

INACTIVE

Sum
CM 6/15/95

FREE ROYALTY LEASE M-77769

8
195

COUNTY: Reeves
TRACT : N. 1/3rd Sec. 38, Blk. 45,
PART : PSL
ACRES : 213.33

LESSEE : Chalfant, Magee and Clifton
DATE : September 13, 1968
TERM : Five Years
BONUS : _____
RENTAL: _____
FILE : 153250



MF 077769

TGLO YAN

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OIL AND GAS LEASE

THIS AGREEMENT made this 13th day of September 1968, between L. H. Meeker and J. J. Meeker (whose marital status has not changed since acquiring this land) and since Hill, Meeker and The First National Bank of Fort Worth, Co-Executors of the Estate of Liam Meeker, deceased. and Chalfant, Magee & Hansen, Inc. Lessee:

1. Lessor, in consideration of Ten & No/100 Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases, and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights therein, situated in Reeves

County, State of Texas to-wit:
The North one-third (N 1/3) of Section 38, Block 45, Public School Land Surveys

and containing 213.33 acres, more or less. In the event a resurvey of said lands shall reveal the existence of excess and/or vacant lands lying adjacent to the lands above described and the lessor, his heirs, or assigns, shall, by virtue of his ownership of the lands above described, have preference right to acquire said excess and/or vacant lands, then in that event this lease shall cover and include all such excess and/or vacant lands as and when acquired by the lessor; and the lessee shall pay the lessor for such excess and/or vacant lands at the same rate per acre as the cash consideration paid for the acreage hereinabove mentioned. five (5)

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of ten (10) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, one-eighth of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, casinghead gas and all gaseous substances produced from said land and sold, or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of one-eighth of the gas sold or used, provided that on gas sold at the wells the royalty shall be one-eighth of the amount realized from such sale; and (c) if a well capable of producing oil or gas in commercial quantities is located on the above land or on land pooled or unitized with all or a portion thereof, is at any time shut in and this lease is not continued in force by some other provision hereof, it shall nevertheless continue in force for a period of sixty (60) days from the date such well is shut in; and lessee, or any assignee hereunder, may pay or tender, as royalty, in the same manner as delay rental may be paid hereunder or by check mailed or delivered to the person or persons entitled thereto, on or before 60 days after said well is shut in and annually thereafter on or before 60 days after the anniversary of the shut in date as long as said well is shut in, an aggregate amount equal to the delay rental herein provided applicable to the net mineral acres then held under this lease by the party making such payment or tender. If royalty is paid or tendered as provided herein, it shall be conclusively deemed and considered that oil and gas is being produced in commercial quantities on the acreage for which such payment is made or tendered within the meaning of paragraph 2 of this lease and it shall continue, as to said acreage, during any annual period for which such royalty is so paid or tendered. Royalty ownership on the date the royalty is so paid, as shown by lessee's records, shall govern the determination of the party or parties entitled to receive payment. Intermittent production of oil, gas or both, during any annual period for which shut in royalty has been paid or tendered shall not be a new or separate annual period. Royalty accruing on actual production from the above land or land pooled or unitized therewith during any annual period for which shut in royalty has been paid shall be credited against such payment.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of Two

Hundred Thirteen & 33/100 Dollars (\$ 213.33) which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive periods of the same number of months each

during the primary term. Payment or tender may be made to the lessor or to the

Continental National Bank of Fort Worth, Texas

which bank, or any successor thereof, shall continue to be the agent for the lessor and lessor's successors, heirs and assigns. If such bank for any successor bank shall fail, liquidate, or be succeeded by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor shall deliver to lessee a recordable instrument making provision for another method of payment or tender, and any depository charge is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or either lessor if more than one, on or before the rental paying date. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner provided shall be binding on the heirs, devisees, executors and administrators of the lessor and his successors in interest. The consideration first recited herein covers all the privileges, options and other rights herein granted the lessee.

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil, liquid hydrocarbons and all gases and their respective constituent products, or any of them, such pooling to be into a unit or units not exceeding 40 acres in the event of an oil well, or into a unit or units not exceeding 640 acres in the event of a gas well, plus a tolerance of 10% thereof, provided that if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. The term "gas well" as used in this paragraph shall be deemed to include wells producing, or capable of producing, natural gas, gas condensate, gas distillate or any gaseous substance, as said terms, or any of them are commonly understood in the oil and gas industry, or as they may be used by any governmental authority. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

6. If, prior to discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, on said land or on land pooled therewith, lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within sixty (60) days thereafter, or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental paying date next ensuing after the expiration of three (3) months from date of completion and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is not being produced on said land or land pooled therewith but lessee is then engaged in operations for drilling, mining, or reworking of any well or wells thereon, this lease shall remain in force so long as such operations or said additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than sixty (60) consecutive days, and, if they result in production, so long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land pooled therewith.

7. Lessee shall have free use of oil, gas, and water from said land, except water from lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines below ordinary plow depth. Lessee shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon lessee for any purpose until such person acquiring any interest has furnished lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall make payment of said rentals.

9. All express and implied covenants and conditions of this lease shall be subject to Federal and State laws, Executive or other governmental orders, rules or regulations and this lease shall not terminate for non-performance of any such covenant or condition nor while production, drilling or any other operation is delayed, restricted or suspended, pursuant to any such law, order, rule or regulation or as a result of any cause whatsoever beyond the control of the lessee, anything in this lease to the contrary notwithstanding.

10. Lessee and lessee's successors and assigns shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases. In the same manner lessee shall have the right to surrender this lease with respect to any horizon or horizons and thereupon shall be relieved from all obligations, express or implied, with respect to said horizon or horizons so surrendered. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

11. Lessor hereby warrants and agrees to defend the title of said land, and agrees that lessee, at its option, may discharge any tax, mortgage or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion that his interest bears to the whole and undivided fee; however, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired, and Lessor agrees to notify lessee in writing upon acquisition of any reversionary interest. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

IN WITNESS WHEREOF, we sign the day and year first above written.

Provisions contained herein to the contrary notwithstanding, it is hereby agreed between Lessor and Lessee, as follows:

12. Unless this lease is otherwise maintained in force by provisions contained in this lease, other than the shut-in provision in paragraph 3 above, it is hereby specifically agreed between the Lessor and the Lessee that the shut-in provision provided for in Paragraph 3 above shall in no event extend the term of this lease beyond September 13, 1978.

13. In the event only a part or a portion of the land covered hereby is pooled or unitized, as hereinabove provided, into a producing unit or units on or before September 13, 1973, Lessee agrees to execute and deliver unto Lessor a recordable Release of Oil and Gas Lease relinquishing all of Lessee's rights and interests in and to the lands covered hereby not included in a producing unit or units on September 13, 1973, unless said non-unitized lands on said date are otherwise being maintained in force by provisions of this lease other than the pooling and unitization provisions herein contained.

14. The above described land having been sold by the State of Texas under a mineral classification, Lessor recognizes that the State of Texas is, under the provision of Section 4, of Article 5421-C, of the Revised Civil Statutes of the State of Texas, entitled to receive the free royalty therein stipulated on oil, gas and other minerals that may be produced from the land hereinabove described, and by these presents authorizes the Lessee or any Assignee thereof to deduct from the royalty recited to be payable or deliverable to Lessor under the provisions of Paragraph 3 hereof, any royalty to which the State of Texas is entitled.

IN WITNESS WHEREOF, we sign the day and year first above written.

cc attached amendments

2302

Between 1960 and 1965, the number of people who
were born in the United States and who had
foreign-born parents increased from 1.5 million to
2.5 million. This increase was due to a number of
factors, including the large number of people who
immigrated to the United States during this period.
The number of people who were born in the United States
and who had foreign-born parents increased from 1.5 million
to 2.5 million. This increase was due to a number of
factors, including the large number of people who
immigrated to the United States during this period.

THE STATE OF TEXAS,
COUNTY OF Tarrant

SINGLE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared ~~L. H. Meeker, Individually and as Co-Executor of the Estate of William Wade Meeker, deceased~~ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity ~~and in the capacity~~ GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of September A. D. 1968
(L. S.) Glenna M. Brizance
Notary Public in and for Tarrant County, Texas

THE STATE OF TEXAS,
COUNTY OF Tarrant

SINGLE ACKNOWLEDGMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. J. Meeker known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of September A. D. 1968
(L. S.) Glenna M. Brizance
Notary Public in and for Tarrant County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared LAWRENCE HILL MEERER, Co-Independent Executor of the Estate of William Wade Meeker, deceased, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated. GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23rd day of September A. D. 1968
(L. S.) Glenna M. Brizance
Notary Public in and for Tarrant County, Texas.

842—THE ODEE COMPANY, PUBLISHERS—DALLAS

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared L. R. Clark, Vice President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The First National Bank of Fort Worth, Co-Executor of the Estate of William Wade Meeker, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated. GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 25th day of September A. D. 1968
(L. S.) William Wade Meeker
Notary Public in and for Tarrant County, Texas.

25700

EXTENSION AND AMENDMENT OF OIL AND GAS LEASE

THE STATE OF TEXAS X

COUNTY OF REEVES X

WHEREAS, The Superior Oil Company and Chevron Oil Company are the present owners of the following Oil and Gas Lease:

Lease between L. H. Meeker, et al, as Lessor, and Chalfant, Magee & Hansen, Inc., as Lessee, dated September 13, 1968, and now of record in Volume 279, page 153, of the Oil and Gas Lease Records of Reeves County, Texas, providing for a primary term of five years and a one-eighth royalty and covering the following described land in Reeves County, Texas, to-wit:

The North One-Third (N-1/3) of Section 38, Block 45, Public School Lands Survey, containing 213.33 acres, more or less.

WHEREAS, the undersigned parties are the successors in title of the original lessor referred to above and are the present owners of all of the mineral interests subject to the lease; and

WHEREAS, it is the desire of the undersigned and the present owners of the leasehold estate that the lease be amended in the particulars hereinafter specified.

ACCORDINGLY, L. H. Meeker, Individually and as a Trustee for J. J. Meeker, and Lawrence Hill Meeker and The First National Bank of Fort Worth, Texas, Co-Executors of the Estate of William Wade Meeker, deceased, hereinafter called "Lessor", in consideration of the premises and in further consideration of the Sum of One Dollar (\$1.00) and other valuable consideration to them in hand paid by The Superior Oil Company and Chevron Oil Company, hereinafter called "Lessee", the receipt of which is hereby acknowledged, do hereby contract and agree with Lessee that said lease be and the same is hereby amended as follows:

All of the paragraph numbered "2" as originally written is hereby deleted therefrom and there is hereby substituted therefor the following:

"2. Subject to the other provisions herein contained, this lease shall be for a term to and including September 13, 1978 (herein called primary term) and so long thereafter as oil, liquid hydrocarbons, gas or their respective constituent products, or any of them, is produced from said land or land with which said land is pooled."

Sub-paragraphs (a) and (b) of paragraph numbered "3" as originally written are hereby deleted therefrom and there is hereby substituted therefor the following:

"3. (a) on oil and other liquid hydrocarbons saved at the well, three-sixteenths of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, casinghead gas and all gaseous substances produced from said land and sold, or used off the premises or in the manufacture of gasoline or other products therefrom, the market value at the mouth of the well of three-sixteenths of the gas sold or used, provided that on gas sold at the wells the royalty shall be three-sixteenths of the amount realized from such sale."

All of paragraph numbered "12" as originally written is hereby deleted therefrom and there is hereby substituted therefor the following:

"12. Unless this lease is otherwise maintained in force by provisions contained in this lease, other than the shut-in provision in paragraph 3 above, it is hereby specifically agreed between the Lessor and the Lessee that the shut-in provision provided for in Paragraph 3 above shall in no event extend the term of this lease beyond September 13, 1980."

All of paragraph numbered "13" as originally written is hereby deleted therefrom and there is hereby substituted therefor the following:

"13. In the event only a part or a portion of the land covered hereby is pooled or unitized, as hereinabove provided, into a producing unit or units on or before September 13, 1978, Lessee agrees to execute and deliver unto Lessor a recordable Release of Oil and Gas Lease relinquishing all of Lessee's rights and interests in and to the lands covered hereby not included in a producing unit or units on September 13, 1978, unless said non-unitized lands on said date are otherwise being maintained in force by provisions of this lease other than the pooling and unitization provisions herein contained."

The Lessor for the consideration hereinabove recited does hereby ratify and confirm the said oil and gas lease in all of its terms and provisions as herein amended and does hereby grant, demise, lease and let unto The Superior Oil Company and Chevron Oil Company all of the above described land, in accordance with all the terms and provisions as set out in said lease as herein amended and said lease as amended shall have the same force and effect as if the provisions of this amendment had been originally incorporated in said lease.

This agreement is in lieu of and supercedes that certain Extension and Amendment of Oil and Gas Lease dated May 25, 1973, recorded in Volume 323, page 682, of the Oil and Gas Records of Reeves County, Texas.

This agreement shall extend to and be binding upon the parties hereto and their heirs, successors, assigns, administrators, executors and legal representatives.

EXECUTED this 31st day of October, 1973.

ATTEST

James E. Reed, Jr.
Assistant Secretary

THE SUPERIOR OIL COMPANY

By

Don Matthews
Vice President

CHEVRON OIL COMPANY

By

Cornadwell
Attorney-in-Fact

By

Shirley
Attorney-in-Fact

THE FIRST NATIONAL BANK OF FORT WORTH,
Co-Independent Executor of the Estate
of William Wade Meeker, Deceased

By

James C. Bell
Vice-President and Trust Officer

ATTEST

James C. Bell
TRUST OFFICER

Tax Identification
No. [REDACTED]

Lawrence Hill Meeker
LAWRENCE HILL MEEKER, Co-Independent
Executor of the Estate of William
Wade Meeker, Deceased

L. H. Meeker
L. H. MEEKER, Individually and as
Trustee for J. J. Meeker
Social Security No. [REDACTED] (L.H.M.)
Social Security No. [REDACTED] (J.J.M.)

THE STATE OF TEXAS X

COUNTY OF TARRANT X

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 31st day of October, 1973.

Glenna M. Brigance
Notary Public in and for Tarrant
County, Texas

THE STATE OF TEXAS X

COUNTY OF TARRANT X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Lawrence Hill Meeker, Co-Independent Executor of the Estate of William Wade Meeker, Deceased, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

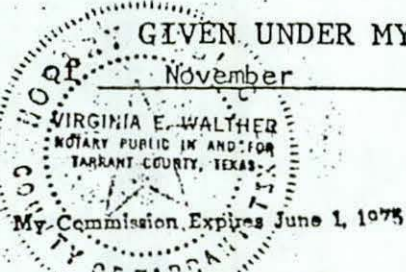
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 31st day of October, 1973.

Glenna M. Brigance
Notary Public in and for Tarrant
County, Texas

THE STATE OF TEXAS X

COUNTY OF TARRANT X

BEFORE Me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared JIM C. BELL, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said The First National Bank of Fort Worth, Co-Executor of the Estate of William Wade Meeker, Deceased, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.



GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of November, 1973.

Virginia E. Walther
Notary Public in and for Tarrant
County, Texas

THE STATE OF TEXAS X

COUNTY OF HARRIS X

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



GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16 day of November, 1973.

Viola Marburger
Notary Public in and for Harris
County, Texas
VIOLA MARBURGER
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1975

STATE OF COLORADO)
CITY AND) SS
COUNTY OF DENVER)

Before me, the undersigned authority, a Notary Public in and for said County, personally appeared G. W. MAXWELL and H. L. PURDY

to me personally known, who being by me duly sworn did say that they, with the capacity designated by their signatures on the document to which this certificate is attached, are the officers or agents respectively, of Chevron Oil Company, a corporation organized and existing under and by virtue of the laws of the State of California, and that they as such officers or agents and in such capacity being authorized by its Bylaws and/or Board of Directors so to do, signed, sealed, executed and acknowledged before me the foregoing instrument on behalf of said Corporation as their voluntary act and deed and the voluntary act and deed of said Corporation for the uses, purposes and consideration therein expressed and contained by signing the name of the Corporation by them as such officers or agents and that the seal, if any, affixed to said instrument is the Corporate seal of said Corporation, and they further acknowledge to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal of office on this the 21st day of November, 1973

PEGGY D. BICKETT
Notary Public in and for the
State of Colorado, Residing
at Denver, Colorado.
My commission expires Sept. 28, 1974

Peggy D. Bickett
Notary Public

Notary Public in and for
County,

4836

FILED FOR RECORD

AT 1:00 O'CLOCK

NOV 29 1973

CATHERINE ASHLEY
County Clerk, Reeves County, Texas

BY C-a DEPUTY

5750

Superior Oil Co.

A 105—Certificate of Record—Class 1

FOR SALE BY STAFFORD-LONDON CO. FORT WORTH 53226

Texas Standard Form

THE STATE OF TEXAS,

County of REEVES

I, CATHERINE ASHLEY, Clerk of the

County Court in and for said County, do hereby certify that the foregoing Instrument,

dated 31st day of October 1973 with its certificates of authentication, was filed for

Record in my office the 29th day of November 1973, at 1:00 o'clock P. M., and duly

Recorded the 30th day of November 1973, at 3:00 o'clock P. M., in O&G Record

of said County in Vol. 327 on Page 149

WITNESS my hand and the seal of the County Court of said County, at office in Pecos,

Texas, the day and year last above written.

CATHERINE ASHLEY Clerk,

By *David J. Lumsden* Deputy.

County Court, Reeves County.

07 05 7

77769
Flare
File Dated 7-29-78
Bob Armstrong, Commissioner

①



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

121

July 28, 1978

15-3250
15-1380

Mr. Lanvil Gilbert
Senior Attorney
General Land Office
Stephen F. Austin Building - 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701

Dear Lanvil:

Pursuant to your request of July 26, 1978, I enclose herewith xerox copies of the following described leases under which the State is entitled to a 1/16 free royalty on oil and/or gas production when and if production is established:

- (1) Oil and Gas Lease dated September 13, 1968 executed by L. H. Meeker et al covering the North 1/3 of Section 38, m-77769 Block 45, PSL, Reeves County, Texas together with a copy of the Extension and Amendment of said lease dated October 31, 1973.
- (2) Oil and Gas Lease dated September 17, 1968 executed by George P. Hill covering the South 2/3 of Section 38, Block 45, PSL, Reeves County, Texas together with a copy of the Extension and Amendment of said lease dated May 25, 1973.

If you need any further information regarding this matter, please let me know.

Yours very truly,


Bert O. Gunn, Jr.
Senior Land Representative

BOG:cn
Enclosure

07057

(2)

No. 77769

CONFIDENTIAL

Chas. H. H. H.

FROM

Dated 7-28-78

August 25, 1978

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

Attn: Bert O. Gunn, Jr.

Re: Free Royalty Lease M-77770
S. 2/3rds Sec. 38, Blk. 45,
PSL, Reeves County, TX

Free Royalty Lease M-77769
N. 1/3rd Sec. 38, Blk. 45,
PSL, Reeves County, TX

Gentlemen:

The copies of Oil and Gas Leases, affecting the above captioned tracts, have been filed in our records as stated above. You should refer to the correct mineral file number in all future correspondence concerning these leases.

Please feel free to contact us for any additional information or assistance you may need in the future.

Sincerely yours,

Bob Armstrong

By:
Wm. Mark Thompson, Attorney
Oil and Gas Division
Legal Department
512 475-4246

WMT/dr

(3)

L. L. 77769

CORRESPONDENCE FILE

to Churton USA

~~FROM~~

Dated 8-25-78

October 16, 1978

Chevron USA, Inc.
P. O. Box 599
Denver, Colorado 80201

ATTENTION: Accounting Manager

RE: State Lease M-77769
L. H. Meeker 38-1 Well
N. 1/3rd Sec. 38, Blk. 45
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your \$106.67 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/lsg
Enclosures

(H)

M. F. 77769

CORRESPONDENCE FILE

To

Cherrow NSA, Inc.

From

Dated 10-16-78 /sg

API Well No. 42 389 30988
Instructions (7a & b) on back side.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Free Royalty Lease
FORM 1

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

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

L. H. Meeker, et al 38 AUG 25 1978

3. Location (Sec., Blk., Survey)
Sec. 38, Blk. 45, PSL Surv.

6. This well is to be located 12 miles South
Direction from Orla, Tx.

Nearest Post Office or Town:

RRC Permit Number, if previously assigned: 029047

7. RRC District

8. County

Reeves

9. Well Number

10. Number of Acres in Lease

640 ±

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

12. Total Depth
3500'

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. Pronunciation Schedule including Reservoir if applicable.) If identical, so state below. 57700500 Marsh, S. (Delaware)	Completion Depth 3500'	All Prior Rule 37 Case Numbers for this wellbore. State None. None	Applicable Field Rules Spacing Pattern, If no Rules, State 467-1200 (ft.) -1200'	Applicable Field Rules Density Pattern, If no Rules, State 40. 40	Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT. 160	Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.) No	Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.) None	Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box. Regular 1 X Rule 37 2	Oil, Gas, or other Type Well (Specify) Gas	Number of Wells or Permitted Locations on this Lease in this Reservoir for which this Permit is Required? OIL GAS - -

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:

A. Lease Lines 660' FNL & 1320' FWL of Lease.

B. Survey Lines 660' FNL & 1320' FWL of Section.

25. DISTANCE AND DIRECTION TO NEAREST WELL 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.

REMARKS: This amended W-1 is being submitted for the purpose of correcting the Lease name from L. M. Meeker to L. H. Meeker. Permit issued on 7-24-78.

Comp 8-23-78

2860-2960

IP: 278 MCF/D

TD 3000' (Del.)

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

CERTIFICATE

I declare under penalties prescribed in Article 6533c, H. C. S., that I am authorized to make this report, that this report was prepared by me or my supervision and direction, and that data and facts stated therein are true, correct, and complete to the best of my knowledge.

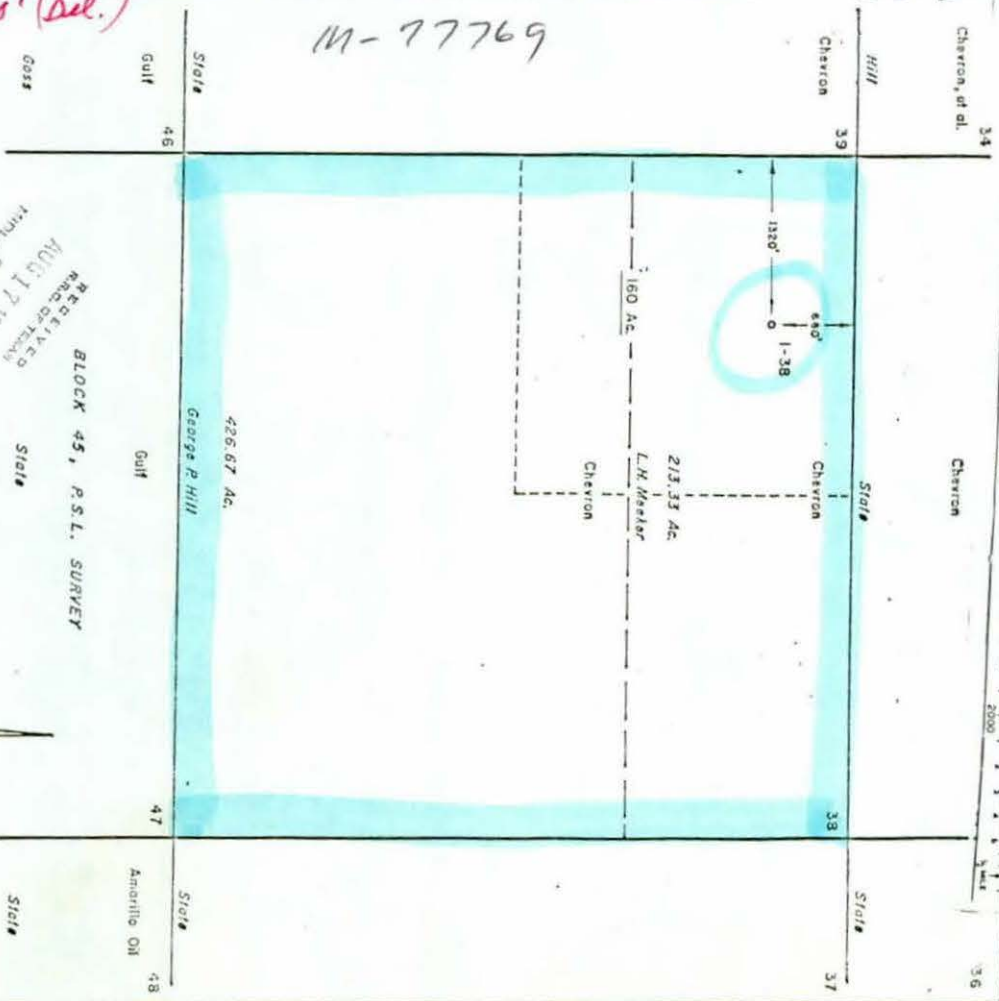
Signature B. R. Graham
Engineering Assistant

Date August 16, 1978

Telephone: Area Code 915 684-4441

White

SCALE OF MAP



Statewide PLAT SERVICE
P. O. DRAWER 1837, AUSTIN, TEXAS 78767

8-22-78

N.R.

153250- Free 15.4179 Unleased #29047 FORM W-1 (6-8-77)

APL Well No. 42
Instruction (7a & b) on back side.

389-30988

OIL AND GAS DIVISION

Directional Well ☐ Amended or Corrected Permit ☐

RRC Permit Number, if previously assigned.

7. RRC District 8

8. County Reeves

9. Well Number 1

10. Number of Acres in Lease 640±

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

12. Total Depth 3500'

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

AUG 4 1978

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.

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

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

4. Lease No. and RRC Lease or ID No. (If Assigned) L. M. Meeker, et al 38

5. Location (Sec., Blk., Survey) Sec. 38; Blk. 45; PSL Survey

6. This well is to be located 12 miles South Direction from Orla, Texas

Nearest Post Office or Town. White

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. Permit Schedule including Reservoir if applicable. If wildcard, 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
Marsh, S. (Delaware)	3500'	None	467' 1200'	40	160	No	None	Regular ☒ Rule 37 ☐	Gas	1

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:
A. Lease Lines 660' FNL & 1320' FWL of Lease
B. Survey Lines 660' FNL & 1320' FWL of Section

25. DISTANCE AND DIRECTION TO NEAREST WELL IN THE SAME FIELD ON THIS LEASE.

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 6034c, N. C. S., that I am authorized to make this report, that this report was prepared by me or 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

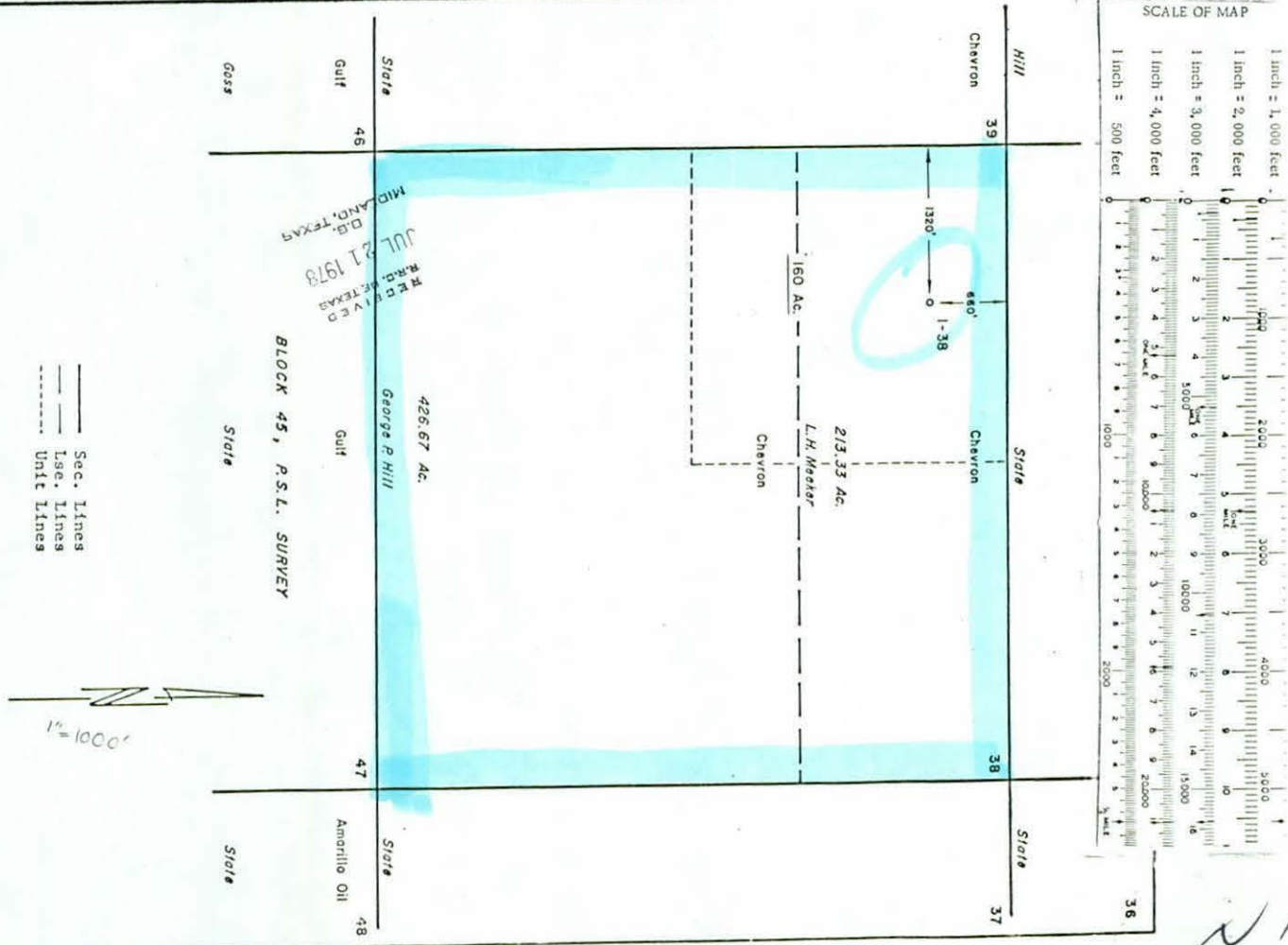
Title Engineering Assistant

Date July 21, 1978

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 the land; that the above plat which is drawn to the scale indicated hereon is to the



Statewide PLAY SERVICE

P. O. DRAWER 1881, AUSTIN TEXAS 78187

7-25-78

NR

WELL STATUS REPORT

OPERATOR Chevron U.S.A., INC.

STATE LEASE NO. _____ FEE _____ R.A.L. _____ FREE ROYALTY unleased yes

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE L. M. Meeker, et al 38 WELL NO. 1

FIELD NAME Marsh, S. (Delaware) WILDCAT _____ COUNTY Reeves

REPORT NO. 1 SPUD DATE 8-6-78 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 8-14-78 3000 - Set Oil String

PERFS _____ 1ST COMPLETION: YES _____ NO _____

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

REMARKS: Halliburton on location - Setting Oil String
Rig getting Ready to Move

BA/jmh/gs

2-25-75

W. A. White
 INSPECTOR

DATE August 14, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A., INC.

STATE LEASE NO. _____ FEE _____ R.A.L. _____ ^{UN/leased} FREE ROYALTY yes

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE L. M. Meeker, et al 3P WELL NO. 1

FIELD NAME Marsh, S. (Delaware) WILDCAT _____ COUNTY Reeves

REPORT NO. 2 SPUD DATE 8-6-78 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3000

PERFS _____ 1ST COMPLETION: YES _____ NO _____

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

REMARKS: Well being tested

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE August 22, 1978

WELL STATUS REPORT

OPERATOR Chevron U. S. A., INC.

STATE LEASE NO. _____ FEE _____ R.A.L. _____ FREE ROYALTY unleased yes

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE L. H. Meeker, et al 3P WELL NO. 1

FIELD NAME Marsh, S. (Delaware) WILDCAT _____ COUNTY Reeves

REPORT NO. 4 SPUD DATE 8-6-78 DRILLING DEPTH _____

COMPLETION DATE _____ TOTAL DEPTH 3000

PERFS _____ 1ST COMPLETION: YES _____ NO _____

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

REMARKS: Well still being tested

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE September 18, 1978

WELL STATUS REPORT

OPERATOR Chevron U.S.A., INC

STATE LEASE NO. _____ FEE _____ R.A.L. _____ ^{unleased} FREE ROYALTY yes

OFFSET, APPROX. _____ FT. FROM STATE LEASE _____

LEASE L. H. Meeker, et al 38 WELL NO. 1

FIELD NAME Marsh, S. (Delaware) WILDCAT _____ COUNTY Reeves

REPORT NO. 5 SPUD DATE 8-5-78 DRILLING DEPTH _____

COMPLETION DATE 8-22-78 TOTAL DEPTH 3000

PERFS _____ 1ST COMPLETION: YES _____ NO _____

POTENTIAL/TEST: OIL _____ GAS 278 MCF/Day D&A _____

REMARKS: Plug Back to 2960

Test Date 8-23-78

Depth Interval 2860 to 2960

BA/jmh/gs

2-25-75

W. A. White
INSPECTOR

DATE October 12, 1978

M. F. 77769

APPLICATION TO DRILL

FILE # 1

FILED NOV 2 1978 19

BOB ARMSTRONG, COMMISSIONER

R. V. PHIPPS

BY:



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

161

November 8, 1978

State Lease M-77769
L. H. Meeker 38-1 Well
N. 1/3rd Section 38, Block 45
Reeves County, Texas

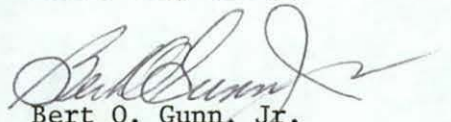
Commissioner Bob Armstrong
General Land Office
Stephen F. Austin Building, 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701

Attention Mr. Jack Howard

Dear Commissioner:

Please find attached hereto RRC Form G-1 pertaining to subject well located in Reeves County, Texas.

Yours very truly,


Bert O. Gunn, Jr.
Senior Land Representative

BOG:vln
Attachments

LIST OF WELLS REQUIRED AS
ATTACHMENT TO FORM F-1

Wells within 2.5 mile radius of the L. H. Meeker 38-1: No Production 1/1/70-4/20/77

PSL. Survey, Blk. 45:

Sec. 23: Reeves - State 1-23

Sec. 26 " " 1-26

Sec. 27: " " 2

 " " 3-27

Sec. 34: " " 1-34

Sec. 35: " " 1-35

Sec. 38: Overly Oper. Co. 1 Geo. P. Hill

Sec. 39: Reeves - State 1-39

T & P RR TSP 3 Survey Blk. 57

Sec. 42: W. T. G. Expl. 1-42 Geo. P. Hill

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

APPLICATION FOR DISCOVERY ALLOWABLE AND NEW FIELD DESIGNATION

1. RRC District 8	2. County Reeves	3. Survey PSL	4. Sec. No. 27
5. Operator Chevron U.S.A. Inc.		6. Lease Reeves-State	7. Well No. 2
8. Address P. O. Box 1660, Midland, Texas 79702			
9. Suggested Field Names (In order of preference) Salt Creek Delaware		10. Name of Producing Zone Delaware Sand	
First: South Marsh Delaware		11. Type of Production (Indicate one only) OIL: GAS: X	
Second: Block 45 Delaware		12. Top of Pay 2676'	
Third:		13. Perf. From: 2680' To: 2746' Selectively	
14. Date of Water Board letter: 7-12-77		15. Date Commission Form W-2 or G-1 (Potential Test) filed: 9-15-77 (W-2) _____ BOPD _____ ° API Gravity _____ GOR (G-1) 230 AOF 0.562 Gas Gravity None Gas-Liq. Hydro Ratio MCF/D _____	
16. Nearest Production (oil and/or gas, past or present) to this Well: a. Field: Undesignated (American Quasar No. 1 Bateman) Oil or Gas (State Which): Gas b. Reservoir Name & Depth Interval: Siluro-Devonian 15,418-15,441' c. Distance & Direction from this Well: One Mile West (in Culberson County)			
17. Nearest Comparable Production (oil and/or gas, past or present) to this Well: a. Field: Undesignated (American Quasar No. 1 State "32-D") Oil or Gas (State Which): Gas b. Reservoir Name & Depth Interval: Delaware Sand 2586-2668' c. Distance & Direction from this Well: 1 1/2 miles Southwest			

ALL OFFSET OPERATORS MUST BE NOTIFIED BY WRITING BY THE APPLICANT.

If this is a newly discovered reservoir on a known producing multi-reservoir structure, all operators in field or fields involved must be notified by copy of this application.

18. Date the operators were notified of this application: September 15, 19 77

19. Operators Notified (List Below):

a. Operator Name

b. Address

American Quasar Petroleum Company

1000 Midland National Bank Tower, Midland, TX 79701

Inexco Oil Company

3509 Jordan, Midland, Texas 79701

The Superior Oil Company

204 W. Illinois, Midland, Texas 79701

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 _____

W. R. Coffelt

Name of Person (type or print)

September 15,
Date

977 Senior Petroleum Engineer
Title

Telephone No. 915
Area C

Area Code

684-4441
Number

Number

(This space to be filled in by Commission Engineering Department.)

RECOMMENDATION:

1. Field Name _____
2. Type of Separation _____
3. NPX _____

Approved:

Denied:

Set for Hearing:

COMMISSION ACTION

Approved

Denied

Set for Hearing

Chairman

Chairman

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

Date: _____

(This space for Commission Proration Analyst)

NPX Assigned: _____

Amount

Effective Date

Supplement No.

Field Designation: _____

Analyst: _____

REV. ATTACHMENT "A" 3-14-60

(ORDER NO. 20-29,540 6-1-54)

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK
ON REGULAR LOCATION

F

WIT NUMBER 029047	DATE OF PERMIT (AMENDED) 8/21/78	DISTRICT 08
NUMBER 42 389 30928	FORM W-1 (dated) 8/16/78	COUNTY REEVES
TYPE OF OPERATION DRILL		ACRES 640
OPERATOR 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 Department of Water Resources for depth to which fresh water sands must be protected. PERMIT SUBJECT TO CONDITIONS ON BACK OF FORM District Office Telephone No.: 10 915 694-5511
WELL NAME WEEKER, L. H. ET AL 38		WELL NUMBER 1
LOCATION 12 MILES SOUTH FROM CRLA		TOTAL DEPTH 3,500
SECTION, BLOCK and/or SURVEY SEC. 38, BLK. 45, PSL SLR.		
SPACING -- LEASE LINES 1320 FNL	-- SURVEY LINES 660 FNL - 1320 FNL	-- NEAREST WELL ON LEASE N/A

MARSH, S. (DELAWARE)

**** LIMITATIONS ****

AMENDED LEASE NAME. ORIGINAL PERMIT ISSUED 7-24-72.

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

Dist: F
FF

DIRECT INQUIRIES TO: ADMINISTRATIVE SERVICES DIVISION
 DRILLING PERMIT SECTION

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

TEXAS DEPARTMENT OF WATER RESOURCES

1700 N. Congress Avenue

Austin, Texas

1007

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



Harvey Davis
Executive Director

July 26, 1978

TEXAS WATER COMMISSION

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

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

IN REPLY REFER TO:
SC-1084

Gentlemen:

Re: L. H. Meeker et al 38, Well #1,
PSL Sur., Sec. #38, Blk. #45,
Reeves County, Texas

Reference is made to your inquiry of July 20, 1978 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 an electrical log of this well when it is 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,

N. A. Jeter

N. A. Jeter
Geologist, Surface Casing

NAJ/dh

cc: RRC, Austin
RRC, District Office #8

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

CK WALLACE, Chairman
C. LANGDON, Commissioner
N NEWTON, Commissioner

BOB R. HARRIS
Chief Engineer



WEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12967

AUSTIN, TEXAS 78711

September 20, 1977

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

Attention: W. R. Coffelt

MARSH, S. (DELAWARE) FIELD
Reeves County, Texas

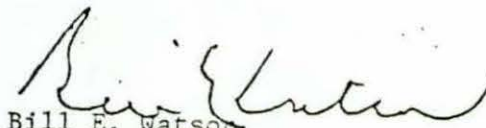
Gentlemen:

The Commission has approved temporary new gas field designation for your
Reeves-State Lease, Well No. 2.

On all future reports, please use the new field name exactly as shown
above. This name may not be changed.

If a protest is received, your application will be set for a public hearing.

Yours very truly,


Bill E. Watson
Senior Staff Geologist

BEW/oh

cc: Jerry Russell
RRC Midland 8

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-5-71)

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

L. H. Meeker et al 38, No. 1; that such well is
LEASE WELL
completed in the Marsh, S. (Delaware) 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 150

 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 8-31-78 Signature D. G. Simolke D. G. Simolke

Telephone 915 684-4441 Title Div. Pet. Engr.
AREA CODE

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) Marsh, S. (Delaware)		2. LEASE NAME L. H. Meeker et al 38	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 1	
5. LOCATION (Section, Block, and Survey) Section 38, Block 45, PSL		10. County Reeves	
6. Pipeline Connection or Use of Gas None at Present		11. Utilized for Future Sales	
		12. Acres Allocated to this Well 160	

Section I		PRODUCTION TEST AT RATE ELECTED BY OPERATOR		(Data on 24-hour basis)	
A. Gas Volume	263	(MCF)	E. Casing Pressure	None	(PSI)
B. Oil or Condensate Volume	None	(BBLs.)	F. Color of Liquid	-	
C. Gas/Liquid-Hydrocarbon Ratio	-	(CF/BBL.)	G. Gravity of Liquid	-	*API
D. Flowing Tubing Pressure	50	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	.56	

Section II		POTENTIAL TEST DATA	
A. Absolute Open Flow	287	(MCF/DAY)	C. Shut-In Wellhead Pressure 1134 (PSI) A
B. Date of Test	8-23-78		D. Length of Time Well Shut-In Prior to Test 24 hours

Section III		A.S.T.M. DISTILLATION OF LIQUID SAMPLE	
Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.			
DATE LIQUID SAMPLE OBTAINED:			
PERCENT OVER	TEMPERATURE (DEG. F.)		
I.B.R.			
10			
20			
30			
40			
50			
60			
70			
80			
90			
95			
E.P.			

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

D. G. Simolke D. G. Simolke
SIGNATURE

8-31-78
DATE

Division Petroleum Engineer
TITLE

AREA CODE AND
TELEPHONE NUMBER 915 684-4441

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

Gas Well Allowable Supplement

The allowable set forth below supersedes all previous allowables set for this well irrespective of the manner in which such previous allowables were set, unless otherwise noted under "Remarks."

This instrument constitutes authority to produce the well described in compliance with the Statutes of Texas, and the Rules, Regulations and Orders of the Commission applicable thereto from the effective date shown below until the issuance of a new schedule in which the allowable for this well is included.

All gas produced from gas wells must be measured by recording meters. All Gas Volumes are in Thousands of Cubic Feet (MCF) at 14.65 Lbs. Per Sq. In. Pressure, and Flowing Temperature of 60° Fahrenheit.

ENJOYED D. S. A. INC.
3000 J-PROD, ACCTING, CENTRAL REG
CONCORD CA 94524

FILED. ACCID. 723

DIST NO 24	INCIDENT NO. 74350	COUNTY NAME REEVES	SUPPLEMENT NO. 330461	DATE OF ISSUANCE 04/16/78	CURRENT STATUS	STATUS DATE 08/01/78	OPERATOR NO. 148113
FIELD NAME MARSH, S. (DELANE)			FIELD NUMBER 57700500	LEASE NAME MEEKER, L. H. ET AL 3B			WELL NO. 1
MONTH DAY YEAR	PREVIOUS ALLOWABLE	NEW ALLOWABLE	POTENTIAL	DELIVERABILITY	BHP OR SIWHP	ACRES	ACRE-FEET
08/31/78	0	0.4			1134		
09/01/78	0	0.4	287		1134		

REMARKS: NEED G-10; P-4

** OPERATOR COPY **

cc Mynahan
dg
9-26-78

Being corrected by RRC

- INDICATES CHANGE AND REASON FOR SUPPLEMENT
- SEE REASON BELOW
- 1 - INITIAL ALLOWABLE ASSIGNMENT
 - 2 - REVISED ALLOWABLE DUE TO OVERPRODUCED LIMITED WELL
 - 3 - CHANGE OF @ LIMITATION
 - 4 - CHANGE OF @ LIMITATION - BUT RESTRICTED TO TEST
 - 5 - SUBMIT AVERAGE PRODUCTION ON FORM G-2

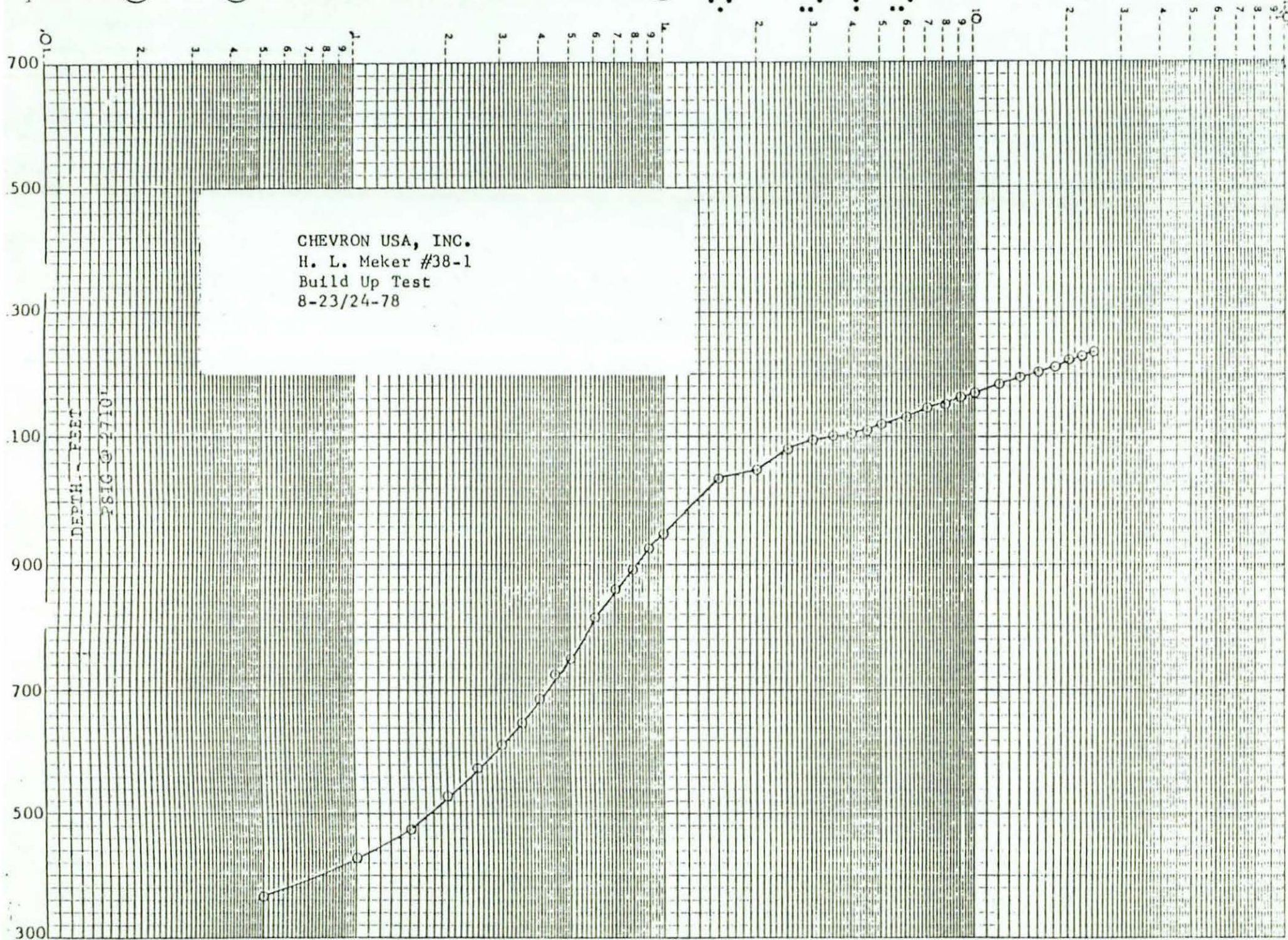
3- Mynahan
1- Filer

By order of the Railroad Commission of Texas

SEND INQUIRES TO:

DIRECTOR, PRODUCTION and PRORATION

Oil and Gas Division





JOHN KUYKENDALL WIRELINE SERVICE Co., Inc.
P. O. Box 184 / A/C 915 337-5241 / ODESSA, TEXAS 79760

BOTTOM HOLE PRESSURE REPORT

Operator Chevron USA, Inc. Lease H. L. Meker Well No. 38-1
Field _____ Reservoir _____ Datum _____
Test Date 8-23-78 Well Status _____ Hours Shut In 24
Tubing 2 3/8 Depth _____ End _____ Packer 2761 S. N. _____
Casing _____ Depth _____ Perf. 2816 - 2862 Total Depth _____

	Depth	Press. Lbs/Sq. In.	Δ Press.	Gradient Lbs/Ft.
Tubing Press. <u>1121</u>	-0-	1121		
Casing Press.	2710	1233		.041
Top of Fluid.		+5		
Top of Water.				
Temp. @ <u>F</u>	2839	1238	Mid Perf	.041
Elev. KB <u>GI</u>				
Last Test Date				
Press. Last Test				
Change. Per Day.				
Inst. No. Cal.				
Tested By <u>Pyle</u>				
Calcu. By <u>Lambert</u>				
Prod. Index. Bbls/day/lb.				
Drop.				
Cumulative prod.				

Remarks:



JOHN KUYKENDALL WIRELINE SERVICE CO., INC.

P. O. Box 184 / A/C 915 337-5241 / ODESSA, TEXAS 79760

STATIC-FLOWING-B. H. PRESSURES

COMPANY Chevron USA, Inc. Well & No. H. L. Meker No. 38-1
FIELD _____ Date 8-23-78 Instrument No. 23772 N

DATE	STATUS	SERV. TIME	ELAPSED TIME		D. W. T. TP	BHP PSIG @	
			HRS.	MIN		2710	2839
8-23-78	Instrument on Bottom	09:15	00	00		279	284
	Well Flowing	10:15	01	00		280	285
		11:15	02	00		280	285
		12:15	03	00		280	285
	Well Shut In	13:15	04	00		280	285
	Start of Build Up	13:15	00	00			
			00	03		361	366
			00	06		424	429
			00	09		478	
			00	12		526	531
			00	15		572	577
			00	18		611	616
			00	21		645	650
			00	24		683	688
			00	27		721	726
			00	30		748	753
			00	36		811	816
			00	42		856	861
			00	48		890	895
			00	54		921	926
			01	00		947	952
			01	30		1014	1019
			02	00		1045	1050
			02	30		1076	1081
			03	00		1092	1097
			03	30		1096	1101
			04	00		1101	1106
			04	30		1108	1113



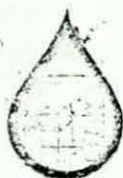
JOHN KUYKENDALL WIRELINE SERVICE Co., Inc.
P. O. Box 184 / A/C 915 337-5241 / ODESSA, TEXAS 79760

STATIC-FLOWING-B. H. PRESSURES

COMPANY Chevron USA, Inc. Well & No. H. L. Meker No. 38-1
FIELD _____ Date 8-23-78 Instrument No. 23772 N

DATE	STATUS	SERV. TIME	ELAPSED TIME		D. W. T. TP	BHP PSIG @	
			HRS.	MIN		2710	2839
8-23-78			05	00		1115	1120
			06	00		1127	1132
			07	00		1139	1144
			08	00		1150	1155
			09	00		1160	1165
			10	00		1168	1173
			12	00		1181	1186
			14	00		1193	1198
			16	00		1203	1208
			18	00		1211	1216
			20	00		1219	1224
			22	00		1226	1231
			24	00		1233	1238

22



WOLF PETRO LAB, NC.

DIAL EMERSON 6.9701
DIAL EMERSON 6.7171

2411 WEST 42ND STREET

P. O. BOX 543
ODESSA, TEXAS
79760

HYDROCARBON ANALYSIS

LABORATORY REPORT

Chevron

Charge U.S.A., Inc.
Test No. WPL-77-1046
Date of Run 8-30-77
Date Received 8-29-77

Sample of Gas from Separator - Reeves State No.2
Secured from Deleware Formation
t Reeves County, Texas Secured by Wire Line Service
urpose Time Date 8-29-77

Sampling Conditions: Pressure 275 psig

CHROMATOGRAPH ANALYSIS

	Gas Vol. or Mol. %	Liquid Vol. %	GPM
Hydrogen Sulfide			
Carbon Dioxide	.72		
Nitrogen	.59		
Oxygen			
Ethane	98.60		
Propane	.07		
Isobutane	.02		.005
Normal Butane			
Normal Pentane			
Normal Hexane			
Normal Heptane (2)			
Normal Octane (2)			
Normal Nonane (2)			
TOTAL	100.00		.005

ANALYSIS INFORMATION

Volume of Sample cc. @ ° F
Sp. Gr. Residue Vol. of Residue cc.
Molecular Wgt. of Residue
Gal/lb. Mol.

VAPOR PRESSURE

lbs. @ 100° F
Calculated lbs. @ 100° F

GASOLINE CONTENT

Gasoline G. P. M.
Propane G. P. M.
Butanes G. P. M.
TOTAL G. P. M.

SULFUR DETERMINATION

Hydrogen Sulfide H₂S grs/100 SCF
Mercaptans RSH grs/100 SCF
Sulfides RSR grs/100 SCF
Residual Sulfides RSSR grs/100 SCF
Total Sulfides grs/100 SCF

OTHER DATA

	(calc)	Wet Basis	Dry Basis
BTU Content (Actual)		982	(Calc.) 999
Sp. Gravity (Actual)			(Calc.) .5633
A. P. I. Gr. (Actual)			(Calc.)

Run by: J. Wolf Checked by: J. Wolf Approved:

Additional Data and Remarks

COPIES

1-Wire Line Service Energy, Inc.
Box 1263
Monahans, Texas 79756

4-Mr. W.D. Dawson
Box 1860
Midland, Texas 79701
1-File

API No. if Available 42-389-30988

GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

1. FIELD NAME (as per RRC Records or Wildcat)	2. LEASE NAME	7. RRC District
Marsh, S. (Delaware)	L. H. Meeker et al 38	8
3. OPERATOR		8. RRC Identification Number
Chevron U.S.A. Inc.		
4. ADDRESS		9. Well Number
P.O. Box 1660, Midland, Texas 79702		1
5. LOCATION (Section, Block, and Survey)	5b. Distance and Direction from nearest town in this county.	10. County
Sec. 38, Block 45, PSL	12 miles south from Orla	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
	FIELD & RESERVOIR	Initial Potential ☒ XX
	GAS ID or OIL LEASE #	Retest ☐
	Oil - O Gas - G	Reclass ☐
13. Pipe Line Connection		14. Completion or Recompletion Date
None at present		8-22-78
15. List of Offset Operators Notified and Date of Notification	Any Condensate on hand at time of Workover or Recompletion?	16. Type of Electric or other Log Run.
None	☐ Yes ☒ No	CNL-FDC-GR-DLL

Section I										
Date of Test		Gas Measurement Method (Check One)						Gas produced during test		
8-23-78		Orifice Meter ☐	Positive Choke ☐	Orifice Vent Meter ☒	Pitot Tube ☐	Critical-flow Prover ☐	44 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	4"	1"			8"	87	.9750	1.0351		263
2										
3										
4										

Section II										
FIELD DATA AND PRESSURE CALCULATIONS										
Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-In Temp.	Bottom Hole Temp.					
.56	- Deg. API	- CF/Bbl	G _{mix} =	100 °F	113°F @ 2710 (Depth)					
D _{eff} ^{8/3} =		√ T _f =		√ GL =						
C = 1118 × (D _{eff}) ^{8/3} / √ T				√ 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 _i	P _w /P _i
Shut-In 24 hrs.									
1	240	2 1/4/64	1134.2	90	1286				
2									
3									
4									
Run No.	F	K	S = 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									
1	Bottom Hole Pressure with Amerada				1251.2	1566		θ = 45°	
2	Instrument No. 23772 N O - 3500 PSI				298.2	89	1477	n = 1.0	
3								Absolute Open Flow	
4								287 MCF/DAY	

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 31.04 feet at a measured depth of 3,000 feet.

Roy H. Smith Drilling Co.
DIVISION OF MORAN BROS., INC.

Signature of Authorized Representative

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.

Halliburton Services

Signature of Cementer or Authorized Representative

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.

REPRESENTATIVE OF COMPANY D. G. Simolke

Div. Petroleum Eng. 9-13-78

TITLE

DATE

Phone 915

A/C

684-4441

NUMBER

SECTION III				DATA ON WELL COMPLETION AND LOG (Not Required on Retest)			
17. Type of Completion:				18. Permit to Drill, Plug Back or Deepen 7-24-78 amended 8-21-78 PERMIT NO. 029047			
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐				Rule 37 Exception CASE NO.			
19. Notice of Intention to Drill this Well was filed in Name of Chevron U.S.A. Inc.				Water Injection Permit PERMIT NO.			
20. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well 1		21. Total Number of Acres in this Lease. 60 2/3.33		Salt Water Disposal Permit PERMIT NO.		Other PERMIT NO.	
22. Date Plug Back, Deepening, Work Over or Drilling Operations:		Commenced 8-5-78 Completed 8-16-78		23. Distance to Nearest Well, Same Lease & Reservoir --			
24. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located				1320 Feet From West Line And 660 Feet From North Line of the L. H. Meeker et al Lease			
25. Elevation (DF, RKB, RT, GR, ETC) GL 3165; DF 3173; KB 3174				26. Was Directional Survey Made Other Than Inclination (Form W-12)? ☐ Yes ☒ No			
27. Top of Pay 2814	28. Total Depth 3000	29. P. B. Depth 2960	30. Surface Casing Determined by: Field Rules ☐ Recommendation of T.D.W.R. ☒ Railroad Commission (Special) ☐	Dt. of Ltr. 7-26-78			
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			33. Intervals Drilled by: Rotary Tools all Cable Tools		
34. Name of Drilling Contractor Moran Bros., Inc.				35. Is Cementing Affidavit Attached? ☐ Yes ☒ No			
36. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8	24	725	--	Class C; 500	12-1/4	Surface	1005
5-1/2	14	2995	--	Class C; 800	7-7/8	Surface	1644

37. LINER RECORD				
Size	Top	Bottom	Sacks Cement	Screen

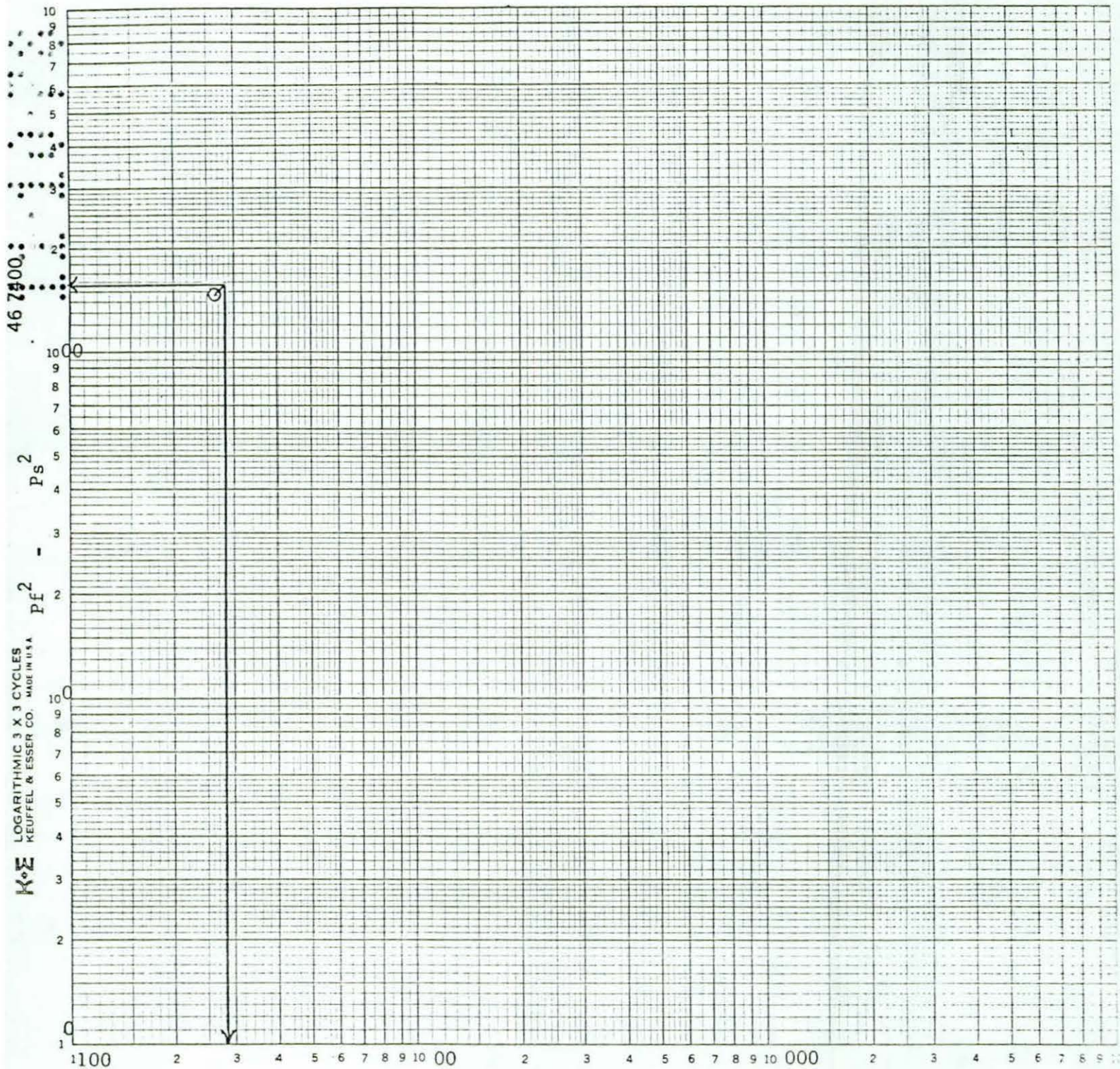
38. TUBING RECORD			39. Producing Interval (this completion) indicate Depth of Performance or Open Hole	
Size	Depth Set	Packer Set	From	To
2-3/8	2761	2761	2816	2862 (selectively)
			From	To
			From	To
			From	To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
Depth Interval	Amount and Kind of Material Used
2816 2861-2862	1000 gal. 15% NE HCL; 6000 gal. MiniMax II & 5000# 20-40 sand.

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
Delaware Lime	2752		
Delaware Sand	2814		

REMARKS

CHIVRON USA, INC.
 L. H. Mer 38-1
 4-Point Test
 8-23-78
 Marsh, S. (Delaware) Field
 Reeves County, Texas



$\theta = 45^\circ$
 $N = 1.0$
 $Q = 287 \text{ MCFD}$

6

M. F. 77769

WELL # 38-1 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER

FILED NOV 10 1978 BY R. V. PHIPPS

11 10 00

M-77769

SHUT-IN AFFIDAVIT

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

Initial: _____ Date: _____
Affidavit Auditor RB 11-10-78
Comments:

Exploration & De- Joel H 11-10-78
velopment Gr 1 in file
Comments: OK-RVP

Legal-Energy Mary W. 12-6-78
Resources
Comments:

Affidavit Auditor _____
Comments:

Lease 25705-0 MEEKER, L. H. ET AL



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.	Day
09	13	68	Reeves		Texas	279	153	213.33 (More or Less)	702		

Payee Name - Address										Amount Due	
Commissioner of General Land Office State of Texas M-77769 Lease # This check covers Shut-In payment for the L. H. Meeker 38-1 Well, located 1320' FWL and 660' FNL Sec. 38, Blk 45, P.S.L., Reeves County, Texas, for 1978 period. PLEASE SIGN AND RETURN ATTACHED COPY AT ONCE, SHOWING DATE CHECK WAS RECEIVED. <i>original receipt returned 10-10-78</i>										106	67
										9065	

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

122
9065
106 67





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

November 7, 1978

121

Shut-In Gas Affidavit
State Lease M-77769
L. H. Meeker 38-1 Well
N. 1/3rd Section 38, Block 45
Reeves County, Texas

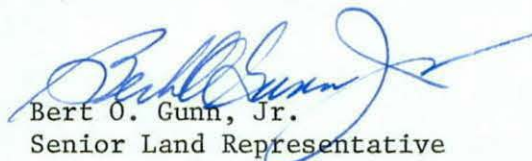
Commissioner Bob Armstrong
General Land Office
Stephen F. Austin Building, 8th Floor
1700 N. Congress Avenue
Austin, Texas 78701

Attention Mr. George A. Clark:

Dear Commissioner:

Please find attached hereto shut-in gas affidavit pertaining to
subject lease in Reeves County, Texas.

Yours very truly,


Bert O. Gunn, Jr.
Senior Land Representative

BOG:vlm
Attachments

GENERAL LAND OFFICE LEASE NUMBER M- 77769Operator Chevron U.S.A. Inc.Lease Name L. H. Meeker et al Field S. Marsh (Delaware)

Description of Lease:

Area South Orla

Tract _____

Part North one-third (N 1/3) Section 38 Block 45Grantee PSL Acres 213.33 County Reeves

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

Well # 38-1 Number Gas Zones Completed one(1) Potential MCF/day 287
Barrels Liquid _____ Date Shut-in August 23, 19 78Well # _____ 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? yes
If not, explain under Remarks.
2. Name of nearest purchaser Pioneer Corporation
3. Distance to nearest Gas Pipe Line 1 1/4 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: *A suitable gas market for the gas has been negotiated and the purchaser's pipeline is scheduled to be completed by December 1, 1978 with gas sales commencing immediately thereafter. The gas purchase contract is with Lovaca Gathering Co and Texas Utilities Fuel Company at a price of \$2.05 per MMBTU.

charge on US88(80)rec'd \$106.67
10-6-78
reg# 9065

I certify that this statement is true and correct.

Chevron U.S.A. Inc.

Division Production

By: E. E. Hagan - Title Manager

E. E. Hagan

Sworn and subscribed to before me, the undersigned

authority, on this 7th day of November, 19 78Anna Mae Jones
Notary Public in and for

Midland

County, State of Texas

G.L.O. use only

Receiving Stamp

Shut-in Gas Royalty Payment

For _____ 19__ / _____ 19__

Commissioner

Filed by _____
Clerk

(8) M-77769
Shut-in Affidavit
9/13/78 - 9/13/79
RB

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__ \$ _____

121

THE SUPERIOR OIL COMPANY

P. O. BOX 1521
HOUSTON, TEXAS 77001

June 20, 1979

TO ALL ROYALTY OWNERS

Re: T-17038 - L.H. Meeker et al "38" #1
Marsh, South Field
Reeves County, Texas

Dear Royalty Owner:

Enclosed is our Division Order covering royalty interests, as to Superior's fifty percent participation, in production from the L. H. Meeker et al "38" #1 well in Reeves County, Texas.

We would appreciate your executing this instrument, in the presence of two competent witnesses, also noting your current mailing address and Social Security or Tax Identification number thereon, and returning one copy to us for our records.

These interests have been released for payment; therefore, your prompt attention is most appreciated.

Very truly yours,

THE SUPERIOR OIL COMPANY



(Mrs.) Betty Novak
Property Administration Department

BN:clg
Enclosures
T: 7/25/79

INSTRUCTIONS TO ALL INTEREST OWNERS

READ CAREFULLY BEFORE SIGNING YOUR DIVISION ORDER (OR TRANSFER ORDER)

THIS DIVISION ORDER (OR TRANSFER ORDER) SHOULD NOT BE ALTERED IN ANY WAY UNLESS ACCOMPANIED BY DOCUMENTARY EVIDENCE JUSTIFYING THE CHANGE.

TAXPAYERS IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER: Public Law 87-397 requires that you furnish us with an identifying number. Unless you have previously done so, insert the same in the space provided opposite your name on the division order (or transfer order) in accordance with the instructions reproduced on the reverse side hereof.

IF YOUR NAME AND INTEREST ARE CORRECTLY SHOWN:

SIGNATURE: Sign name as shown on the division order (or transfer order). Have your signature witnessed.

IF SIGNING FOR A CORPORATION, signature must be attested, corporate seal affixed, and title of signatory party shown.

SIGNATURE BY SECOND PARTY: If division order (or transfer order) is to be signed by agents, attorneys-in fact, guardians or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

PARTNERSHIP: If only one member of a partnership signs, evidence of his right to do so must be furnished.

MAILING ADDRESS: Insert the address to which checks are to be mailed. Print or type. Do not abbreviate. If you are already receiving checks from this company, be sure to use the same address to which we are now mailing checks.

PROPERTY NUMBER: In the upper right hand corner of division order (or transfer order) you will find the number assigned to this lease. This will enable you to identify your payments and should always be used when corresponding with this company.

SETTLEMENT FOR SMALL AMOUNTS: Upon receipt of properly executed division order (or transfer order) and evidence of clear title, the interest credited to you will be authorized for payment and check will be mailed when accruals to your interest equal \$5.00 or more provided, however, that during the month of December of each year, payment of all sums withheld will be made if the sum then due equals \$1.00 or more.

CHANGE OF ADDRESS: Advise us promptly of any change in address. We cannot accept such instructions unless furnished in writing over your signature.

ASSIGNMENT OF INTEREST: We will honor request for transfer of your interest only on the first day of that month in which YOU give us written notice of your intent. No other party may furnish such notice.

KEEP ONE COPY OF THIS DIVISION ORDER (OR TRANSFER ORDER) FOR YOUR RECORDS. RETURN THE EXECUTED COPY WITHOUT DELAY TO:

THE SUPERIOR OIL COMPANY
P. O. Box 1521
Houston, Texas 77001

INSTRUCTIONS FOR FURNISHING TAXPAYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER:

IF THIS ACCOUNT IS IN THE NAME OF

An individual, furnish the individual's own social security number. A widow 62 or over who received social security benefits before January 1, 1963, and who has no number of her own may use the benefit number for tax purposes. All other persons must have their own number.

Two or more persons (for example, "A and B as joint owners" or "A, B, and C as tenants in common"), only one number need be furnished. Ordinarily, the number of any one of the persons will be sufficient, except that if the choice is between husband and wife, furnish the social security number of the husband--or if between adult and minor, furnish the social security number of the adult. Underline the name of the person whose number is furnished.

A designated guardian, custodian, committee, etc. AND one or more wards, minors, incompetents, or other individuals, furnish the social security number of the ward, minor, incompetent, etc., and underline the name of the individual whose number is furnished (for example, "A as custodian for B under the UNIFORM GIFTS TO MINORS ACT", furnish B's social security number and underline B's name).

A so-called trust, which is not a legal or valid trust, furnish the social security number of the person named as trustee and underline his name (for example, a savings account, not formalized by a trust instrument, in the name of "A in trust for B," furnish the social security number of A and underline A's name).

A trust, estate, pension trust, corporation, partnership, broker, registered nominee, etc., furnish the employer identification number of the entity (for example, "A, trustee under the will of S for benefit of Y," furnish the employer identification number of the trust). If an employer identification number is needed, contact any Internal Revenue Service office.

IF YOU DO NOT NOW HAVE A SOCIAL SECURITY NUMBER:

You may obtain the form upon which to make application for a number at your nearest Social Security or Internal Revenue Service Office. When you have obtained your number notify this company of the same without delay at the address appearing on the face hereof.

WITNESSES:

OWNERS PLEASE SIGN BELOW ABOVE YOUR NAME
GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701
TAX I.D. #74-6000-108

Commissioner of the General Land Office
of the State of Texas

by:

The First National Bank of Ft. Worth ,
Trustee U/W/O W. W. Meeker F/B/O
Anne Meeker Trust No. 2951

by:

The First National Bank of Ft. Worth,
Guardian for Anne Meeker Trust No. 1876

by:

Lawrence Hill Meeker , Co-Trustee U/W/O
W. W. Meeker F/B/O Charley Meeker Trust
No. 2952

by:

The First National Bank of Ft. Worth,
Co-Trustee U/W/O W. W. Meeker F/B/O
Charley Meeker Trust No. 2952

by:

Lawrence Hill Meeker, Co-Trustee
U/A for Charley Meeker Trust No. 3084

by:

The First National Bank of Ft. Worth,
Co-Trustee U/A for Charley Meeker
Trust No. 3084

J. J. Meeker

by:

Ridglea Bank

L. H. Meeker

OIL AND GAS DIVISION ORDER

TO: THE SUPERIOR OIL COMPANY,
P. O. BOX 1521
HOUSTON 1, TEXAS

Property Code No.
42-197-110
Marsh, South Field
LEASE NO. T-17038

Effective from 7:00 A. M. January 17, 1979

The undersigned, and each of them, represent, guarantee and warrant that they, respectively, are the legal owners, in the proportions set out below, of proceeds from the sale of the oil and gas produced and to be produced from the L. H. Meeker et al "38" #1 lease covering lands described as follows, to-wit:

The North one-third (N 1/3) of Section 38, Block 45, PSL Survey, containing 213.33 acres, as described in Oil & Gas Lease dated September 13, 1968 recorded in Volume 279, page 153 of the records of Reeves County, Texas. The interests as set forth below relate only to The Superior Oil Company's 50% participation therein.

FOR THE PERSONAL FILES OF THE EXECUTING PARTIES.

Until further notice you are authorized, for your own account, to receive all oil and gas produced from said lands into your possession as your property, and you are authorized to credit or cause to be credited to the undersigned, as owners under said lease and the lands above described, the respective interests in proceeds from the sale thereof stated to be as follows:

*OWNERS' SOCIAL SECURITY OR TAX ACCOUNT NUMBER	CREDIT TO	POST OFFICE ADDRESS (GIVE BOX NO. OR STREET ADDRESS)	DIVISION OF INTEREST
	Commissioner of the General Land Office of the State of Texas	Land Office Building Austin, TX 78701	.0625000
	The First National Bank of Ft. Worth, Trustee U/W/O W. W. Meeker F/B/O Anne Meeker Trust No. 2951	Trust Oil & Gas Section P. O. Box 2546 Ft. Worth, TX 76113	.0104167
	The First National Bank of Ft. Worth, Guardian for Anne Meeker Trust No. 1876	Trust Oil & Gas Section P. O. Box 2546 Ft. Worth, Texas 76113	.0104167
	Lawrence Hill Meeker and The First National Bank of Ft. Worth, Co-Trustees U/W/O W. W. Meeker F/B/O Charley Meeker Trust No. 2952	Trust Oil & Gas Section P. O. Box 2546 Ft. Worth, TX 76113	.0104167
	Lawrence Hill Meeker and The First National Bank of Ft. Worth, Co-Trustees U/A for Charley Meeker Trust No. 3084	Trust Oil & Gas Section P. O. Box 2546 Ft. Worth, TX 76113	.0104167
	J. J. Meeker and Ridglea Bank under D/T dated 6-20-77	6300 Ridglea Place Ft. Worth, TX 76116	.0416666
	L. H. Meeker and Ridglea Bank under D/T dated 7-19-77	6300 Ridglea Place Ft. Worth, TX 76116	.0416666

OWNERS' SOCIAL SECURITY OR TAX ACCOUNT NUMBER	CREDIT TO	POST OFFICE ADDRESS (GIVE BOX NO. OR STREET ADDRESS)	DIVISION OF INTEREST

This division order is subject to the conditions and provisions hereinafter set forth:

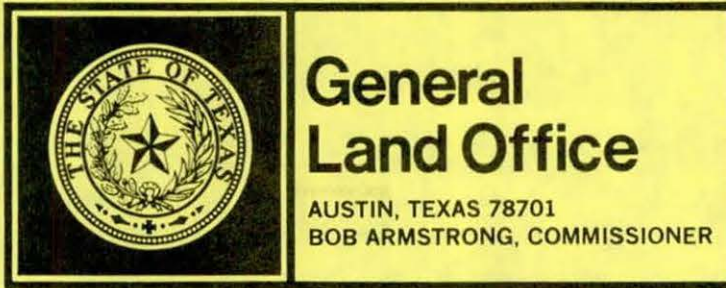
1. The payment for all oil, distillate, condensate and other liquid hydrocarbons received by you hereunder in any calendar month shall be made during the next following month to the respective owners and in the proportions hereinabove set forth at the price or prices posted by you on date of receipt, or if no price is posted by you, said owners shall be paid at the price or prices received by you at the well; the payment for gas shall be made in the same manner as hereinabove provided at the price received by you at the well, or if oil or gas is used by you off the leased premises, payment shall be made for the value thereof at the well, which payment, after deducting said owners' pro rata part of all taxes paid by you, including, but not limited to, all severance, gross production, gathering and sales tax, shall be received in full settlement for the proceeds from said lease. Such payments may be made by mailing your checks to such owners at their respective addresses shown opposite their names; provided, that no payment need be made more often than annually to or for the account of any individual owner until the sum due on account of such interest shall total at least Five Dollars (\$5.00).
2. Quantities are to be computed from regularly compiled tank tables, or meters of a positive displacement type, or orifice type meters, at your option, or by the method or methods provided in such contract or contracts of sale of such oil and gas between you and the third party buyer or buyers. Qualities shall be determined by the practices prevailing in the area, or as provided in said contracts of sale and in accordance with the rules and regulations of the governmental agency, Board or Commission having recognized jurisdiction or control over the production and handling of oil and gas in the area.
3. No change in or division of the ownership of any interest affected hereby, however accomplished, shall be binding on you until thirty (30) days after you shall have been furnished by registered United States mail with the original or a certified copy of the recorded instrument or instruments evidencing same. Should the lands hereinabove described, or any part thereof, be placed in, or become subject to, a unit or units created either voluntarily, or by the rights accorded the lessee in the lease and so exercised, or by government order or regulation, the parties hereto agree that this division order shall, at your option, extend to the payment of proceeds from that portion of production of oil or gas from said unit or units which is allocated to these lands.
4. You are hereby relieved of any responsibility for determining if and when any of the interests hereinabove set out shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interests. The undersigned whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to you when any such money or other payments have been completed or discharged or when any division of interest set forth above shall, for any reason, become effective or ineffective. In the event such notice shall not be received, The Superior Oil Company shall be held harmless in the event of, and is hereby released from, any and all damage or loss which may arise out of any payment.
5. Each of the undersigned hereby warrants and guarantees the title to the interest or interests credited to such party, as hereinabove set out. In the event any adverse claim of title to such interest or interests, or any part thereof, or to the land, or production therefrom, or any part of same is asserted in any manner, each of the undersigned owners whose interest or right or claim of interest may be involved in or affected by such adverse claim agrees to furnish you with evidence of title satisfactory to you or to furnish upon demand indemnity against such adverse claim or claims satisfactory to you, and you may withhold the proceeds accruing to the interest so adversely claimed, without any obligation to pay interest on the amount so withheld, until such evidence or such indemnity, satisfactory to you, is furnished or until final ascertainment or other final settlement of such dispute or claim is determined, satisfactory to you.
6. The provisions hereof shall be binding upon and inure to the benefits of all parties who execute this instrument, whether or not all owners listed above execute same. A counterpart hereof may be executed by any party or parties, in which event each executed counterpart shall be considered an original, and all signed counterparts shall be construed together as one instrument.

(WITNESS SIGN BELOW)

(OWNER SIGN BELOW)

SEE SIGNATURE PAGE ATTACHED

EACH INDIVIDUAL OWNER'S SIGNATURE MUST BE WITNESSED BY TWO PERSONS. EACH CORPORATE SIGNATURE MUST BE ATTESTED BY THE DULY AUTHORIZED SECRETARY AND THE CORPORATE SEAL AFFIXED.



June 29, 1979

The Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

RE: State Lease M-77769
N1/3 Sec. 38, Blk. 45 PSL Sur.
Reeves County, Texas
Oil & Gas D/O #42-197-110

Gentlemen:

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

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

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

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

Mr. J. J. [unclear], Attorney

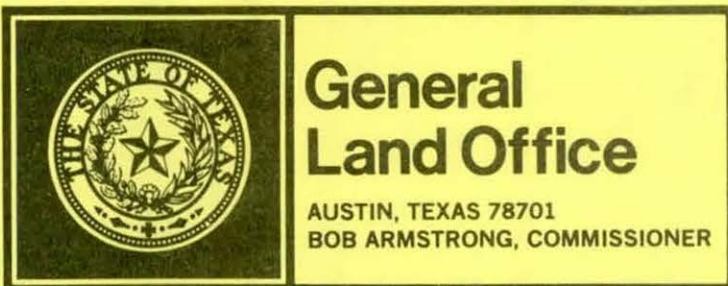
Honorable [unclear] (C) of
P. O. Box 1221
The Superior Oil Company

June 29, 1979



[Faint, mostly illegible text body of the letter]

M.F. 77769
CORRESPONDENCE FILE
To: *Superior Oil Co*
From: _____
Dated: 6-29-79



June 28, 1979

Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

ATTENTION: P. J. Ryan, Administrator
Sales Contracts

RE: State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Gentlemen:

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

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

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

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

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

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Harry T. Finnell", is written over the typed name.

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

(16)

M. P. 77769

CORRESPONDENCE FILE

To *Signum delto*

From

Dated 6-28-79

121/

JH
HF
Ref

THE SUPERIOR OIL COMPANY

P. O. BOX 1521
HOUSTON, TEXAS 77001

July 5, 1979

General Land Office
1700 North Congress
Austin, Texas 78701

Attention: Mr. Harry T. Finnell

RE: State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Gentlemen:

Pursuant to your letter request of June 28, 1979, we wish to advise you that contract negotiations relative to the subject lease have been concluded. At such time as we receive a copy of the contract from LaVaca Gathering Company and execute such contract, we will send you a copy of the agreement and completed Form MA-5.

Very truly yours,

THE SUPERIOR OIL COMPANY

B. M. Hughes (lb)

B. M. Hughes
Assistant Administrator - Sales Contracts

LB

(11)

M. N. 77769

CORRESPONDENCE FILE

To *Superior Oil Co*
From

Dated 7-5-79

23

October 2, 1979

Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

ATTENTION: P. J. Ryan, Administrator
Sales Contracts

RE: State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Gentlemen:

This refers to our letter dated June 28, 1979 and your reply dated July 5, 1979 concerning a Gas Purchase Contract for the sale of gas from the above lease.

If negotiations are complete, please send this office a copy of the Contract and Gas Contract Brief.

Sincerely yours,

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

(12)

M. F. 77769

CORRESPONDENCE FILE

To Superior Oil Co

From

Dated 10-2-79

121

JS
HE
24

THE SUPERIOR OIL COMPANY

P. O. BOX 1521
HOUSTON, TEXAS 77001

October 11, 1979

General Land Office
1700 North Congress
Austin, Texas 78701

Attention: Mr. Harry T. Finnell

Re: State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Gentlemen:

Pursuant to your letter request of October 2, 1979, we wish to advise you that contract negotiations relative to the subject lease have not been concluded. At such time as we receive a copy of the contract from LoVaca Gathering Company and execute such contract, we will send you a copy of the agreement and completed Form MA-5.

Very truly yours,

THE SUPERIOR OIL COMPANY

B. M. Hughes

B. M. Hughes
Assistant Administrator
Sales Contracts

BMH:WWT:ds

(13)

M. F. 77769

CORRESPONDENCE FILE

To Superior Oil Co.
From

Dated 10-11-79

10-13-79

January 31, 1980

Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

ATTENTION: P.J. Ryan, Administrator
Sales Contracts

RE: State Lease M-77769
L. H. Meeker et al "38"
Reeves County, Texas

Gentlemen:

This refers to our letter dated October 2, 1979 and your reply dated October 11, 1979 concerning a Gas Purchase Contract for the sale of gas from the above lease.

If negotiations are complete, please send this office a copy of the Contract and Gas Contract Brief.

Sincerely yours,

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

M. F. 77769

CORRESPONDENCE FILE

To Superior Oil Co

From

Dated 1-31-80

121 JF
-H
Ref

THE SUPERIOR OIL COMPANY

P. O. BOX 1521
HOUSTON, TEXAS 77001

February 8, 1980

General Land Office
1700 North Congress
Austin, Texas 78701

Attention: Mr. Harry T. Finnell

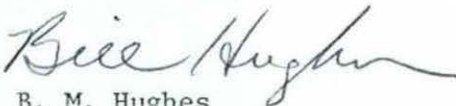
Re: State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Gentlemen:

Pursuant to your letter request of January 31, 1980, we wish to advise you that contract negotiations relative to the subject lease have not been concluded. At such time as we receive a copy of the contract from LoVaca Gathering Company and execute such contract, we will send you a copy of the agreement and completed Form MA-5.

Very truly yours,

THE SUPERIOR OIL COMPANY



B. M. Hughes
Assistant Administrator
Sales Contracts

BMH:WWT:mr

000000

(15)

M. R. 77769

CORRESPONDENCE FILE

To Superior Office

From

Dated 2-8-80

May 2, 1980

Superior Oil Company
P. O. Box 1521
Houston, Texas 77001

ATTENTION: P. J. Ryan, Administrator
Sales Contracts

RE: State Lease M-77769
L. H. Meeker et al "38"
Reeves County, Texas

Gentlemen:

This refers to our letter dated January 31, 1980 and your reply dated February 8, 1980 concerning a Gas Purchase Contract for the sale of gas from the above lease.

If negotiations are complete, please send this office a copy of the Contract and Gas Contract Brief.

Sincerely yours,

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

16

M. F. 77769

CORRESPONDENCE FILE

To Superior Oil Co.

From

Dated 5-2-80

SUPERIOR OIL

May 7, 1980

JF
FF
File

General Land Office
1700 North Congress
Austin, Texas 78701

Attention: Mr. Harry T. Finnell

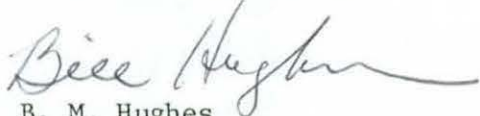
Gentlemen:

State Lease M-77769
L. H. Meeker et al "38"
Marsh S. Field
Reeves County, Texas

Pursuant to your letter request of May 2, 1980, we enclose a copy of Gas Purchase Agreement dated July 1, 1978, to be effective April 1, 1980, covering gas sales to Valero Transmission Company by The Superior Oil Company for the subject lease.

Very truly yours,

THE SUPERIOR OIL COMPANY



B. M. Hughes
Administrator - Sales Contracts

BMH:WT:ac

Enclosure

RECEIVED

MAY 10 1980

General Land Office

(17)

M. F. 77769

CORRESPONDENCE FILE

To Superior

From

Dated 5-7-8

October 19, 1983

Chevron U.S.A., Inc.
P.O. Box J
Concord, California 94524

RE: State Lease M-77769
L. H. Meeker 1-38 Lease
Marsh, South Field
Reeves County, Texas

Gentlemen:

Examination of Chevron U.S.A., Inc. Gas Reports (Form MA-2), Valero Transmission Company gas purchase statement, and your royalty payments received for the subject lease indicates for January, 1983, gas royalty has been overpaid \$1,653.00.

This overpayment was a result of paying the Gross Value, instead of .0625 of the Gross Value. (See enclosed photocopy of the MA-2.)

Please take a credit of \$1,653.00 as a separate line item on your next regular royalty remittance and attach a copy of this letter with your remittance for proper identification.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
DGD/lkj
Enclosure

M. F. 77769

CORRESPONDENCE FILE

To

6 Chevron, U.S.A.

From

Dated 10-19-83



March 3, 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 on May 10, 1944, Section 38, Block 45, PSL Survey, 640 acres in Reeves County was awarded to George P. Hill on his application filed in the Texas General Land Office on May 2, 1944, in School File 151380, and which application was filed to purchase said land under the provisions of the laws relating to the sale of school land without settlement and with a reservation of 1/8 of the sulphur and 1/16 of all the other minerals as a free royalty to the State;

That on January 14, 1959, George P. Hill conveyed the N/3 of Section 38, Block 45, PSL Survey, 213.33 acres in Reeves County, to J.R. Meeker, and a certified copy of said Warranty Deed was filed in the Texas General Land Office on February 19, 1960, in School File 151380;

That the file wrapper for School File 153250 is endorsed: "Reeves County", "J.R. Meeker", "213.33 Acres", "North 1/3 Section 38, Block 45, Public School", "S-plt from File 151380", "Deed n File 151380";

That on October 29, 1981 and November 6, 1981, payment in full for 213.33 acres, N/3 of Section 38, Block 45, PSL Survey, Reeves County, was received in the Texas General Land Office, and said land, having been classified mineral and grazing, with a free royalty reservation to the State, now stands on the records of the Texas General Land Office as paid in full and unpatented under Abstract 5991 and School File 153250;

That on September 13, 1968, L.H. Meeker and J.J. Meeker and Lawrence Hill Meeker and the First National Bank of Fort Worth, executed and delivered Free Royalty Oil & Gas Lease, covering "The North one-third (N1/3) of Section 38, Block 45, Public School Land Surveys", 213.33 acres in Reeves County, to Chalfant, Magee & Hansen, Inc., for a primary term of five (5) years, with a cash bonus of \$10.00, and an annual

Hinkle, Cox, Eaton, Coffield & Hensley
March 3, 1997
Page 2

delay rental of \$213.33, and a royalty of one-eighth (1/8), and a copy of said lease was filed in the Texas General Land Office on July 29, 1978, in Mineral File M-77769;

That on November 10, 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-77769, indicating that well No. 1, L.H. Meeker et al 38, was completed as a new well on August 22, 1978;

That on August 23, 1978, Chevron U.S.A., Inc. executed a Shut-In Gas affidavit and a Shut-In Royalty Payment for well no. 38-1, S. Marsh (Delaware), L.H. Meeker et al, Reeves County, from September 13, 1978 to September 13, 1979, and a certified copy of said affidavit was filed in the Texas General Land Office on November 10, 1978, in Mineral File M-77769;

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-77769, 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-77769, 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 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-77769, 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-77769, 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

Dicta No. 97-057

Hinkle, Cox, Eaton, Coffield & Hensley
March 3, 1997
Page 3

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-77769, 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-77769 were received in the Texas General Land Office on March 4, 1996, for gas produced during January, 1996;

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. 97-057
Files: School File 153250, Mineral File M-77769

Dicta No. 97-057

(12)

11-77769

FILE NO.

Revised

COUNTY

97-97-057

35 19 97

FILED

GARRY MAURO, COM'R

11-77769

BY

P 329 158 197

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to

South Marsh Development Inc.

Street & Number

P.O. Box 10133

Post Office, State, & ZIP Code

Midland, Tx. 79702-0133

Postage

\$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees

\$

Postmark or Date

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (*no extra charge*).
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make an inquiry.

SENDER:

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

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

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

Consult postmaster for fee.

3. Article Addressed to:

South Marsh Development Inc.
1703 N. Big Spring
P.O. Box 10133
Midland, Tx. 79702-0133

4a. Article Number

P 329 158 197

4b. Service Type

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

7. Date of Delivery

JUN - 2 1998

5. Received By: (Print Name)**8. Addressee's Address (Only if requested and fee is paid)****6. Signature: (Addressee or Agent)**

Leticia Anthony

UNITED STATES POSTAL SERVICE



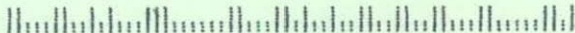
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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

GENERAL LAND OFFICE
STEPHEN F. AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701
TAX I. D. #74-6000-108

Attn: George Martin

RECEIVED
98 JUN -4 PM 1:45
ENERGY RESOURCES





Texas General Land Office
Garry Mauro, Commissioner

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

May 27, 1998

Certified Mail # P 329 158 197
Return Receipt Requested

SOUTH MARSH DEVELOPMENT INC
1703 N BIG SPRING
P O BOX 10133
MIDLAND TX 79702-0133

RE: Termination of State Lease M-77769, covering part of Section 38, Block 45,
Public School Land Survey, A-5991, Reeves County, Texas. (RRC# 78350)

Dear Sir or Madam:

The records of this office indicate that the above-referenced State free royalty oil and gas lease has not produced since January 1996, and it is not known if the lease is being by a shut-in payment. If not, it appears that this lease has terminated by its own terms for cessation of production.

If you disagree with this determination and can provide appropriate documentation, please contact this office within thirty days of the date of this letter. The file will be endorsed as terminated, if no response is received within the stated period. If the well or wells have been plugged, please submit copies of the Railroad Commission Form W-3 to this office.

Sincerely,

George Martin
Minerals Leasing
Energy Resources
(512) 475-1512

(2)

M-77769

Termination Ltr

File Dated 6/4/98

Texas General
Land Office



David Dewhurst
Commissioner

Thursday, January 20, 2000

VISTA RESOURCES, INC.
P.O. BOX 11307
MIDLAND, TX
79702-1307

RE: Termination of State Lease **MF077769**

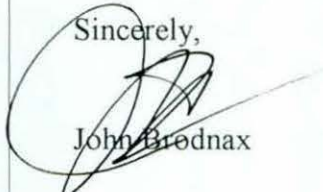
Dear Sir:

We are in the process of updating our files for the year 2000. Our records indicate that the above-referenced lease has terminated due to non-production. This lease has not been held by timely paid shut-in payments and there is no documentation in this office of any reworking operations.

If this well(s) is plugged, copies of Railroad Commission Form W-3 must be filed with our office. If delinquent royalties are due, our Audit Division will notify you shortly.

If you disagree with this assessment and you can provide documentation, please send such evidence to this office at the address above, within 30 days of receiving this letter. Failure to reply or failure to present convincing evidence of the continuation of the lease will result in the mineral file being endorsed as terminated.

Sincerely,



John Brodnax

Landman
Mineral Leasing

cc: David Hall, Deputy Commissioner of Energy Resources

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

File No.

MF 77769

Pre Termination letter

Date Filed:

1/29/00

David Dewhurst, Commissioner

By

