	Deed	3610	832/280 OPR R	11/20/2009
210	Virgil W. Field and Marilyn Field (Maricc	Mark D. Field, As His Sole and Separat	The E/2 of the NE/4 of the SE/4 of the NW/4, c	Sec. 27, Block 45, PSL	Gift/WD	3946	834/237 OPR R	12/18/2009
211	Rafid E. Khoshaba (12423 Ravenwing (	Leslie Khoshaba (12030 Hood Landing	W/2 NW/4 SW/4,20 acres, m/l	Sec. 27, Block 45, PSL	SWD	4871	861/306 OPR R	12/21/2010
212	Comm. of The Glo of Texas	Angelle & Donohue Oil & Gas Propertie	N/2, 320 acres, covering depths below 4,000' c	Sec. 27, Block 45, PSL	OGL	3049	879/500 OPR R	05/17/2011
213	Angelle & Donohue Oil & Gas Propertie	Petrohawk Properties, Lp	N/2, covers depth below 4,000 feet or base of	Sec. 27, Block 45, PSL	A/OGLS	4544	888/435 OPR R	07/12/2011
214	Commissioner of Glo ; School Land Bo	Cimarex Energy Co., Midland, Tx	S/2	Sec. 27, Block 45, PSL	OGL	5539	894/586 OPR R	08/10/2011

47A
File No. MF067528

Ganem Ltr to H. Durne

Date Filed: 1-12-2012

Jerry E. Patterson, Commissioner

By _____



DUGGINS
WREN
MANN &
ROMERO, LLP

One American Center
600 Congress
Suite 1900
Austin, TX 78701

P.O. Box 1149
Austin, TX 78767

p: 512.744.9300
f: 512.744.9399
www.dwmrlaw.com

May 30, 2014

Linda Price, RL
Energy Resources
Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Via Hand Delivery and U.S. Mail

**RE: Request for a Letter of Good Standing for the South Marsh Field
Section 27 Lease**

Dear Ms. Price:

I have been retained by South Marsh Development, Inc. ("South Marsh") regarding its request that the General Land Office issue a letter of good standing for the South Marsh Field Section 27 Lease. It is my understanding that this request was made in 2011. Enclosed is the information you requested in your May 20, 2014 email to Cas Atchison in connection with the 2011 request for a letter of good standing from the Texas General Land Office ("GLO") regarding the Section 27 Blk 45 PSL lease in the Marsh South (Delaware) field. At your request, the Revenue and Expenditure summary has been expanded to include revenue and expenses from October 2011 through April 2014. Contrary to your statements in your email that the GLO has made numerous requests for a summary of expenses from October 2011 to the present, as I understand, your earlier emails only requested such information October 2011 through "current", which we took "current" to mean as of the date of your email request for this information. Notwithstanding the issue of "current", information for the period of time (October 2011 through April 2014) you now are requesting is included.

It appears that this information is the only remaining outstanding information the GLO is requesting in connection with South Marsh's request for a letter of good standing. If this is not the case and, as Mr. Atchison requested in the May 20, 2014 letter to you, please provide one comprehensive and final request for whatever information the GLO needs in order to issue the letter of good standing. The following is a summary of South Marsh's involvement with the GLO regarding the South Marsh S/2 Section 27 Lease.

May 30, 2014

Page 2

South Marsh S/2 Section 27 Lease Summary

The South half of section 27 Block 45 PSL in the Marsh S (Delaware) field has been producing in economic quantities since 1979 from the Delaware formation at +/- 2750 ft. In 2005, when the Barnett Shale leasing boom raised the market from the \$75 per acre in GLO minimum to over \$500, the GLO initiated an active program to re-acquire leases that were held by shallow producing wells with low production. In February 2006, since the operator (South Marsh Development Inc. at that time) had no plans to develop the highly uneconomic Barnett, a partial release of the deep rights below 4000 ft. was issued by South Marsh to the GLO. The validity of the leases above 4000 ft. was acknowledged by a letter issued by Mr. Carl Bonn, GLO at that time (February 2006). No further correspondence concerning the lease was issued by the GLO until late 2011. In late 2011, the current operator (Remuda Operating Co.) attempted to file the necessary paperwork to produce oil from the Reeves State 27-6 well that had been reworked and put on production. At that time, the GLO informed Remuda that they had assigned both the deep and shallow rights to Cimarex Energy with no notice to either Remuda or South Marsh Development. No correspondence had been received by either Remuda or South Marsh between the February 2006 acknowledgement letter from Mr. Bonn and the late 2011 GLO notification of the June 2011 Cimarex lease.

In connection with our 2011 request for a letter of good standing, we have provided the GLO over 1,000 pages of documents to confirm that the South Marsh lease is valid and in good standing. The documents are responsive to a request for an extensive title search and a continuous stream of requests by the GLO for economic details. South Marsh Development and Remuda have expended a significant amount of resources responding to the GLO's requests. The two year summary ending August 2013 indicated \$91,171.16 in net revenue before administrative overhead expenses. Additionally, the enclosed revenue and expenditure spreadsheet for the period October 2011 through March 2014 shows a net revenue of \$75,265.85, after administrative overhead expenses. This net revenue confirms that the lease is and has been producing in paying quantities and is therefore, a valid lease. Yet, the GLO continues to question the lease validity.

Proposal to Resolve the Outstanding Request for a Letter of Good Standing

The working interest owners (Remuda, South Marsh, and Kenneth Venable) currently have a prospective buyer for the Lease but do not want to burden the new prospective owner with this clouded title, title that is clouded because the GLO issued the Cimarex lease, covering the shallow rights held by South Marsh. The GLO has received more than adequate documentation to date to show the lease is and has been

May 30, 2014

Page 3

producing in economic quantities. The latest request was for an update of the detailed economics subsequent to the 2 year period ending August 2013 even though the August 2013 summary indicated the lease was clearly economic. At this point, although the GLO has received more than adequate documentation to issue a letter of good standing, it appears that no matter how much information South Marsh provides to establish that the lease is producing in paying quantities, the GLO will not issue a letter of good standing and has no intent to do so. We believe the GLO will not do so because it issued the Cimarex lease (that covered South Marsh's shallow rights) in error and will not now correct the error.

The issuance of the Cimarex lease, covering South Marsh's shallow rights, has caused harm and continues to cause harm to South Marsh and the other working interest owners. While we believe we have legal grounds to pursue rectifying the improper leasing to Cimarex and obtain a judicial declaration that the South Marsh lease is valid and in good standing, we are inclined to propose the following in order to resolve this matter.

Our subsequent discussions with the prospective buyer indicate that the prospective buyer has no interest in drilling any new wells in the south half of Section 27. The working interest owners are amenable, as a compromise, to issue an assignment to the GLO for the shallow rights in the undrilled 40 acre proration units and that the three proration units around the Reeves State 27-1, 27-4, and 27-6 wells be retained.

If that is not acceptable to the GLO, the working interest owners will pursue their request for a letter of good standing for the Lease within the GLO, and, if necessary, through appropriate legal proceedings, pursue a declaration that the South Marsh lease is valid. The actions of the GLO to date leave the working interest owners with no other reasonable course of action.

Please let me know if the proposal is agreeable to the GLO. If it is not, please let me know whether the GLO will issue the long-requested letter of good standing. We would appreciate a decision no later than June 9, 2014. Given the length of time this matter has been pending, we believe June 9, 2014 is a reasonable time frame.

In any event, please contact me if you have any questions or would like to discuss. Thank you for your courtesies and attention to this matter.



May 30, 2014
Page 4

Sincerely,

Kimberly L. Kiplin
Attorney for South Marsh

Reeves State Lease Economics										5/30/2014 12:05
All oil production in Reeves State lease is from Sec 27										
					Admin OHD	Lease			Reeves State	
Month	Oil Revenue	Gas Revenue	Total	JIB	COPAS	Net Income	SWD	GGs	Net Income	Remarks
Oct-11	\$ 28,271.70	\$ 2,284.10	\$ 30,555.80	\$ 7,455.70	\$ 1,800.00	\$ 21,300.10	\$ 350.00	\$ 4,132.61	\$ 16,817.49	Lease compressor
Nov-11		\$ 1,101.88	\$ 1,101.88	\$ 3,184.46	\$ 1,800.00	\$ (3,882.58)	\$ 350.00	\$ 467.87	\$ (4,700.45)	22000 buy compressor
Dec-11	\$ 32,732.00	\$ 2,906.88	\$ 35,638.88	\$ 3,064.50	\$ 1,800.00	\$ 30,774.38	\$ 350.00	\$ 2,438.53	\$ 27,985.85	Own compressor
Jan-12	\$ 16,615.82	\$ 2,100.78	\$ 18,716.60	\$ 4,228.27	\$ 1,800.00	\$ 12,688.33	\$ 2,125.72	\$ 609.55	\$ 9,953.06	
Feb-12		\$ 1,156.65	\$ 1,156.65	\$ 3,908.76	\$ 1,800.00	\$ (4,552.11)	\$ 1,391.08	\$ 38.01	\$ (5,981.20)	
Mar-12	\$ 17,670.21	\$ 454.44	\$ 18,124.65	\$ 3,916.24	\$ 1,800.00	\$ 12,408.41	\$ 450.00	\$ 42.02	\$ 11,916.39	
Apr-12		\$ 185.89	\$ 185.89	\$ 5,258.26	\$ 1,800.00	\$ (6,872.37)	\$ 450.00	\$ 32.89	\$ (7,355.26)	
May-12	\$ 15,100.57	\$ 343.52	\$ 15,444.09	\$ 4,323.50	\$ 1,800.00	\$ 9,320.59	\$ 469.49	\$ 33.07	\$ 8,818.03	
Jun-12		\$ 1,629.35	\$ 1,629.35	\$ 8,305.97	\$ 1,800.00	\$ (8,476.62)	\$ 450.00	\$ 30.30	\$ (8,956.92)	
Jul-12		\$ 1,727.06	\$ 1,727.06	\$ 3,046.99	\$ 1,800.00	\$ (3,119.93)	\$ 450.00	\$ 22.59	\$ (3,592.52)	
Aug-12	\$ 15,325.95	\$ 1,110.53	\$ 16,436.48	\$ 3,477.87	\$ 1,800.00	\$ 11,158.61	\$ 450.00	\$ 108.11	\$ 10,600.50	
Sep-12		\$ 1,081.49	\$ 1,081.49	\$ 3,652.75	\$ 1,800.00	\$ (4,371.26)	\$ 2,293.39	\$ 32.87	\$ (6,697.52)	
Oct-12		\$ 1,355.37	\$ 1,355.37	\$ 4,374.51	\$ 1,800.00	\$ (4,819.14)	\$ 639.50	\$ 35.41	\$ (5,494.05)	
Nov-12	\$ -	\$ 547.23	\$ 547.23	\$ 7,283.83	\$ 1,800.00	\$ (8,536.60)	\$ 636.96	\$ 1,299.47	\$ (10,473.03)	
Dec-12	\$ 26,807.93	\$ 2,339.05	\$ 29,146.98	\$ 3,759.25	\$ 1,800.00	\$ 23,587.73	\$ 490.56	\$ 145.71	\$ 22,951.46	
Jan-13		\$ 3,630.10	\$ 3,630.10	\$ 5,197.06	\$ 1,800.00	\$ (3,366.96)	\$ 450.00	\$ 52.97	\$ (3,869.93)	
Feb-13	\$ -	\$ 1,234.80	\$ 1,234.80	\$ 6,495.23	\$ 1,800.00	\$ (7,060.43)	\$ 450.00	\$ 49.28	\$ (7,559.71)	
Mar-13	\$ 15,016.16	\$ 611.54	\$ 15,627.70	\$ 3,385.65	\$ 1,800.00	\$ 10,442.05	\$ 234.00	\$ 960.97	\$ 9,247.08	
Apr-13	\$ -	\$ 1,780.19	\$ 1,780.19	\$ 569.89	\$ 1,800.00	\$ (589.70)	\$ 450.00	\$ 876.78	\$ (1,916.48)	
May-13	\$ 16,358.06	\$ 1,478.67	\$ 17,836.73	\$ 4,197.14	\$ 1,800.00	\$ 11,839.59	\$ 450.00	\$ 4,952.16	\$ 6,437.43	
Jun-13	\$ -	\$ 1,552.01	\$ 1,552.01	\$ 4,855.69	\$ 1,800.00	\$ (5,103.68)	\$ 450.00	\$ 1,463.37	\$ (7,017.05)	
Jul-13	\$ 17,319.10	\$ 1,041.21	\$ 18,360.31	\$ 5,055.04	\$ 1,800.00	\$ 11,505.27	\$ 450.00	\$ 5,175.77	\$ 5,879.50	
Aug-13	\$ -	\$ 1,206.06	\$ 1,206.06	\$ 6,116.96	\$ 1,800.00	\$ (6,710.90)	\$ 450.00	\$ 60.61	\$ (7,221.51)	
Sep-13	\$ 18,485.43	\$ 2,020.24	\$ 20,505.67	\$ 2,100.00	\$ 1,800.00	\$ 16,605.67	\$ 450.00	\$ 491.51	\$ 15,664.16	
Oct-13	\$ -	\$ 1,284.43	\$ 1,284.43	\$ 4,269.69	\$ 1,800.00	\$ (4,785.26)	\$ 450.00	\$ 54.96	\$ (5,290.22)	
Nov-13	\$ 16,193.48	\$ 1,840.38	\$ 18,033.86	\$ 4,227.03	\$ 1,800.00	\$ 12,006.83	\$ 450.00	\$ 688.61	\$ 10,868.22	
Dec-13		\$ 1,554.98	\$ 1,554.98	\$ 4,886.38	\$ 1,800.00	\$ (5,131.40)	\$ 450.00	\$ 315.67	\$ (5,897.07)	
Jan-14	\$ 15,397.53	\$ 1,468.52	\$ 16,866.05	\$ 5,316.05	\$ 1,800.00	\$ 9,750.00	\$ 450.00	\$ 120.66	\$ 9,179.34	
Feb-14		\$ 763.49	\$ 763.49	\$ 6,332.17	\$ 1,800.00	\$ (7,368.68)	\$ 450.00	\$ 414.86	\$ (8,233.54)	
Mar-14		\$ 336.90	\$ 336.90	\$ 1,441.76	\$ 1,800.00	\$ (2,904.86)	\$ 450.00	\$ 122.76	\$ (3,477.62)	
Apr-14	\$ 16,563.18		\$ 16,563.18	\$ 1,441.76	\$ 1,800.00	\$ 13,321.42	\$ 450.00	\$ 190.00	\$ 12,681.42	
								Net Income	\$ 75,265.85	
Remarks										
To avoid allocation issues 100% of gas gathering and SWD expenses included above (worst case)										

File No. MF 067528 48.

Letter from legal counsel
for South Marsh

Date Filed: 5-30-14

Jerry E. Patterson, Commissioner

By JEP

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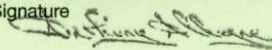
ROB NUNMAKER
LAND TEAM LEAD - S TX/OK/PANHANDLE
CHEVRON USA INC
1400 SMITH STREET ROOM 45108
HOUSTON TEXAS 77002

2. Article Number

(Transfer from service label)

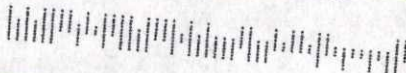
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X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

3. Service Type

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4. Restricted Delivery? (Extra Fee)

☐ Yes

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03111

MF 067528

LINDA PRICE, 845-E

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN TX 78711-2873

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 27, 2014

Rob Nunmaker
Land Team Lead - S. Texas/Oklahoma/Panhandle
Chevron U.S.A. Inc.
1400 Smith Street, Room 45108
Houston, Texas 77002
Via CMRRR#: 7011 1150 0001 2416 4738

RE: **State Lease MF067528**

Lease dated October 3, 1972
640 acres, All of Section 27, Block 45, PSL Survey, Reeves County, Texas
Recorded in Volume 315, Page 107, Reeves County, Texas
State of Texas, Lessor
Assignment dated July 29, 1988 to Charlie D. Davis, d/b/a Hoolihan
Production Company
Conveyed: Surface to Base of Bell Canyon Formation
Recorded in Volume 487, Page 240, Reeves County, Texas
Reeves State 27 #4 (API #: 42-389-32038)

Dear Mr. Nunmaker:

Our records indicate that Chevron's rights to the referenced lease terminated effective December 2003 due to cessation of production in commercial quantities under the terms and conditions of the lease and the laws of the State as further defined in Title 31 of the Texas Administrative Code ("TAC"). Pursuant to the TAC, a certified, recorded copy of a Release of State Oil and Gas Lease and filing fee of \$25 must be filed with our office and sent to my attention.

If you disagree with this assessment, you have 15 days from the receipt of this letter in which to present evidence and convince the General Land Office that the lease is maintained. Failure to reply or failure to present sufficient evidence of the continuation of Chevron's interest in the lease will result in the mineral file being endorsed as "terminated" with no further communication from this office.

Sincerely,

Linda Price, RL
Energy Resources, Mineral Leasing
512-463-5118
512-475-1543 (fax)
Linda.Price@glo.texas.gov

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

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November 14, 2014 , 1:33 am	Delivery status not updated	
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November 13, 2014 , 11:33 am	Out for Delivery	HOUSTON, TX 77002
November 13, 2014 , 11:23 am	Sorting Complete	HOUSTON, TX 77002
November 12, 2014 , 1:03 pm	Arrived at Unit	HOUSTON, TX 77002

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File No. MF 067528 49.
Termination to
Chevron for deep right
Date Filed: 10-27-14
Jerry E. Patterson, Commissioner
By JP

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

November 12, 2014

Rob Nunmaker
Land Team Lead - S. Texas/Oklahoma/Panhandle
Chevron U.S.A. Inc.
1400 Smith Street, Room 45108
Houston, Texas 77002
Via LSO#: Z1483811

RE: **State Lease MF067528**

Lease dated October 3, 1972
640 acres, All of Section 27, Block 45, PSL Survey, Reeves County, Texas
Recorded in Volume 315, Page 107, Reeves County, Texas
State of Texas, Lessor
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Production Company
Conveyed: Surface to Base of Bell Canyon Formation
Recorded in Volume 487, Page 240, Reeves County, Texas
Reeves State 27 #4 (API #: 42-389-32038)

Dear Mr. Nunmaker:

Our letter dated October 27, 2014 (copy enclosed) was mailed sent to you by certified mail. However, the USPS cannot provide delivery information for the letter. This letter is being sent as a courtesy to you in case our original letter did not reach you.

If you disagree with the GLO's assessment of the lease, as stated in our October 27 letter, please contact me within 48 hours of the delivery of this letter. Failure to reply or failure to present sufficient evidence of the continuation of Chevron's interest in the lease will result in the mineral file being endorsed as "terminated" with no further communication from this office.

Sincerely,

Linda Price, RL
Energy Resources, Mineral Leasing
512-463-5118
512-475-1543 (fax)
Linda.Price@glo.texas.gov

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

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 27, 2014

Rob Nunmaker
 Land Team Lead - S. Texas/Oklahoma/Panhandle
 Chevron U.S.A. Inc.
 1400 Smith Street, Room 45108
 Houston, Texas 77002
 Via CMRRR#: 7011 1150 0001 2416 4738

RE: State Lease MF067528

Lease dated October 3, 1972
 640 acres, All of Section 27, Block 45, PSL Survey, Reeves County, Texas
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Sincerely,

Linda Price, RL
 Energy Resources, Mineral Leasing
 512-463-5118
 512-475-1543 (fax)
 Linda.Price@glo.texas.gov

Stephen F. Austin Building • 1700 N
 Post Office Box 12
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Street, Apt. or PO Box	LAND TEAM LEAD - S TX/OK/PANHANDLE
City, State	CHEVRON USA INC
	1400 SMITH STREET ROOM 45108
	HOUSTON TEXAS 77002

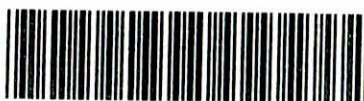
PS Form 38

Ship ship hooray!

LSO.COM
1.800.8984

LSOTM

LSO
It's all in the delivery.



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ROB NUNMAKER
CHEVRON U.S.A INC.
1400 SMITH ST.
ROOM 45108
HOUSTON, TX 77002
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From:
ADMINISTRATION
TEXAS GENERAL LAND OFFICE
1700 N. CONGRESS AVE
B-25
AUSTIN, TX 78701
5124750160

G IAH

LSO ECONOMY NEXT DAY
3:00 IN MOST AREAS
LATER IN REMOTE AREAS

PRINT DATE: 11/12/2014
QUICKCODE: WEIGHT: 0.50LBS
REF 1: 03111 1D00V.0000

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Tracking Status Delivered
Delivery Date 11/13/2014 12:22 PM
Signed By CAROL JONES
Delivered To 1400 SMITH ST. ROOM 45108 HOUSTON, TX 77002

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Inbound	11/12/2014 9:09 PM	AUSTIN
On Truck	11/13/2014 7:20 AM	HOUSTON
Delivered	11/13/2014 12:22 PM	HOUSTON

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HOMETOWN:

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File No. MF 067528 SD.
Followup ltr to Chevron
Re: 10-27-14 ltr
Date Filed: 11-12-14
Jerry E. Patterson, Commissioner
By [Signature]

14-10750
FILED FOR RECORD
REEVES COUNTY, TEXAS
Nov 17, 2014 at 03:33:00 PM

MEMORANDUM OF TERM ASSIGNMENT

STATE OF TEXAS }
COUNTY OF REEVES }

WHEREAS, by Term Assignment (hereinafter called "Assignment") made effective July 1, 2014, Chevron U.S.A. Inc., at 1400 Smith Street, Houston, TX 77002, hereinafter referred to as "Assignor", assigned and transferred to Anadarko E&P Onshore LLC, at P.O. Box 1330, Houston, TX 77251-1330, hereinafter referred to as "Assignee", the oil, gas and casinghead gas and all rights pertaining thereto in the oil and gas lease(s) and lands described in Exhibit "1", attached hereto (hereinafter called "Lease Acreage");

WHEREAS, the Assignment is for a primary term running concurrent with the primary term of that certain Oil and Gas Lease dated July 1, 2014 between Assignor and Assignee, a Memorandum of which is recorded in the Official Public Records of Reeves County, Texas (the "Lease") which Lease provides, in part:

" . . . this Lease shall remain in force for a period of three (3) years from the date hereof, herein called "primary term". . . [with] the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term. . ."

and as long thereafter as any well drilled and completed by Assignee on the Lease Acreage continues to produce in paying quantities, subject to the provisions of the Assignment;

WHEREAS, said Assignment is unrecorded and the parties desire an instrument in recordable form as a memorandum of such Assignment;

NOW, THEREFORE, for and in consideration of the premises, it is agreed that this Memorandum of Term Assignment be executed for notice purposes to be filed in the Reeves County, Texas records.

The terms and provisions of said unrecorded Assignment are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum and the Assignment, the terms of the Assignment shall control.

EXECUTED this 14th day of October, 2014.

ASSIGNOR:
CHEVRON U.S.A. INC.

By: P. A. Bikun
P. A. Bikun
Its: Attorney-in-Fact



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

ASSIGNEE:

ANADARKO E&P ONSHORE LLC

By: *Lindsay Jaffee* *SHS*

Lindsay Jaffee

Its: Agent and Attorney-in-Fact

V
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L

ACKNOWLEDGMENTS

STATE OF TEXAS }

COUNTY OF Harris }1
1
2
3

Before me Julie Eberle, a Notary Public in and for said county and state, on this day personally appeared P. A. Bikon as Attorney-in-Fact for Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation

Given under my hand and seal of office this 14th day of October, 2014.

P
G

Julie Eberle

NOTARY PUBLIC in and for the State of
Texas

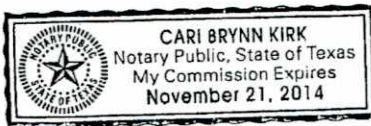
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STATE OF TEXAS }

COUNTY OF Montgomery }

Before me Cari Brynn Kirk, a Notary Public in and for said county and state, on this day personally appeared Lindsay N. Jaffee as Agent and Attorney-in-Fact for Anadarko E&P Onshore, LLC, a limited liability company

Given under my hand and seal of office this 30th day of October, 2014.



Cari Brynn Kirk

NOTARY PUBLIC in and for the State of
Texas



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

EXHIBIT "1"

Attached to and made a part of that certain Memorandum of Term Assignment By and Between
CHEVRON U.S.A. INC., as Assignor, and ANADARKO E&P ONSHORE LLC, as Assignee
dated July 1, 2013

THE LEASE

LESSOR: General Land Office

LESSEE: Chevron Oil Company

DATED: March 6, 1973

RECORDED: Volume 322, Page 116 of the O&G Records, Reeves County, TX

DESCRIPTION: All of Section 14, Blk. 45, PSL Survey, Reeves County, Texas.
This Term Assignment does not cover the oil and gas rights from surface to 2,688'. It is noted that the oil and gas interest assigned herein from 2,689' to 6,300' is 50% (less outstanding burdens) and the oil and gas interest assigned below 6300' is 100% (less outstanding burdens).

LESSOR: General Land Office

LESSEE: Chevron Oil Company

DATED: October 3, 1972

RECORDED: Volume 315, Page 95 of the O&G Records, Reeves County, TX

DESCRIPTION: All of Section 22, Blk. 45, PSL Survey, Reeves County, Texas.
This Term Assignment only covers the N/2 of Section 22 below 2,688'.

LESSOR: General Land Office

LESSEE: Chevron Oil Company

DATED: October 3, 1972

RECORDED: Volume 315, Page 107 of the O&G Records, Reeves County, TX

DESCRIPTION: All of Section 27, Blk. 45, PSL Survey, Reeves County, Texas.
This Term Assignment only covers the E/2 of Section 27 below 2,688'.

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COPY OF
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REEVES COUNTY
CLERKS OFFICE

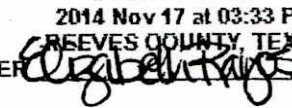
LESSOR: General Land Office
LESSEE: Chevron Oil Company
DATED: October 3, 1972
RECORDED: Volume 315, Page 111 of the O&G Records, Reeves County, TX
DESCRIPTION: All of Section 35, Blk. 45, PSL Survey, Reeves County, Texas.
This Term Assignment only covers rights below 2,688'.

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Inst No. 14-10750
DIANNE O. FLOREZ
COUNTY CLERK
2014 Nov 17 at 03:33 PM
REEVES COUNTY, TEXAS
By: ER  DEPUTY



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

File No. MF 067528

Date Filed: 1/25/16

George P. Bush, Commissioner

By TRAVIS MATTHEWS

White's Industrial Engines

804 S. Terrell St.

Midland, Texas 79701

(915) 683-6677

I Believe that the Leases in Reeves county were
Sabotaged all the work that was performed
brought the Lease down spent about thirty
thousand dollars. Now we have a new ~~guy~~ GUY
that's one of our own people here pretty quick
we should be doing a lot better we have a
motor home out there he can stay in some
we have a pulling unit that won't cost much a
friend of ours has. Bear with us thanks

Sincerely James White

6-21-16

P.S. THIS ISNT ALL OF THE TICKETS
THESE ADD UP OVER 24000. IF YOU NEED
MORE OF IT LET ME KNOW

Larry Hill
432-208-3742

Company Order No. _____

Well T.D. _____

1209

Company LOBO RESOURCES Lease HILL & HILL
Address 804 S. TERREL MIDLAND Well No. #3
Date 10-28-15 From 8:00 A.M. To 6:00 A.M. Job Completed() Incomplete()

DESCRIPTION OF WORK

Drove Rig & crew to Loc. Rigged up & pulled pump & Rods out the hole. Rigged up paraffin tools & cuted promax. Lap to 1500 ft down pulled tbg out the hole closed well in & shut down for the day.

ONE WAY ROAD TIME

Employee Time	Hours	Equipment Used	Unit No.	Hrs.
Op. Jose Luis Ruiz	10	Unit & 4 Men	L	110
D.M. Jose Luis Ruiz Jr.	10			2350-
Floorhand Arnol Valenzuela	10	Rod and/or Tubing tongs		
Floorhand Elio Ontiveros	10	Flashing Tool		
		Replacement Parts For Fishing Tool		
		Paraffin Knife		
		Rodd Stripper & Rubber		
OUT THE HOLE		Tubing Stripper & Rubber		
		Wiper Rubber		
1 1/4 X 16 w / 10 p.R L +		Swap Cups		
8-6-6 3/4 Subst		Oil Saver Rubbers		
106 3/4 Rods				
2X 1 1/2 X 12 w 6' c/p pump				
7 3/8 8 1/4 T.A.C.S.W MA			Sales Tax	
			Total	

Signed Jessie Ann Kiser Signed _____

Operator

Company Representative

Texans Well Service LLC

PO Box 1217
Kermit, TX 79745

Invoice

Date	Invoice #
11/4/2015	1079

Bill To
Lobo Resources <i>WHITES END ENGINEERS</i> 804 S. Terrel Midland, TX 79701



P.O. No.	Terms	Project
Hill & Hill #3		

Quantity	Description	Rate	Amount
10	10/28/15 Ticket #1209 Drove rig and crew to location. Rigged up and pulled pump and rods out of the hole. Rigged up paraffin tools and cut from top to 1500 ft down. Pulled tbg out of the hole. Closed well in and shut down for the day. (One way road time)	235.00	2,350.00
10	10/29/15 Ticket #1210 Arrived on location; bled off well. Rigged up tbg tester and started testing in hole at 5000p. Found one hole and busted one more. Replaced two jts. Rigged tester down. Seated T.N.C. w/ 10 points on it. Flanged up, ready to run pump but never showed up with it. Waited 4 hours. (One way road time)	235.00	2,350.00
7	10/30/15 Ticket #1211 Arrived on location. Opened well. Ran pump and rods in hole real slow. Tbg still have paraffin on walls. Respaced it; hung well on; good action. rigged down and moved off. (One way road time)	235.00	1,645.00
3	10/30/15 ticket #1212 Drove rig and crew to location, Rigged up and unhung it. Longstroked for about 30 min. Got good action. Rigged down and moved off location.	235.00	705.00
		Total	\$7,050.00

Larry Hill
432-208-3742

Company Order No. _____

Well T.D.

1210

Company LOBO RESOURCES Lease HILL & HILL

Address _____ Well No. 113

Date 10-29-15 From 8:00 A.M. To 6:00 A.M. Job Completed() Incomplete()

DESCRIPTION OF WORK

arrived on Loc. bleed off well
Rigged up tbg tester & starting
testing in hole at 5000p found
one hole & busted one more
Replaced two Jts Rigged tester
down seated T.N.C w/ 10 points on it
planged up Ready to Run pump but
never show up with it waited 4 hours

Employee Time	Hours	Equipment Used	Unit No.	Hrs.
Op. Jose Luis Rutz	10	Unit & 4 Men	1	10 10
D.M. Jose Luis Rutz Jr	10			2350.7
Floorhand Arnol Valenzuela,	10	Rod and/or Tubing tongs		
Floorhand Elio Ontiveros	10	Flashing Tool		
		Replacement Parts For Fishing Tool		
		Paraffin Knife		
		Rodd Stripper & Rubber		
		Tubing Stripper & Rubber		
ONE WAY ROAD		Wiper Rubber		
TIME		Swap Cups		
		Oil Saver Rubbers		
			Sales Tax	
			Total	

Signed

Operator

Signed

Company Representative

Larry Hill
432-208-3742

1211

Company Order No. _____

Well T.D. _____

Company LOBO RESOURCES Lease HILL & HILL

Address _____ Well No. 3

Date 10-30-15 From _____ A.M. To _____ A.M.
P.M. P.M. Job Completed () Incomplete ()

DESCRIPTION OF WORK

arrived on loc opened well Run
pump & Rods in hole Real slow
thg still have paraffin on walls
Respaced it hung well on
good action Rig down & moved off.

ONE WAY ROAD TIME

[illegible]

Signed [Signature]
Operator

Signed

Company Representative

Larry Hill
432-208-3742

Company Order No. _____

Well T.D. _____

1212

Company LOBD RESOURCES Lease HILL & HILL

Address _____ Well No. #2

Date 10-30-15 From _____ A.M. _____ A.M.
P.M. To _____ P.M. Job Completed() Incomplete()

DESCRIPTION OF WORK

Drove Rig & crew to Loc. Rigged up & unhinged it longstroked for about 30 min. got good action Rigged down & took it to yard

ROAD TIME CHARGED TO #3 well

Employee Time	Hours	Equipment Used	Unit No.	Hrs.
Op. Jose Luis Ruiz	3	Unit & 4 Men	1	3
D.M. Jose Luis Ruiz Jr	3			
Floorhand Arnol Valenzuela	3	Rod and/or Tubing tongs		
Floorhand Rolando Hernandez	3	Flashing Tool		
		Replacement Parts For Fishing Tool		
		Paraffin Knife		
		Rodd Stripper & Rubber		
		Tubing Stripper & Rubber		
		Wiper Rubber		
		Swap Cups		
		Oil Saver Rubbers		
		Sales Tax		
		Total		

Signed Chad R. King Signed

Operator

Company Representative



PAGE	CUST NO	YARD #	INVOICE DATE
1 of 1	1003471	1308	12/29/2015
INVOICE NUMBER			
92005063			

Pecos (432) 445-2216
B REMUDA OPERATING
I 505 N BIG SPRING ST STE 602
L MIDLAND
L TX US 79701
T
O ATTN: ACCOUNTS PAYABLE

J LEASE NAME As follows
O LOCATION As follows
B COUNTY CULBERSON
S STATE TX
I JOB DESCRIPTION
T JOB CONTACT
E

JOB #	EQUIPMENT #	PURCHASE ORDER NO.		TERMS	DUE DATE
40897669	Various..			Net - 30 days	01/28/2016
		QTY	U of M	UNIT PRICE	INVOICE AMOUNT
Lease :HILL & HILL 34-3					
For Service Dates: 12/02/2015 to 12/04/2015 40896457					
130805238A Srvc Work using WS Rig 12/02/2015 Rig with Crew		13.00	HR	220.00	2,860.00 T
130805239A Srvc Work using WS Rig 12/03/2015 Rig with Crew		13.00	HR	220.00	2,860.00 T
130805240A Srvc Work using WS Rig 12/04/2015 Rig with Crew		4.00	HR	220.00	880.00 T
Sub Total					6,600.00 T
Lease :HILL&HILL #1					
For Service Dates: 12/07/2015 to 12/08/2015 40897669					
130805243A Srvc Work using WS Rig 12/07/2015 Rig with Crew		14.00	HR	220.00	3,080.00 T
130805244A Srvc Work using WS Rig 12/08/2015 Rig with Crew		3.00	HR	220.00	660.00 T
Sub Total					3,740.00 T
PLEASE REMIT TO: SEND OTHER CORRESPONDENCE TO:					
BASIC ENERGY SERVICES,LP		BASIC ENERGY SERVICES,LP		SUB TOTAL	10,340.00
PO BOX 841903		801 CHERRY ST, STE 2100		TAX	853.05
DALLAS, TX 75284-1903		FORT WORTH, TX 76102		INVOICE TOTAL	11,193.05

RRC # _____

Last ticket of Job: Y/N

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

DAILY WORK TICKET

1308 05244 A

Rig # 1215

Date 12-8-15

Wed

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Hill & Hill Well # 1 County Culberson State TX

Well Depth: _____ Working Depth: ☒ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS ☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing _____ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL		QTY.	RATE		TOTAL
	Hrs. @	Per Hr.				Hr. / Day / Ea.		
RIG & CREW	<u>3</u>	<u>220⁰⁰</u>	<u>660.00</u>	Paraffin Knife				
EXTRA LABOR	Hrs. @	Per Hr.		Safety Valve				
RIG FUEL	Hrs. @	Per Hr.		Standing Valve				
TRAVEL TIME	Hrs. @	Per Hr.		B.O.P.				
	QTY.	RATE		Catwalk				
		Hr. / Day / Ea.		Pipe Racks				
Rig Pusher								
OTE								
H ₂ S & Safety Equip.								
Tubing Tongs								
Rod Tongs								
Rig Mat								
Swab Cups Sz								
Oil Saver Rubber								
Wiper Rubbers								
Rod Stripper Rubber								
Permit								
Pipe Dope								
MISCELLANEOUS:								

SIZE	No. Rods Pulled	No. Rods Run	No. of Subs	

SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 660 \$

DESCRIPTION OF WORK:

Drove crew to loc, TIME STARTED 6:00 AM, TIME STOPPED 9:00 AM,
had TSA safety meeting, RID clean loc,
moved,
Rig Down

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Rosalio Armendariz</u>	<u>57290</u>			<u>3</u>	<u>pecos</u>

RRC # _____

Last ticket of Job: Y (N)

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

DAILY WORK TICKET

1308 05238 A

Rig # 1215

Date 12-2-15

Wed

Customer Name Reralveda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Hill 84011 Well # 34-3 County Culberson State TX
Well Depth: _____ Working Depth: ☐ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS ☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing ☒ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL	QTY.	RATE Hr. / Day / Ea.	TOTAL
RIG & CREW	13	Hrs. @ 220 Per Hr.	2860	Paraffin Knife		
EXTRA LABOR		Hrs. @ Per Hr.		Safety Valve		
RIG FUEL		Hrs. @ Per Hr.		Standing Valve		
TRAVEL TIME		Hrs. @ Per Hr.		B.O.P.		
	QTY.	RATE Hr. / Day / Ea.		Catwalk		
Rig Pusher				Pipe Racks		
OTE						
H ₂ S & Safety Equip.						
Tubing Tongs						
Rod Tongs						
Rig Mat						
Swab Cups Sz						
Oil Saver Rubber						
Wiper Rubbers						
Rod Stripper Rubber						
Permit						
Pipe Dope						
MISCELLANEOUS:						

ROD SIZE	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs		

TUBE SIZE	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX \$ 2860

DESCRIPTION OF WORK:

drove Rig to loc, TIME STARTED 7:00 AM, TIME STOPPED 8:00 PM,
had JSA safety meeting, R/V unit unseated pump P10101H
1 1/2" X 16 P/Rod 4-6-8-8-ft's sub 3/4 106 3/4 Rods, 2 ft's sub 3/4
pump 2 X 1 1/2" X 16 unflanged well, P10101H 85 JTS 2 3/8
TIAIC, sin perf sub 2 3/8 2 JTS M/A, B/plug R/V tbg, testers
tested 10 stands, had Paraffin problems R/V tbg testers
TIE/HW, All the pipe, laydown All the pipe Amount of
85 JTS 2 3/8, closed well, shut down, drove crew home,

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Rosendo Amador</u>	<u>57290</u>			<u>13</u>	<u>Pecos</u>

RRC #

Last ticket of Job: Y N

Job #



P.O. Box 841903
Dallas, Texas 75284-1903

DAILY WORK TICKET

1308 05239 Ä.:

Rig # 1215

Date 12-3-5 
Thur.

Customer Name	Customer AFE #	Customer P/O #
Rebuda		
Mailing Address	City	State Zip

Block	Section	Survey	Township	Range	Field
-------	---------	--------	----------	-------	-------

Lease Hill & Hill Well # 341-3 County Culberson State TX
Well Depth: _____ Working Depth: ☐ 0' - 4,000' ☒ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS
☐ COND. ☐ OTHER

Work Description:

Workover _____	Rod _____	Rod & Tubing _____	Re-entry _____
Swabbing _____	Tubing _____	Completion _____	P & A _____

BILLING

DESCRIPTION	RATE		TOTAL	QTY.	RATE Hr. / Day / Ea.		TOTAL
RIG & CREW	13	Hrs. @ 250 ⁰⁰ Per Hr.	2860.00	Paraffin Knife			
EXTRA LABOR		Hrs. @ Per Hr.		Safety Valve			
RIG FUEL		Hrs. @ Per Hr.		Standing Valve			
TRAVEL TIME		Hrs. @ Per Hr.		B.O.P.			
	QTY.	RATE Hr. / Day / Ea.		Catwalk			
Rig Pusher				Pipe Racks			
OTE							
H ₂ S & Safety Equip.							
Tubing Tongs							
Rod Tongs							
Rig Mat							
Swab Cups Sz							
Oil Saver Rubber							
Wiper Rubbers							
Rod Stripper Rubber							
Permit							
Pipe Dope							
MISCELLANEOUS:							

R O D S I Z E	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs			

T U B E S I Z E	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 2860 \$

DESCRIPTION OF WORK:

TIME STARTED 7:00 AM TIME STOPPED 8:00 PM

DESCRIPTION OF WORK: TIME STARTED 7:00 AM, TIME STOPPED 8:00 PM
 Drove crew to 101,
 had ISA safety meeting, check pressure, 100 psi, B/wid
 waited on Hot oil truck. Clean out Pipe with Hot water
 on the Ground, waited on Hg, tester's, R/V Hg, tester's
 T/H/H/W B/Plug 2 Jts 2^{3/8} M/A Perf sub 2^{3/8} S/W + A/C ~~85~~ Jts 2^{3/8}
 testing Hg, found 2 Hole Busted. 1 Pinch 2 with tongs.
 Replaced 3 Jts 2^{3/8} R/V Hg, tester's set A/C, Flanged well up
 R/V in Hole new pup 2x1^{1/2}x16 2 Jts 2^{3/8} 106^{3/4} R/Vs. 8-6-4 ft subs 3x
 1x16 P/Rod hung well over, shut down, drove crew home,

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR Rosalio Amador Jr.	57290			13	pecas

RRC # _____

Last ticket of Job: ☒ N

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

DAILY WORK TICKET

1308 05240 A

Rig # 1215

Date 12-4-13
Fri.

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Hill & Hill Well # 3H-3 County Culberson State TX
Well Depth: _____ Working Depth: ☒ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS
☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing ✓ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL		QTY.	RATE		TOTAL
		Hrs. @	Per Hr.			Hr. / Day / Ea.		
RIG & CREW	4	220 ⁰⁰	880.00	Paraffin Knife				
EXTRA LABOR				Safety Valve				
RIG FUEL				Standing Valve				
TRAVEL TIME				B.O.P.				
	QTY.		RATE					
			Hr. / Day / Ea.					
Rig Pusher				Catwalk				
OTE				Pipe Racks				
H ₂ S & Safety Equip.								
Tubing Tongs								
Rod Tongs								
Rig Mat								
Swab Cups Sz								
Oil Saver Rubber								
Wiper Rubbers								
Rod Stripper Rubber								
Permit								
Pipe Dope								
MISCELLANEOUS:								

ROD SIZE	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs			

TUBE SIZE	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 880.00 \$

DESCRIPTION OF WORK:

Drove crew to loc, TIME STARTED 6:00AM, TIME STOPPED 10:00AM
had JSA safety meeting, space out well,
longstroked well, check Action was GOOD
hang well Back on PID clean loc, moved,
Rig Down

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Arsalio Armentariz</u>	<u>57290</u>			<u>4</u>	<u>Recos.</u>

RRC # _____

Last ticket of Job: Y (N)

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

DAILY WORK TICKET

1308 05243 A

Rig # 1215

Date 12-7-15
Mon

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease McC Hill & Hill Well # 1 County Culberson State TX
Well Depth: _____ Working Depth: ☐ 0' - 4,000' ☒ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS ☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing ✓ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL		QTY.	RATE Hr. / Day / Ea.	TOTAL
RIG & CREW	14	Hrs. @ 120 ⁰⁰	Per Hr.	3080.00	Paraffin Knife		
EXTRA LABOR		Hrs. @	Per Hr.		Safety Valve		
RIG FUEL		Hrs. @	Per Hr.		Standing Valve		
TRAVEL TIME		Hrs. @	Per Hr.		B.O.P.		
		QTY.	RATE Hr. / Day / Ea.		Catwalk		
Rig Pusher					Pipe Racks		
OTE							
H ₂ S & Safety Equip.							
Tubing Tongs							
Rod Tongs							
Rig Mat							
Swab Cups Sz							
Oil Saver Rubber							
Wiper Rubbers							
Rod Stripper Rubber							
Permit							
Pipe Dope							
MISCELLANEOUS:							

ROD SIZE	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs		

TUBE SIZE	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 3080 \$

DESCRIPTION OF WORK:

drove crew to loc, TIME STARTED 6:00 AM TIME STOPPED 8:00 PM
had JSA, safety meeting, open well. waited on Hot oil
truck, clean out tog. with Hot water in the ground
R/V tog, tester's TIE/H/W B/PLUG 1st 2³/₈ M/A perf sub 2³/₈
S/N 88 Jts, 2³/₈ testing tog, found 1 Hole Busted 6 Jts, 2³/₈
Replaced 7 Jts, 2³/₈ R/D tog, tester's flanged well up. Ran in
Hole. Pump 2x1¹/₂x12 1¹/₂x1 K-Bar 109 ³/₄ Rods, 8-6-4-2-4 subs
³/₄ 1¹/₂x22 P/Red space out well. hang well on. shut down, drove
crew home.

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Rosalio Armentariz</u>	<u>57290</u>			<u>14</u>	<u>Pecos</u> <u>Karl J. T.</u>



PAGE	CUST NO	YARD #	INVOICE DATE
1 of 1	1003471	1308	12/29/2015
INVOICE NUMBER			
92005049			

Pecos (432) 445-2216

B REMUDA OPERATING
I 505 N BIG SPRING ST STE 602
L MIDLAND
L TX US 79701
T
O ATTN: ACCOUNTS PAYABLE

J LEASE NAME REEVES STATE # 1022
O LOCATION
B COUNTY CULBERSON
S STATE TX
I JOB DESCRIPTION Srvc Work using WS Rig
T JOB CONTACT
E

JOB #	EQUIPMENT #	PURCHASE ORDER NO.		TERMS	DUE DATE
40897965				Net - 30 days	01/28/2016
		QTY	U of M	UNIT PRICE	INVOICE AMOUNT
For Service Dates: 12/08/2015 to 12/10/2015					
0040897965					
130805245A Srvc Work using WS Rig 12/08/2015					
Rig with Crew		8.00	HR	220.00	1,760.00 T
Rubber-Wipers		1.00	EA	45.00	45.00 T
130805246A Srvc Work using WS Rig 12/09/2015					
Rig with Crew		14.00	HR	220.00	3,080.00 T
130805247A Srvc Work using WS Rig 12/10/2015					
Rig with Crew		4.00	HR	220.00	880.00 T

PLEASE REMIT TO:

SEND OTHER CORRESPONDENCE TO:

BASIC ENERGY SERVICES, LP
PO BOX 841903
DALLAS, TX 75284-1903

BASIC ENERGY SERVICES, LP
801 CHERRY ST, STE 2100
FORT WORTH, TX 76102

SUB TOTAL

5,765.00

TAX

475.61

INVOICE TOTAL

6,240.61

FX



P.O. Box 841903
Dallas, Texas 75284-1903

1308 05245 A

Rig # 1215

Date 12-8-13

DAILY WORK TICKET

AC #

Last ticket of Job: Y ☒ N

Job #

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Reeves State Well # 1022 County Culberson State TX
Well Depth: _____ Working Depth: ☒ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS
☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing ☒ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL	QTY.	RATE		TOTAL
	Hrs. @	Per Hr.			Hr. / Day / Ea.		
RIG & CREW	8	220 ⁰⁰	1760.00				
EXTRA LABOR							
RIG FUEL							
TRAVEL TIME							
	QTY.	RATE					
		Hr. / Day / Ea.					
Rig Pusher							
OTE							
H ₂ S & Safety Equip.							
Tubing Tongs							
Rod Tongs							
Rig Mat							
Swab Cups Sz							
Oil Saver Rubber							
Wiper Rubbers	1	45 ⁰⁰	45.00				
Rod Stripper Rubber							
Permit							
Pipe Dope							
MISCELLANEOUS:							

SIZE	No. Rods Pulled	No. Rods Run	No. of Subs	

SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 1805 \$

DESCRIPTION OF WORK:

drove Rig to loc, TIME STARTED 9:00 AM, TIME STOPPED 5:00 PM,
R/V unit B/W/D pump stuck, worked up and down, couldn't
get pump unseated Backed off Rods to the left 10101H got out with
1'x12 P/Rod 4ft sub 101 3/4 Rod 5 1/2 x 1/2 Bar. unflanged well,
10101H 82 JS 12 3/8 tubing pump working Barrel pett sub B/P plug
and plunger, closed well in. shut down, drove crew home,

Rig Up

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR Rosalio Armendariz	57290			8	pecos

RRC # _____

Last ticket of Job: 

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

1308 05246 A

Rig # 1215

Date 12-9-13

DAILY WORK TICKET

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Reeves State # Well # 1022 County Culberson State TX
Well Depth: _____ Working Depth: ☒ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS ☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing ☒ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL		QTY.	RATE		TOTAL
	Hrs. @	Per Hr.				Hr. / Day / Ea.		
RIG & CREW	14	220 ⁰⁰	3080.00	Paraffin Knife				
EXTRA LABOR				Safety Valve				
RIG FUEL				Standing Valve				
TRAVEL TIME				B.O.P.				
	QTY.	RATE		Catwalk				
		Hr. / Day / Ea.		Pipe Racks				
Rig Pusher								
OTE								
H ₂ S & Safety Equip.								
Tubing Tongs								
Rod Tongs								
Rig Mat								
Swab Cups Sz								
Oil Saver Rubber								
Wiper Rubbers								
Rod Stripper Rubber								
Permit								
Pipe Dope								
MISCELLANEOUS:								

ROD SIZE	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs			
TUBE SIZE	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 3080 \$

DESCRIPTION OF WORK:

drone crew to loc, TIME STARTED 6:00 AM TIME STOPPED 8:00 PM
had JSA safety meeting, open well, waited on tbg, tester's
R/V tbg, tester's Ran in Hole. 1 JT, 2 3/8" N/A SH 89 JTS, 2 3/8" testing tbg
found 2 Holes Busted 3 JTS, 2 3/8" R/V tbg, tester's Replaced 5 JTS, 2 3/8"
tag Bottom lay down 2 JT 2 3/8" flanged well UP. Man in hole new
pump 2 x 1 1/2" x 12" 109 3/4" Rods, 8-H-H-2 ft's subs 1 1/2" x 12" p/Rod
space out well, longstroked well, had GOOD ACTION, hang
well on, shut down. drove crew home.

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Rosalio Arreola</u>	<u>57290</u>			<u>1H</u>	<u>pecos</u>

RRC # _____

Last ticket of Job: Y N

Job # _____



P.O. Box 841903
Dallas, Texas 75284-1903

1308 05247 A

Rig # 1215

Date 12-10-13

DAILY WORK TICKET

Customer Name Remuda Customer AFE # _____ Customer P/O # _____
Mailing Address _____ City _____ State _____ Zip _____

Block _____ Section _____ Survey _____ Township _____ Range _____ Field _____

Lease Reeves + A+E Well # 1022 County Culberson State TX
Well Depth: _____ Working Depth: ☒ 0' - 4,000' ☐ 4,001' - 8,000' ☐ 8,001' + Well Type: ☐ OIL ☐ GAS ☐ COND. ☐ OTHER

Work Description: Workover _____ Rod _____ Rod & Tubing _____ Re-entry _____
Swabbing _____ Tubing _____ Completion _____ P & A _____

BILLING

DESCRIPTION	RATE		TOTAL	QTY.	RATE Hr. / Day / Ea.	TOTAL
RIG & CREW	4	Hrs. @ 220 ⁰⁰	Per Hr.	880 ⁰⁰	Paraffin Knife	
EXTRA LABOR		Hrs. @	Per Hr.		Safety Valve	
RIG FUEL		Hrs. @	Per Hr.		Standing Valve	
TRAVEL TIME		Hrs. @	Per Hr.		B.O.P.	
	QTY.	RATE Hr. / Day / Ea.			Catwalk	
Rig Pusher					Pipe Racks	
OTE						
H ₂ S & Safety Equip.						
Tubing Tongs						
Rod Tongs						
Rig Mat						
Swab Cups Sz						
Oil Saver Rubber						
Wiper Rubbers						
Rod Stripper Rubber						
Permit						
Pipe Dope						
MISCELLANEOUS:						

ROD SIZE	SIZE	No. Rods Pulled	No. Rods Run	No. of Subs			

TUBE SIZE	SIZE	No. Joints Pulled	No. Joints Run	Upset	Plain	Thd	# Subs

TOTAL BILLABLE AMOUNT THIS FIELD REPORT

☐ SUBJECT TO SALES TAX 880 \$

DESCRIPTION OF WORK:

Drove crew to loc, TIME STARTED 7:00 AM, TIME STOPPED 11:00 AM
had safety meeting, R/O clean loc,
moved, drove Rig to the YARD.

Rig Down

PAYROLL SECTION

EMPLOYEE	Emp. #	Revenue Hours	Travel Hours	TOTAL	Safety Report
OPERATOR <u>Rosalio Armendariz</u>	<u>57290</u>			<u>4</u>	<u>Recess</u>



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7011 1150 0001 2414 9407

May 20, 2016

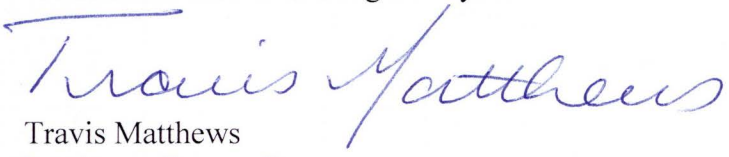
Mr. James White
White's Industrial Engines
804 South Terrell Street
Midland, Texas 79701

Re: State Lease: MF 067525 being 320 acres, Sec 22, Blk 45 PSL Survey, MF 067953 being 640 acres, Sec 14, Blk 45 PSL Survey, MF 067528 being 320 acres, Sec 27, A-3675, MF 067529 being 640 acres more or less Section 34, A-3654 and MF 067529 being 640 acres more or less, Sec 35, A- 3580 in Reeves County, TX.

Dear Mr. White:

We have reviewed the GLO record on the referenced lease and the Railroad Commission production records of the wells which have been producing under this lease. From our review we have determined that the revenue from production over the last twelve months does not appear to have exceeded the operating and marketing expenses. Please provide the Texas General Land Office with the Income / Expense statements for the last year concerning the aforementioned lease and its associated wells. Please respond to this request. If we have not received this statement within thirty days of your receipt of this letter we will terminate this lease.

We look forward to hearing from you.


Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
travis.matthews@glo.texas.gov

(52)

File No. MF067525, 067953
067528, 067529

Date Filed: 5-20-16

By TM George P. Bush, Commissioner

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <u>X D. White</u> ☐ Agent ☐ Addressee B. Received by (Printed Name) <u>D. White</u> C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
1. Article Addressed to: Mr. James White White's Industrial Engines 804 South Terrell Street Midland, Texas 79701			
 9590 9403 0530 5173 4163 54			
2. Article Number (Transfer from service label) 7011 1150 0001 2414 9407		3. Service Type ☐ Adult Signature ☐ Priority Mail Express® ☐ Adult Signature Restricted Delivery ☐ Registered Mail™ ☒ Certified Mail® ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Collect on Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery	

PS Form 3811, April 2015 PSN 7530-02-000-9053 Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Post	Mr. James White
Sent To	White's Industrial Engines
Street, Apt. 1 or PO Box	804 South Terrell Street
City, State, ZIP	Midland, Texas 79701
PS Form 3800, August 2006 See Reverse for Instructions	

7011 1150 0001 2414 9407



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7016 2070 0000 7391 9646

February 2, 2018

Horton Oilfield Services
403 S. Woodward Avenue
Ballinger, Texas 76821

Re: State Lease: **MF 067525** being 640 acres, Sec 22, Blk 45 PSL Survey, Reeves County, TX.
Re: State Lease: **MF 067528** being 640 acres, Sec 27, Blk 45 PSL Survey, Reeves County, TX.

Dear Horton Oilfield Services:

We have reviewed the GLO records of the referenced leases and the Railroad Commission records of the wells and found them to be SEALED by the RRC due to "Failure to resolve issues for letters sent on 2/14/2017 and 2/15/2017". The referenced leases have been Terminated September 1, 2017 due to no production.

Pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, effective as of the termination date and recorded in the County of record in which the lease tract is located. After recording the release, mail a certified copy of the release, along with the filing fee of \$25.00, per lease to my attention at the GLO.

Thank you,

Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
travis.matthews@glo.texas.gov

(53)

File No. MF 067528

REEVES County

TERMINATION LETTER

Date Filed: 2/2/18

By JW George P. Bush, Commissioner

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ERIN RAUGHTON
SR LANDMAN

ANADARKO PETROLEUM CORPORATION
1201 LAKE ROBBINS DRIVE
THE WOODLANDS TEXAS 77380

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ERIN RAUGHTON
SR LANDMAN
ANADARKO PETROLEUM CORPORATION
1201 LAKE ROBBINS DRIVE
THE WOODLANDS TEXAS 77380

2. Article Number

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MF *067528*

LINDA PRICE, 845-E

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN TX 78711-2873

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 3, 2014

Erin Raughton
Senior Landman
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, Texas 77380
Via CMRRR#: 7011 1150 0001 2416 5049
Email to: erin.raughton@anadarko.com

RE: **State Lease MF067528**

Lease dated October 3, 1972
640 acres, All of Section 27, Block 45, PSL Survey, Reeves County, Texas
Recorded in Volume 315, Page 107, Reeves County, Texas
State of Texas, Lessor
Assignment dated July 29, 1988 to Charlie D. Davis, d/b/a Hoolihan
Production Company
Conveyed: Surface to Base of Bell Canyon Formation
Recorded in Volume 487, Page 240, Reeves County, Texas
Reeves State 27 #4 (API #: 42-389-32038)

Dear Ms. Raughton:

Our records indicate that Anadarko's rights to the referenced lease terminated effective December 2003 due to cessation of production in commercial quantities under the terms and conditions of the lease and the laws of the State as further defined in Title 31 of the Texas Administrative Code ("TAC"). Pursuant to the TAC, a certified, recorded copy of a Release of State Oil and Gas Lease and filing fee of \$25 must be filed with our office and sent to my attention.

If you disagree with this assessment, you have 15 days from the date of this letter in which to present evidence and convince the General Land Office that the lease is maintained. Failure to respond or failure to present sufficient evidence of the continuation of Anadarko's interest in the lease will result in the mineral file being endorsed as "terminated" with no further communication from this office.

Sincerely,

Linda Price, RL
Energy Resources, Mineral Leasing
512-463-5118
512-475-1543 (fax)
Linda.Price@glo.texas.gov

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

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December 5, 2014 , 8:04 am	Arrived at Unit	SPRING, TX 77380
December 5, 2014 , 5:37 am	Arrived at USPS Facility	HOUSTON, TX 77032
December 5, 2014 , 12:27 am	Departed USPS Facility	NORTH HOUSTON, TX 77315
December 4, 2014 , 6:46 pm	Arrived at USPS Facility	NORTH HOUSTON, TX 77315
December 3, 2014 , 8:36 pm	Departed USPS Facility	AUSTIN, TX 78710
December 3, 2014 , 7:13 pm	Arrived at USPS Facility	AUSTIN, TX 78710

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Termination letter

dated 12-3-2014

Date Filed 1/07/2020

Jerry E. Patterson, Commissioner

By VP



December 17, 2014

SENT VIA EMAIL & OVERNIGHT DELIVERY

1700 North Congress Avenue - Stephen F. Austin Building
Austin, TX 78711-2873
ATTN: Linda Price
Email Cc: thomasmorris@chevron.com, kelly.rau@chevron.com

Re: State Lease MF067528

Dear Linda,

Thank you for your letter dated December 3, 2014, regarding the above referenced lease. Please consider this as Anadarko's formal response to your letter.

By Term Assignment dated July 1, 2014, Anadarko acquired its interest in this lease from Chevron U.S.A., INC. Currently, a third party operates under said lease pursuant to other agreements. As of the date of the Term Assignment, this lease continues to produce in paying quantities. If you have any information to the contrary, please furnish Anadarko with said information for immediate review.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Taylor".

David C. Taylor, RPL
Landman – Delaware Basin
Anadarko E & P Onshore LLC
9950 Woodloch Forest Drive | The Woodlands, Texas 77380
Office: 832.636.1000 | Direct: 832.636.2715 | Fax: 832.636.5599



File No. MF 067528
Anadarko Rsp to 12/3/2014
Termination Ltr.

Date Filed: 1/06/2020

Jerry E. Patterson, Commissioner

By VR/

13.55.14