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MF082072

TERMINATION

DATE 8/1/2016
LEASING DBO
MAPS MC
GIS MC

Lease Type
RAL

Control
07-109265

Basefile
110870

County
REEVES

Survey

T & P Ry Co

Block

56

Block Name

Township

3-S

Section/Tract

22

Land Part

Acres

Net: 640.000000 Gross: 640.000000

Depth Below

Depth Above

Depth Other

0

4500

Specified
Depths

Name

ZINN PETROLEUM CO

Lease Date

3/25/1980

Primary Term

2 years

Bonus

\$16,000.00

Lease Royalty

0.09375000

Paid Up

NA

Leasing: _____

Maps: MC

GIS: MC

Scanlab: _____

M
F
0
8
2
0
7
2
ZINN PETROLEUM CO
F280087

RELINQUISHMENT ACT LEASE M-82072

5
195

COUNTY: Reeves
TRACT : Sec. 22, Blk. 56, T-3
PART : T&P RR Co. Survey
ACRES : 640

LESSEE : Robert L. Zinn dba Zinn Petroleum Co.
DATE : March 25, 1980
TERM : 2 yrs.
BONUS : \$16,000.00
RENTAL: 320.00
FILE : 110870

TO A DEPTH OF 4500'

07-10926-5 (white)

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over

c/7 Zim Petroleum Co.
June 17, 1980

67. Division Order 6/16/03

68. Cross v. Shell Oil Co. Page 377 No date

Scanned LW 2-5-2014

69. Reconciliation Billing 5/5/14.

Scanned PJ 5-30-14

70. Termination Letter 6/16/2017

Scanned LW 9-13-2017

Mineral Classified Land
Lease Consideration Comparison

County

N.
REEVES

Area

54.22 Bk 56,

T-3, T&P

M. F.	Acres	Lease Date	Term	Total Bonus	B/Ac	Rental	Comparison
New	640	3-25-80	2yrs	32000 ⁰⁰	50 ⁰⁰	120	3/32
77679	320	6-8-78	5yrs	16000 ⁰⁰	50 ⁰⁰	100	Adj SW 3/32
77567	319 ⁹¹	2-9-78	5yrs	23993 ²⁶	75 ⁰⁰	100	2 mi" 3/32
47 (16667)	640	4-27-78	5yrs	5333 ³⁴	50 ⁰⁰	100	2" S 3/32
77692							

110870

Remarks: Del, sd, D.H. on tract

1/2 mi SW of KEN REGAN
(Del-oil) Fld.

Consideration

Recommended

Not Recommended

[Signature]

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 25th day of
March, 1980, by and between The First National
Bank of Midland, Trustee (Trusts 571, 572 and 573),
of P. O. Box 270, Midland, Texas 79702,
(Give Permanent Address)

herein referred to as the owner of the soil (whether one or more),
individually and as agent for the State of Texas, and Robert L. Zinn
dba Zinn Petroleum Co.,
of 1600 C & I Building, Houston, Texas 77002,
(Give Permanent Address)

hereinafter called Lessee, WITNESSETH:

1. The owner of the soil in the capacities aforesaid, for and in
consideration of Sixteen thousand and no/100 -----

----- Dollars (\$16,000.00), cash
in hand paid, as his individual property and estate, receipt of which is
hereby acknowledged, and a like amount paid to the STATE OF TEXAS, and of the
covenants and agreements hereinafter contained on the part of the Lessee to
be paid, kept and performed, hereby grants, leases and lets unto Lessee, for
the sole and only purpose of prospecting and drilling for and producing oil
and gas, laying pipe lines, building tanks, storing oil and building power
stations, telephone lines and other structures thereon, to produce, save, take
care of, treat and transport said products of the lease, the following lands

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

All of Section 22, Block 56, Twp 3, T & P RR Co. Survey as to all formations
and zones from the surface to a depth of 4500'

containing 640 acres, more or less.

2. Subject to the other provisions herein contained, this lease
shall be for a term of ~~five (5)~~ ^{two (2)} years from this date (herein called "primary
term") and as long thereafter as oil and gas, or either of them, is produced
in paying quantities from said land.

*3. When production of oil and/or gas is secured, Lessee agrees to
pay or cause to be paid one-half (1/2) to the Commissioner of the General
Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) to the
owner of the soil, during the term hereof:

(a) As a royalty on oil, which is defined as including all hydro-
carbons produced in a liquid form at the mouth of the well and also all con-
densate, distillate, and other liquid hydrocarbons recovered from oil or gas
run through a separator or other equipment, as hereinafter provided,

Three-sixteenth (3/16th) part of the gross

*NOTE: The total royalty payable under the lease should be inserted in para-
graphs 3(a), 3(b), 3(c) and 3(d).

production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity for the field where produced and when run, or 2) the highest market price thereof offered or paid for the field where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to the parties entitled to royalties through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of the royalty owners, the requirement that such gas be run through a separator or other equipment may be waived upon such terms and conditions as prescribed by them.

(b) As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (a) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) _____

Three-sixteenth (3/16th) part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality for the field where produced and when run, or the gross price paid or offered to the producer, whichever is greater; provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

For the purposes of this lease "field" means the general area in which the land covered by this lease is located.

(c) As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons,

Three-sixteenth (3/16th) part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons, F.O.B. at the plant in which said gas is processed), whichever is greater.

(d) As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead", "dry" or any other gas, by fractionating, burning or any other processing, Three-sixteenth (3/16) part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows:

- (1) on the basis of the highest market price of each product for the same month in which such product is produced, or
- (2) on the basis of the average gross sale price of each product for the same month in which such produce is sold, whichever is greater.

4. Notwithstanding anything contained herein to the contrary, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, at any time or from time to time, upon not less than sixty (60) days notice to the holder of the lease, require the payment of any royalties accruing to such royalty owner under this lease be made in kind.

5. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

6. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle the royalty owners to a royalty thereon under the provisions of this lease.

7. All royalties which are required to be paid hereunder to the Commissioner of the General Land Office shall be due and payable in the following manner: Royalty on oil shall be due and payable on or before the 5th day of the second month succeeding the month of production, and royalty on gas shall be due and payable on or before the 15th day of the second month succeeding the month of production, accompanied by an affidavit completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all supporting documents and records required by law to confirm the gross production, disposition and market value. A copy of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts shall be filed with the General Land Office within thirty (30) days after entering into or making such contracts, agreements or amendments. The books, accounts and all other records pertaining to production, transportation, sale and marketing shall at any time be subject to inspection and examination by the Land Commissioner. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid. Any royalty not paid or affidavits and supporting documents not filed when due shall be come delinquent and shall have added to the sum owing a delinquency penalty of one percent (1%) of such sum for each thirty (30) day period of delinquency or a fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars (\$5.00). Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the

due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law. The State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

8. If no well be commenced on said land on or before one (1) year from this date, this lease shall terminate as to both parties, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the _____

First National Bank, at Midland, Texas
_____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the sum of Three hundred twenty dollars and no/100 -----
-----Dollars

(\$ 320.00), and in addition shall pay to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date, which shall operate as a rental and cover the privilege of deferring the commencement of a well for one (1) year from said date. In like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term.

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

10. During any year beginning with the anniversary date of this lease, if this lease is maintained by production, the royalties paid hereunder in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual delay rental less the amount of royalties paid during the preceding year. If no amount of delay rental is specified in this lease, then for the purpose of this paragraph and paragraph 28, rental shall be construed to be one dollar (\$1.00) per acre which shall be in addition to the statutory minimum rental provided in paragraph 11 hereof.

11. It is understood and agreed that notwithstanding the fact that development may be in progress or production secured and royalty being paid hereunder the owner or operator of the leased premises shall continue to make annual rental payments to the State which, under such conditions, shall be the minimum of ten cents (10¢) per acre as provided by Section 52.172 of the Natural Resources Code (hereinafter called N.R.C.).

12. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if, after discovery and production of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay

rental in the same manner as provided in Paragraph Number 8 of this lease. If a dry hole be completed and abandoned during the last year of the primary term, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in gas well within the primary term hereof, Lessee may resume payment of annual rental in the same manner as provided in Paragraph Number 8 in this lease on or before the rental paying date next ensuing after sixty (60) days from the date of completion of such shut-in gas well and upon the failure to make such annual rental payment, this lease shall ipso facto terminate. If at the expiration of the primary term or at any time thereafter a shut-in gas well is located on the leased premises, payments may be made in accordance with the provisions of Paragraph Number 28 hereof.

13. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, or if, after the expiration of the primary term, production of oil or gas on the leased premises after once obtained should cease from any cause, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in gas well royalties or compensatory royalties is made as hereinafter provided.

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

15. Written notice of operations hereunder shall be submitted to the Commissioner of the General Land Office by Lessee within five (5) days of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and shall include copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Commissioner of the General Land Office reserves the right to require Lessee to furnish logs on all wells drilled on said land and to annually furnish the said Commissioner with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease.

16. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended; and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of delay rentals in order to maintain this lease in effect during the primary or extended term in the absence of such drilling or reworking operations or production of oil or gas.

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

If the owner of the soil owns a less interest in the above described land than the entire and undivided surface estate therein (or a greater or lesser interest than the recited interest therein) then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the whole and undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to all of the undivided interest not covered by any lease, less the proportionate development and production costs allocable to such undivided interest, but in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production. Provided, however, before any adjustment of royalty or rental due the Commissioner of the General Land Office, Lessee shall furnish the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, a statement in writing executed by Lessee, or its duly authorized representative, setting forth the facts relative to the interest of the owner of the soil and the interest which Lessee claims under this lease.

18. Lessee shall have the right to use water produced on said land necessary for operations hereunder except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water-flood operations without the prior consent of the owner of the soil.

19. When requested by the owner of the soil, Lessee shall bury its pipe lines below plow depth.

20. No well shall be drilled nearer than two hundred (200) feet to the house or barn now on said premises without the written consent of the owner of the soil.

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

22. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. Lessee shall have the right at any time until one hundred twenty (120) days after the expiration or termination of this lease to remove all machinery and fixtures placed by Lessee on said premises, including the right to draw and remove all casing; provided, however, that casing shall not be drawn and removed until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil and, provided further, that Lessee shall not remove casing with respect to any well thereon capable of producing oil and/or gas in paying quantities. Any machinery, fixtures and casing subject to removal as above set forth, which are allowed to remain on the premises, shall become the property of the owner of the soil on expiration of said one hundred twenty (120) day period, or such extension thereof as may be granted by the owner of the soil.

24. The rights and estates of either party hereto may be assigned, in whole or in part, and the provisions hereof shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns; but no change or division in the ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations, nor to diminish

the rights, privileges and estates of Lessee, nor to impair the effectiveness of any payment made by, nor of any act performed by, Lessee hereunder. And no such change or division in the ownership of said land, the rentals or royalties, however accomplished, shall ever be binding upon Lessee for any purpose until thirty (30) days after Lessee has been furnished by the owner of the soil, or by his heirs, devisees, legal representatives or assigns, with satisfactory written evidence thereof, including (if such change is effected by conveyance) the original recorded muniments of title or certified copies thereof. An assignment of this lease, in whole or in part, shall, as to the extent of such assignment, relieve and discharge Lessee of all subsequent obligations hereunder. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the surface area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered, unless the assignor or assignee shall fail to file a certified copy of such assignment in the General Land Office prior to the next rental paying date, in which event the entire lease shall terminate for failure to pay the entire rental due as provided in Paragraph Number 8 hereof.

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

26. Provided further that if all or any part of this lease is assigned or released, such assignment or release shall be recorded in the county where the land is situated and the recorded instrument, or a copy of the recorded instrument certified to by the County Clerk of the County in which the instrument is recorded, shall be filed in the GENERAL LAND OFFICE accompanied by a filing fee of Five Dollars (\$5.00). If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture by the Commissioner of the General Land Office.

27. It is recognized that before this lease is effective a certified copy thereof (which is construed as meaning a certified copy made by the County Clerk from his records) shall be filed in the General Land Office in accordance with Section 52.183, N. R. C., and this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised therefor. The bonus due the State and a filing fee of Five Dollars (\$5.00) shall accompany such certified copy to the General Land Office.

28. If, at the expiration of the primary term or at any time thereafter, there is located on the leased premises a well or wells capable of producing gas in paying quantities and such gas is not otherwise produced for lack of a suitable market and this lease is not otherwise being maintained in force and effect, Lessee may pay as royalty a sum of money equal to double the annual rental provided for in this lease, but in no event to be less than Twelve Hundred Dollars (\$1,200.00) per annum for each well capable of producing gas in paying quantities; such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil prior to the expiration of the primary term of this lease or, if the primary term has expired, within sixty (60) days after Lessee shuts in such well or ceases to produce gas therefrom or within sixty (60) days after this lease ceases to be otherwise maintained in force and effect; and if such payment is made, this lease shall be considered to be a producing lease and such shut-in gas well royalty payment shall extend the term of this lease for a period of

one (1) year from the end of the primary term or, if after the primary term, from the first day of the month next succeeding the month in which such well was shut in or production ceased or this lease ceased to be otherwise maintained in force and effect; and thereafter, if no suitable market for such gas exists, Lessee may extend this lease for four (4) additional and successive periods of one (1) year each by the payment of a like sum of money each year as above provided, on or before the expiration of the extended term. Provided, however, that if, while this lease is being maintained in force and effect by payment of such shut-in gas well royalty, gas should be sold and delivered in paying quantities from a well situated within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case where drainage is occurring, the right to further extend this lease by such shut-in gas well royalty payments shall cease and this lease shall remain in force and effect for the remainder of the current one-year period for which the shut-in gas well royalty has been paid and for an additional period not to exceed five (5) years from the expiration of the primary term by payment by Lessee of compensatory royalty at the royalty rate provided for herein, of the value at the well of production from the well completed in the same producing reservoir from which gas is being sold and delivered and which is situated within one thousand (1000) feet of or draining the leased premises on which such shut-in gas well is situated, such compensatory royalty to be paid monthly one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil beginning on or before the last day of the month next succeeding the month in which such gas is sold and delivered from the well situated within one thousand (1,000) feet of or draining the leased premises and completed in the same producing reservoir, provided further that in the event such compensatory royalties paid in any twelve-month period are in an amount less than the annual shut-in gas well royalties provided for herein, Lessee shall pay an additional sum of money equal to the difference between such compensatory royalties paid and such shut-in gas well royalties within thirty (30) days from the end of such twelve-month period; provided further that nothing herein shall relieve Lessee of the obligation of reasonable development, nor of the obligation to drill off-set wells as required by law.

29. No natural gas or casinghead gas, including both associated and nonassociated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

- (a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;
- (b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
- (c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;
- (d) no facility of the state or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
- (e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and
- (f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs;

provided, however, after notice and hearing as provided in Title 3 of the N.R.C., the Railroad Commission of Texas may grant exceptions to these provisions if it finds and determines that enforcement of such provisions:

- (1) would cause physical waste as defined in Title 3 of the N.R.C.; or
- (2) would unreasonably deny to the lessee an opportunity to produce economically hydrocarbons from the land subject to this lease.

30. This lease is issued under the provisions of Sections 52.171 through 52.182, N.R.C., commonly known as the Relinquishment Act, Sections 52.183 and 52.184, N.R.C., and other applicable statutes and amendments thereto, and should there be any provision herein not in conformity with said statutes, the law is recognized and understood to prevail notwithstanding anything in this lease to the contrary.

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

ATTEST:

Charles M. Nadeau
Individually and as agent
for the State of Texas
Trust Officer

The First National Bank of Midland, Trustee
Trust #571, 572 and 573

By: Windel M. Gibson
Individually and as agent
for the State of Texas
Windel M. Gibson
Vice-President and Trust Land Manager

Individually and as agent
for the State of Texas

Individually and as agent
for the State of Texas

Tax I.D. # - Trust #571:

Tax S.S. # - Trust #572:

Tax S.S. # - Trust #573:

STATE OF
COUNTY OF

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS

COUNTY OF MIDLAND

appeared WINDEL M. GIBSON

BEFORE ME, the undersigned authority, on this day personally

WINDEL M. GIBSON, known to me to be the person whose name is
subscribed to the foregoing instrument, as VICE PRESIDENT of FIRST NATIONAL BANK, MIDLAND, TX.,
a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the
capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 26th. day of March A. D. 19 80

My Commission Expires:

5-31-81

Jean E. Wilson

No. 254 Pound Printing & Stationery Co., Houston, Texas

Jean E. Wilson
Notary Public in and for MIDLAND County, Texas.

Notary Public in and for _____
County, Texas

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally
appeared _____,
known to me to be the person _____ whose name _____ are/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 capacities therein stated.

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

Notary Public in and for _____
County, Texas

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person _____ whose name _____ are/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 capacities therein stated.

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

Notary Public in and for _____
County, Texas

executed the same for the purposes and consideration therein expressed, and in the capacities therein stated.

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

Notary Public in and for _____
County, Texas

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person _____ whose name _____ are/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 capacities therein stated.

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

Notary Public in and for _____
County, Texas

10

Filed for record on the 9th day of May A.D. 1980 at 10:30A.M.
Duly recorded on the 12th day of May A.D. 1980 at 10:00A.M.
BY Binni Jo Freeman DEPUTY CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

A 5x5 grid of dots forming a stylized letter 'A'. The top row has 5 dots, the second row has 4 dots, the third row has 3 dots, the fourth row has 2 dots, and the bottom row has 1 dot.

ZINN PETROLEUM COMPANY
HOUSTON, TEXAS

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

DELUXE FORM TWVO-3 V-7

171

To pay lease bonus covering 640 acres, more or less, in Ken Regan (w/ **118092**
Area, Reeves County, Texas, The First National Bank of Midland, Trustee
as Lessor -

~~X~~ \$16,000.00

ZINN PETROLEUM COMPANY
HOUSTON, TEXAS

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

DELUXE FORM TWVO-3 V-7

Filing Fee

171

X \$5.00

118091

ZINN PETROLEUM COMPANY

1600 C & I BUILDING

TELEPHONE 659-6131

May 15, 1980

HOUSTON, TEXAS 77002

General Land Office
The State of Texas
Austin, Texas 78701

Certified R.R.R

Attention: Ms. Barbara Epstein
Oil & Gas Division

Re: Oil and Gas lease from The First National Bank of Midland, Trustee (Trusts 571, 572 and 573) to Robert L. Zinn, dba Zinn Petroleum Company, dated March 25, 1980, recorded Vol. 389, Page 131, Deed Records, Reeves County, Texas, covering Sec. 22, Block 56, T-3, T & P RR Co. Survey to a depth of 4500', Reeves County, Texas.

Gentlemen:

Enclosed for filing in the General Land Office is a certified copy of the lease described in the caption to this letter. Also enclosed are our check payable to the State of Texas in the amount of \$16,000.00, being the State's one-half of the bonus consideration paid for this lease, and our check payable to the General Land Office, State of Texas, in the amount of \$5.00, being the required filing fee.

This lease has already been conditionally approved as to form and consideration, as reflected by your letter signed by Barbara Epstein, Attorney, dated April 8, 1980, addressed to The Wiser Oil Company.

Please confirm your receipt of the enclosures, the filing of the enclosed copy of the lease, and your final approval of same, by signing and returning a copy of this letter.

Yours very truly,

ZINN PETROLEUM COMPANY **118091**

W.B. Ferguson

W.B. Ferguson
Land Manager

X 5.00 =

WBF:nl

Received, Filed and Approved this _____ day of May, 1980
General Land Office of
The State of Texas

118092

X 16,000.00 =

cc: Wiser Oil Company

By _____
Title:

First National Bank of
Midland, Trustee
(Trusts 571, 572 and 573)
Attention: Windel M. Gibson

ZINN PETROLEUM COMPANY

1600 C & I BUILDING

TELEPHONE 659-6131

May 15, 1980

HOUSTON, TEXAS 77002

General Land Office
The State of Texas
Austin, Texas 78701

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Attention: Ms. Barbara Epstein
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Gentlemen:

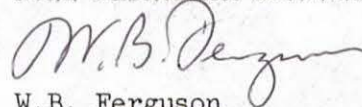
Enclosed for filing in the General Land Office is a certified copy of the lease described in the caption to this letter. Also enclosed are our check payable to the State of Texas in the amount of \$16,000.00, being the State's one-half of the bonus consideration paid for this lease, and our check payable to the General Land Office, State of Texas, in the amount of \$5.00, being the required filing fee.

This lease has already been conditionally approved as to form and consideration, as reflected by your letter signed by Barbara Epstein, Attorney, dated April 8, 1980, addressed to The Wiser Oil Company.

Please confirm your receipt of the enclosures, the filing of the enclosed copy of the lease, and your final approval of same, by signing and returning a copy of this letter.

Yours very truly,

ZINN PETROLEUM COMPANY



W.B. Ferguson
Land Manager

WBF:nl

Received, Filed and Approved this _____ day of May, 1980
General Land Office of
The State of Texas

cc: Wiser Oil Company

First National Bank of
Midland, Trustee
(Trusts 571, 572 and 573)
Attention: Windel M. Gibson

By _____
Title:

②

M. F. 82072

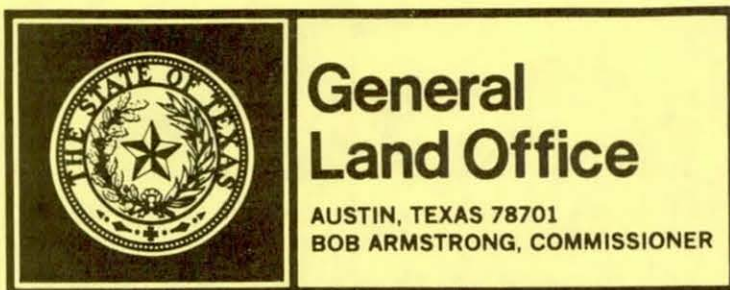
CORRESPONDENCE FILE

To

From Zinn Pet. Co.

Dated 5-17-80

2.75.00



• May 27, 1980

• Zinn Petroleum Company
• 1600 C & I Building
• Houston, Texas 77002

Attn: W. B. Ferguson

Re: Oil and Gas Lease
M-82072; Sec. 22, Blk. 56,
T-3, T&P RR Co. Sur.
(to a depth of 4500')
Reeves County, Texas

Gentlemen:

The certified copy of Oil and Gas Lease, affecting the above captioned tract, has been approved and filed in our records under M-82072, to which mineral file number you should refer to in all future correspondence concerning this lease.

Your remittances in the amounts of \$5.00 and \$16,000.00 have been applied as the State's portion of the cash bonus and filing fee due thereon. A receipt for the total amount is enclosed herewith.

Sincerely yours,

Bob Armstrong

By: Barbara Epstein, Attorney
Oil and Gas Division
Legal Department
512 435-4246

BE/di
Enclosure

③

M. F. 82072

CORRESPONDENCE FILE

To Zinn Pet Co

From

Dated 5-27-80

RECEIVED
JUL 1 1980
FBI - MEMPHIS

④ 82072

M. F.

APPLICATION TO DRILL

WELL # 1

FILED OCT 23 1980 19

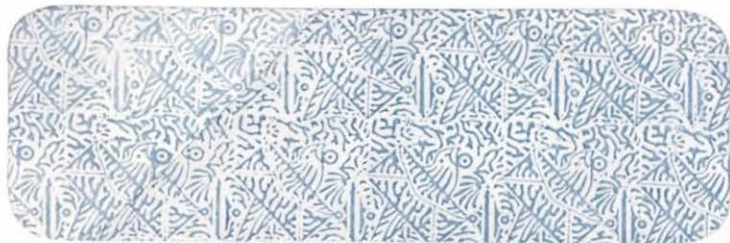
BOB ARMSTRONG, COMMISSIONER

BY: V. PHIPPS

After 5 days, return to
THE WISER OIL COMPANY...

Box 192
SISTERSVILLE, W. VA. 26175

A COUNTRY THAT RUNS
ON OIL CAN'T AFFORD
TO RUN SHORT



✓ THE WISER OIL COMPANY
SISTERSVILLE, W. VA. 26175

121

Lease no. 4341, Payee name and address COMMISSIONER OF THE GENERAL LAND OFFICE
State of Texas
AUSTIN, TX

~~\$~~ 320.00

As payment in full for rental from March 25, 1981 To March 25, 1982 According

74358

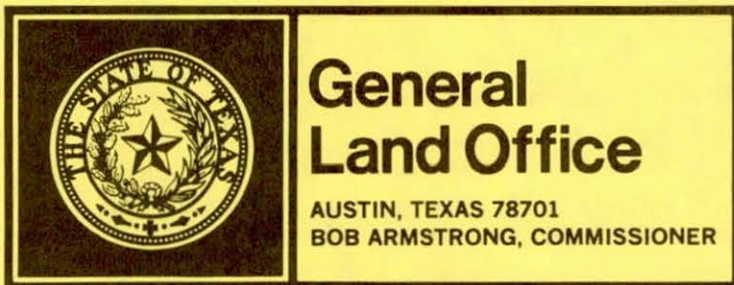
To terms of lease for oil and gas purposes on 640 Acres situated in _____

District _____
Township Reeves County, State of Texas

640 Acres - All Sec. 22, Blk. 56, T-3, T&P RR Co. Survey M-82072

CO M-8201 -
Kontak Payment
2-7-81





April 14, 1981'

Zinn Petroleum, Inc.
1600 C & I Building
Houston, Texas 77002

RE: State Lease M-82072
Wiser-Zinn
First National Bank State
Reeves County, Texas

Gentlemen:

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

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

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

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

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

Sincerely yours,

A handwritten signature in dark ink, which appears to read "Harry T. Finnell". The signature is written in a cursive, flowing style.

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

(6)

82072

OF

CORRESPONDENCE FILE

TO

Zinn, Peter, Jr.

FROM

DATED 4-14-81

121

~~SS~~
~~#~~
File

ZINN PETROLEUM COMPANY
1600 C & I BUILDING

TELEPHONE 659-6131

HOUSTON, TEXAS 77002

April 27, 1981

General Land Office
State of Texas
Austin, Texas 78701

Attention: Mr. Harry T. Finnell
Supervisor Gas Contracts
Resource Accounting

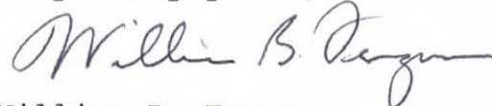
Reference: State Lease M-82072
Wiser-Zinn
First National Bank State
Reeves County, Texas

Gentlemen:

We are in receipt of your letter dated April 14, 1981, requesting a copy of our Gas Contract covering the captioned lease.

Our well loaded up with salt water and died while testing. The well must now be worked over and an attempt made to shut off the salt water flow. This work will be undertaken soon, but we do not know at this time whether the well will be a commercial producer. Consequently, we have not yet signed a Gas Contract. If and when we do, we shall of course furnish you a copy. Meanwhile, we are retaining the form you sent so that we can complete it if and as necessary.

Very truly yours,



William B. Ferguson,
Land Manager

WBF:cjm

17

M. F. 82072

CORRESPONDENCE FILE

10

Zinn Petroleum

FROM

DATED 4-27-81

4383

March 26, 1982

Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

ATTENTION: Accounting Manager

RE: State Lease M-82072
First National Bank - State Lease
Reaves North (3200') Field
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your \$640.00 check for shut-in gas royalty for the above lease.

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

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

Sincerely yours,

Charles F. Whitsel, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2856

DGD/pdg
Enclosures

8

M. F. 82072
CORRESPONDENCE FILE
TO

Castland Oil Co

FROM

DATED 3/26/82

121

DETACH BEFORE DEPOSITING
THE EASTLAND OIL COMPANY ✓

No receipt necessary if the account is correct; if not, the check must be returned for correction.

No 8425

DATE	INVOICE NO.	ITEM	TOTAL	DISCOUNTS	BALANCE
3-23-82		Minimum Delay Rentals: 3/25/82-3/25/83			
	CREDIT:	109(1) FIRST NATIONAL BANK OF MIDLAND, TRUSTEE			\$32.00
		accept & appen - SI may along with affidavit rec'd by Darrell Donaldson apx/3-26-82		77826	

RENTAL PAYMENT

CHECK NO

8425

DATE

March 23, 1982

THE EASTLAND OIL COMPANY

has this day tendered to GENERAL LAND OFFICE

OF THE STATE OF TEXAS, AUSTIN, TEXAS 78701

the sum of \$ 32.00

---THIRTY-TWO AND NO/100--- Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of ^{minimum} RENTAL under oil and gas lease of lands in the state of Texas
for the period from March 25, 19 82 to March 25, 19 83

covering land described as:

ALL of Section 22, Block 56, TWP. 3, T&P RR Co. Survey, Reeves County, Texas,
as to all formations and zones from the surface to a depth of 4,500 feet.

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
109(1)	THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	640	REEVES	\$32.00

77826

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

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

THE EASTLAND OIL COMPANY
P. O. DRAWER 3488
MIDLAND, TEXAS 79702

⑨ M-82072
Rental Payment
3-24-82

121

DETACH BEFORE DEPOSITING
THE EASTLAND OIL COMPANY ✓

No receipt necessary if the account is correct; if not, the check must be returned for correction.

No 8423

DATE	INVOICE NO.	ITEM	TOTAL	DISCOUNTS	BALANCE
3-23-82		Annual Lease Rentals: 3/25/82 - 3/25/83			
	CREDIT:	109(1) FIRST NATIONAL BANK OF MIDLAND, Trustee			\$320.00
	<i>Apply \$2.00 from this amt for balance of statutory rental due 3-25-80. Refund difference. ajw 3-26-82</i>		77827		

RENTAL PAYMENT

CHECK NO.

8423

DATE

March 23, 1982

THE EASTLAND OIL COMPANY has this day tendered to THE GENERAL LAND OFFICE OF THE
STATE OF TEXAS, AUSTIN, TEXAS 78701 the sum of \$ 320.00

~~---THREE HUNDRED TWENTY AND NO/100---~~ Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of Texas
for the period from March 25, 1982 to March 25, 1983
covering land described as:

ALL of Section 22, Block 56, TWP. 3, T&P RR Co. Survey, Reeves County, Texas,
as to all formations and zones from the surface to a depth of 4500 feet.

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
109(1)	THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	640	REEVES	\$320.00

77827

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

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

THE EASTLAND OIL COMPANY
P. O. DRAWER 3488
MIDLAND, TEXAS 79702



RECEIVED
U. S. DEPARTMENT OF JUSTICE
WASHINGTON, D. C.

THE BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

TO : DIRECTOR, FBI
FROM : SAC, NEW YORK

RE: [Illegible text]

DATE: [Illegible text]

BY: [Illegible text]

U. S. DEPARTMENT OF JUSTICE

U. S. DEPARTMENT OF JUSTICE

Re: [Illegible text]
3-24-82

(10) 11-82072

FILE NO. 3931

ROBERT L. ZINN, D/B/A PETROLEUM COMPANY TO THE
WISER OIL COMPANYASSIGNMENT OF OIL AND GAS LEASE

WHEREAS, on the 25th day of March, 1980, a certain Oil and Gas Lease was made and entered into by and between THE FIRST NATIONAL BANK OF MIDLAND, TRUSTEE (TRUSTS 571, 572 and 573), P. O. Box 270, Midland, Texas 79702, as Lessor and ROBERT L. ZINN, dba ZINN PETROLEUM COMPANY, 1600 C & I Building, Houston, Texas 77002, Lessee, covering the following land in the County of Reeves, State of Texas, to-wit:

All of section 22, Block 56, TWP, T & P RR Co. Survey, containing 640 acres more or less, as to all formations and zones from the surface to a depth of 4500'.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, ROBERT L. ZINN, hereinafter called ASSIGNOR, does hereby sell, assign, transfer and set over unto THE WISER OIL COMPANY, its heirs, successors and assigns, an undivided one-half (1/2) interest in and to the oil and gas lease described above, subject to all provisions of said lease and subject to the overriding royalty interests heretofore conveyed to DEAN C. HAMILTON and JACK C. CARTWRIGHT.

This assignment is made without warranty of title, express or implied, except as to persons or parties claiming by, through or under Assignor.

EXECUTED, this 6th day of June, 1980.

ROBERT L. ZINN, dba ZINN
PETROLEUM COMPANY



STATE OF TEXAS

X

COUNTY OF HARRIS

X

BEFORE ME, a Notary Public in and for Harris County, Texas on this day personally appeared ROBERT L. ZINN, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94638
E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1. (Arts. 6600-6625-6634, R. S. 1925) Texas Standard Form

THE STATE OF TEXASCounty of ReevesI, Catherine Ashley, Clerk

of the County Court of Reeves County, Texas, do hereby certify that the foregoing is a true and correct copy of the original RECORDED ASSIGNMENT OF OIL AND GAS LEASE FROM ROBERT L. ZINN, DBA ZINN PETROLEUM COMPANY TO THE WISER OIL COMPANY

as the same appears of record in my office in book 395 page 447, Deed Records.

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

this 30th day of March 19 82.

CATHERINE ASHLEY

Clerk,

By



Olga Fuentes

Deputy.

N 82072 (11)
Partial Assignment
File Dated 4-3-82
Bob Armstrong, Commissioner di

RECEIVED AS STATED
\$5.00

DATE 4-3-82
Reg. No. 80184

GENERAL LAND OFFICE

RECEIVED AS STATED
\$5.00

DATE 4-13-82
Reg. No. 82256

GENERAL LAND OFFICE

WISER

THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET
HOUSTON, TEXAS 77002

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,
Sistersville, W. Va. 26175

April 2, 1982

General Land Office
1700 N. Congress
Austin, Tx. 78701

171

RE: State Lease #82072
First National Bank of
Midland Lease
Sec. 22, Blk. 56, TWP, T&P
RR Co. Survey
Reeves County, Texas

X- 5.00 80184

On March 25th, 1980, the captioned lease was executed in favor of Zinn Petroleum Co. Zinn has assigned $\frac{1}{2}$ interest in this lease to The Wiser Oil Co. Please find enclosed a certified copy of this assignment along with a check in the amount of \$5.00 to cover the filing fee.

Very truly yours,

THE WISER OIL CO.

George McLeod
George McLeod

Houston 24.

*Filing of assignment from
Zinn to Wiser
First Nat. Bank of Midland
lease. Reeves City*

M. F. 82072 (12)

CORRESPONDENCE FILE

To

From Wiser Oil Co.

Dated 4-3-82 di

4. 3.05



THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET
HOUSTON, TEXAS 77002

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,
Sistersville, W. Va. 26175

April 12, 1982

Ms. Dena Isham
General Land Office
Oil & Gas Division
1700 N. Congress
Austin, Texas 78701

171

Re: Partial Assignment of Oil & Gas Lease
M-82072; Sec. 22, Blk. 56, T-3
T & P RR Co.
Reeves County, Texas

Dear Ms. Isham:

X-5⁰⁰ 82256

In regards to your letter dated 4-6-82, please find enclosed an additional check in the amount of \$5.00 to cover the filing fee due on the captioned assignment.

Very truly yours,

THE WISER OIL COMPANY

George L. McLeod, Jr.
Land Department

GLM/jr

enclosures:
Check-\$5.00

W. F. 82072 (13)

CORRESPONDENCE FILE

To

From Wiser Oil Co.

Dated 4-13-82 di

A. 13. 03

May 14, 1982

The Wiser Oil Company
Suite 605 One Allen Center
500 Dallas Street
Houston, Texas 77002

Attn: George L. McLeod, Jr.

Re: One Partial Assignment of Oil & Gas Lease
M-82072
Reeves County, Texas

Gentlemen:

The certified copy of Partial Assignment of Oil and Gas Lease, affecting the captioned tract, has been filed in our records.

Your remittances of \$5.00 and \$5.00 have been applied as the filing fee due.

Sincerely yours,

BOB ARMSTRONG

By:
Dena Isham, Assistant
Oil and Gas Division
Legal Department
512 475-4246

/di

14

M. F. 82072

CORRESPONDENCE FILE

To Wiser Bille
From

Dated 5-14-82 di

**NOTICE OF
INTENTION TO PLUG AND ABANDON**

FILE IN QUADRUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH WELL IS LOCATED A MINIMUM OF 5 DAYS PRIOR TO PLUGGING.								RRC District 8
FIELD NAME (as per RRC Records) BEAVES, N. (3200)								RRC Lease or ID No. 89984
LEASE NAME FIRST NATIONAL BANK-STATE								Well Number 1
OPERATOR WISER OIL CO-ZINN PETROLEUM COMPANY								County Reeves
ADDRESS SUITE 605 ONE ALLEN CENTER -HOUSTON, TEXAS 77002								Type of Well Gas
LOCATION 8 Miles South FROM ORLA								Disposal or Injection
SECTION 22 BLOCK 56, TWP3 SURVEY T&P RR								Type of Completion Single ☒ Multiple ☐
DATE WELL IS TO BE PLUGGED May, 1982 HAS NOTICE OF INTENT TO PLUG BEEN YES ☐ FILED PREVIOUSLY FOR THE WELL? NO ☒ DATE								Total Depth 3370'
CASING RECORD (List all casing in well)								Depth of Deepest Fresh Water 1250 ft.
SIZE	DEPTH	CEMENT	SIZE	CEMENT	SURVEY	CALCULATED	ANTICIPATED RECOVERY	
8 5/8 set @	1429' w/	425 sx	11"	surface	☐ returns	☐	0'	
4 1/2" set @	3370' w/	260 sx	7 7.8"	2710'	☐ bond log	☐	1400'	
set @	w/				☐	☐		
set @	w/				☐	☐		

OPEN PLUGGED HOW PLUGGED Perforations 3263' 70' ☒ ☐ ☐ or Open Hole ☐ ☐ ☐	OPEN PLUGGED HOW PLUGGED Perforations ☐ ☐ ☐ or Open Hole ☐ ☐ ☐	OPEN PLUGGED HOW PLUGGED Perforations ☐ ☐ ☐ or Open Hole ☐ ☐ ☐
---	--	--

If there are wells in this area which are producing from or have produced from a shallower zone, state depth of shallower zone _____

If there are wells into which salt water has been or is being disposed of into a shallower zone, state depth of this zone _____

PLUGGING PROCEDURE: (List All Bridge Plugs Below)

1. 15 sx. from 3350' to 3150' 2. 35 50 sx. from 1500' to 1310' 3. 5 sx. from 16' to 0' 4. _____ sx. from _____ to _____	5. _____ sx. from _____ to _____ 6. _____ sx. from _____ to _____ 7. _____ sx. from _____ to _____ 8. _____ sx. from _____ to _____
--	--

PLUGGING REQUIREMENTS:

1. Well to be loaded with at least 9.5 lb./gal. mud.
2. 6 - hour notice required prior to setting any plug.
3. All cement plugs shall be API oil well cements with no extenders and with no more than maximum API mixing water.

The filing of this notice of intent to plug does not relieve the operator of his obligations as outlined in Statewide Rule 14.

When approved, this plugging procedure will be valid for a period of 6 months.

APPROVED: HAC

RECEIVED
R. H. CO. OF TEXAS

MAY 5 1982

OIL & GAS DIV.
LAW ENFORCEMENT

Rep W. J. Hallen

Representative of Company
THE WISER OIL COMPANY

Mau 3, 1982 Date (713) 652-4972 Telephone Number



161

THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET
HOUSTON, TEXAS 77002

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,
Sistersville, W. Va. 26175

May 10, 1982

General Land Office
1700 N. Congress
Austin, Texas 78701

NA.-82072

Re: Notice of Intention to Plug
and Abandon # 1 Furst National
Bank-State Well
Reeves County, Texas

Gentlemen:

Enclosed please find a copy of approved Notice of Intention
to plug and abandon the above captioned well in Reeves County,
Texas.

Very truly yours,

THE WISER OIL COMPANY

Judy Rainey
Judy Rainey

jr

enclosures

(15)

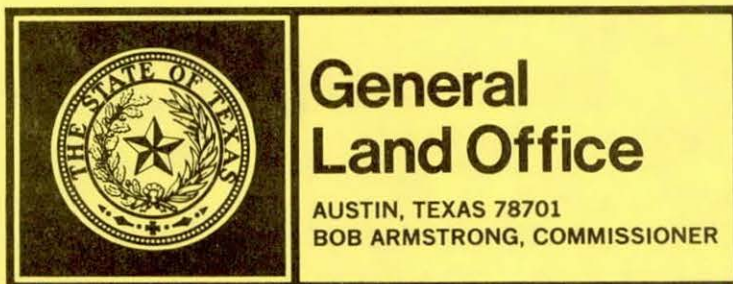
M-82072

PLUGGING RECORD WELL #.....1

5-14-82

6

21305



May 18, 1982

Eastland Oil Company
P.O. Drawer 2489
Midland, Texas 79702

SECOND REQUEST

ATTENTION: Accounting Manager

RE: State Lease M-82072
First National Bank - State Lease
Reaves North (3200') Field
Reeves County, Texas

Gentlemen:

Enclosed is a copy of our letter to you dated March 26, 1982 and as of this date we have not received a reply to this letter.

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

Your prompt attention to this matter is requested.

Sincerely yours,

Charles F. Whitsel, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2856
Enclosure

DGD/pdg

16

M. F. 82072

CORRESPONDENCE FILE

TO

Castland Oil

FROM

DATED 5/18/82

API Well No. 42
Instruction (7a & b) on back side. Not known

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Directional ☐ Well ☐ Amended ☐ Permit (Explain in Remarks)
Sidetrack ☐

7. RRC Permit Number, if previously assigned. Not known

8. County Reeves (N)

9. Well Number 239725

10. Number of Contiguous Acres in Lease or Unitized Tract 640

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

12. Total Depth 4473' (P & A)

1. Operator The Eastland Oil Company

2. Address (Including City and Zip Code) P. O. Drawer 3488 Midland, Texas 79702

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

4a. Lease Name (32 Spaces Maximum) Armstrong

4b. RRC Lease or ID No. (if assigned) ---

5. Location (Sec., Blk., Survey) Sec. 22, Block 56, TWP 3, T&P RR. Co.

6. This well is to be located 10 miles South Direction from Orla, Texas

NEAREST POST OFFICE OR TOWN. FEB 25 1982

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. Fracture Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	Completion Depth	All Prior Rule 37 Exec. Case Numbers for this wellbore. If none, State None.	Applicable Field Rules Spacing Pattern. If no Rules, State 407-1200. (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 res. on same lease? Yes or No. If yes explain in remarks.	Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Exec. Location? Check the appropriate box.	Oil, Gas, or other Type Well (Specify)	Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought?
Ken Regan (Delaware)	3500'	None	330-660	40	40	No	Only well	Regular Rule 372	Oil	0
218754 SW	PB							Regular Rule 372		0
Comp: 3-12-82								Regular Rule 372		
Improved 2/10/82								Regular Rule 372		
24. PERPENDICULAR LOCATION FROM TWO DESIGNATED: A. Lease Lines 660' ENL & 660' FEL, Section 22 B. Survey Lines 660' ENL & 660' FEL, Section 22	25. (a) Is this wellbore subject to SWR 36? ☒ Yes ☐ No (b) If subject to SWR 36, has Form H-9 been filed? ☐ Yes ☒ No. If no, attach explanation.	26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction #8. ☐ Yes ☒ No								
27. Is this a pooled unit? YES ☐ NO ☒ (Attach P-12, & list of pooled zones)	28. Substandard Acreage YES ☐ NO ☒ (Attach W-1A)									

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: Well drilled by Duncan Drig. Co. as Armstrong #1 to depth of 4473'. P&A w/o completion 2-25-67. Application to re-enter and complete in Ken Regan (Delaware) at 3500'.

as w/c

CERTIFICATE

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

Signature George D. Neal
Title Vice-President, Production
Date Jan. 29, 1982
Telephone: Area Code 915, 915-683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

IP: 52.9 BO #13BW
PR: 3308- 3319
TD 4473 PBD 3474

THE STATE OF TEXAS
COUNTY OF REEVES

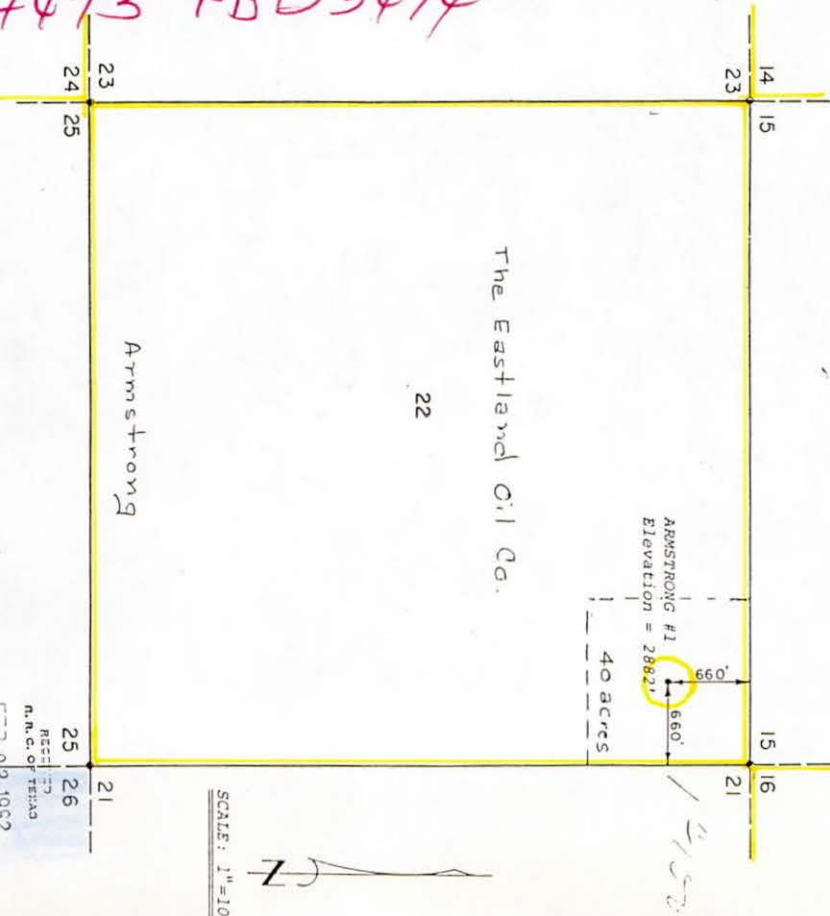
I, Gary N. Haner, a Registered Public Surveyor of the State of Texas, do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, ARMSTRONG WELL NO. 1, 660 feet from the north line and 660 feet from the east line of Section 22, Block 56, T-3, T & P Ry Company Survey, Reeves County, Texas,

represents a survey actually made on the ground under my supervision.

Dated: January 28, 1982

WEST TEXAS CONSULTANTS, INC.



SECTION 22, BLOCK 56, T-3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS



Statewide PLAT SERVICE
P.O. DRAWER 1697 AUSTIN, TEXAS 78767

2-17-82

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-82073 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Armstrong WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 1 SPUD DATE 2/18/82 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH PBD 3489'

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS: Testing equipment on location--No crew

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE March 9, 1982

161

EASTLAND

THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

March 23, 1982

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

Re: State Lease No. 5367
Eastland-Armstrong #1
Sec. 22, Blk. 56, Twp 3,
T&P RR. Co. Survey
Reeves County, Texas

Gentlemen:

In accordance with paragraph number 15 of the State Oil and Gas Lease Form, notice is hereby given that The Eastland Oil Company has commenced operations on the above referenced well on State Lease number 5367.

Accordingly, we are submitting the following items for your records:

- (1) Railroad Commission of Texas Form W-1, Application for Permit to Drill, Deepen or Re-Enter.
- (2) Well Location Plat, Armstrong Well No. 1.
- (3) Railroad Commission of Texas Permit to Drill, Deepen, or Plug Back.

We will submit additional operation forms as they are filed.

Very truly yours,

THE EASTLAND OIL COMPANY


E. J. Hogan

EJH/sw
Enclosures

1/1/81

API Well No. 42
Instruction (7a & b) on back side. Not knownRAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION☐ Directional Well
☐ Sidetrack
☐ Amended Permit (Explain in Remarks)RRC Permit Number, if previously assigned.
Not known

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER

Check one: ☐ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ RE-ENTER

1. Operator The Eastland Oil Company	4a. Lease Name (32 Spaces Maximum) Armstrong	4b. RRC Lease or ID No. (if assigned) ---	7. RRC District 8
2. Address (Including City and Zip Code) P. O. Drawer 3488 Midland, Texas 79702	5. Location (Sec., Btk., Survey) Sec. 22, Block 56, TWP 3, T&P RR. Co.		8. County Reeves
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)	6. This well is to be located <u>10</u> miles <u>South</u> Direction from <u>Orla, Texas</u> Nearest Post Office or Town.		9. Well Number <u>1</u>
			10. Number of Contiguous Acres in Lease or Unitized Tract 640
			11. Distance from Proposed Location to Nearest Lease or Unit Line (ft.) 660'
			12. Total Depth 4473' (P & A)

EACH PROPOSED COMPLETION

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

13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below. One zone per line. List all zones for which a permit is sought.	Completion Depth	All Prior Rule 37 Exec. 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 res. on same lease? Yes or No. If yes explain in remarks.	Distance and Direction from proposed location to nearest drilling completed or applied for well in same res. on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Exc. Location? Check the appropriate box.	Oil, Gas, or other Type Well (Specify)	Number of completed, permitted or applied for, locations on this lease in same reservoir for which this permit is sought? OIL GAS
Ken Regan (Delaware)	3500' PB	None	330-660	40	40	No	Only well	Regular 1 ☒ Rule 37 2 ☐	Oil	0 0
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED:

A. Lease Lines 660' FNL & 660' FEL, Section 22

B. Survey Lines 660' FNL & 660' FEL, Section 22

27. Is this a pooled unit? YES ☐ (Attach P-12, certified plat, & list of pooled zones) NO ☒28. Substandard Acreage YES ☐ (Attach W-1A) NO ☒25. (a) Is this wellbore subject to SWR 36? Yes ☐ No ☒(b) If subject to SWR 36, has Form H-9 been filed? If no, attach explanation. Yes ☐ No ☐26. Do you anticipate future use of this wellbore to complete in any penetrated zone not listed in Column 13, for which a Rule 37 or Rule 38 exception is presently required? If Yes, attach a list of such zones and see Instruction # 8. Yes ☐ No ☒

NOTICE

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

CERTIFICATE

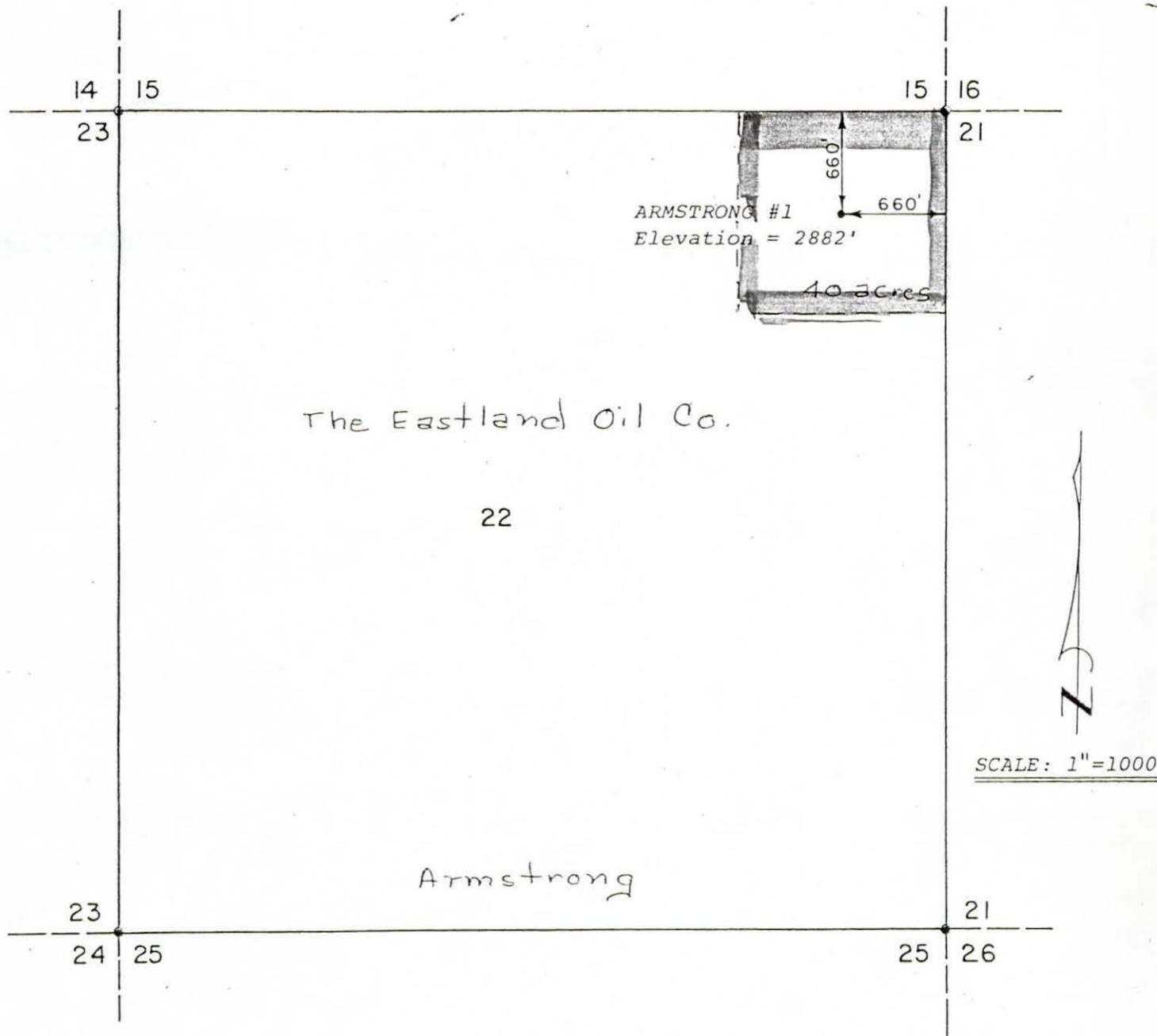
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature George D. Neal George D. Neal
 Title Vice-President, Production
 Date Jan. 29, 1982
 Telephone: Area Code 915, 915-683-6293

REMARKS: Well drilled by Duncan Drlg. Co. as Armstrong #1 to depth of 4473'. P&A w/o completion 2-25-67. Application to re-enter and complete in Ken Regan (Delaware) at 3500'.

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

WELL LOCATION FOR
THE EASTLAND OIL COMPANY
ARMSTRONG WELL NO. 1
660' FROM NORTH LINE AND 660' FROM EAST LINE OF
SECTION 22, BLOCK 56, T-3, T & P RY COMPANY SURVEY
REEVES COUNTY, TEXAS



THE STATE OF TEXAS
COUNTY OF REEVES

I, Gary N. Haner, a Registered Public Surveyor of the State of Texas,
do hereby certify that the above plat of the location for:

THE EASTLAND OIL COMPANY, ARMSTRONG WELL NO. 1, 660 feet from
the north line and 660 feet from the east line of Section 22,
Block 56, T-3, T & P Ry Company Survey, Reeves County, Texas,

represents a survey actually made on the ground under my supervision.

Dated: January 28, 1982

WEST TEXAS CONSULTANTS, INC.
ENGINEERS • PLANNERS • SURVEYORS

By:

Gary N. Haner

Gary N. Haner
Registered Public Surveyor

34317

RAILROAD COMMISSION OF TEXAS

OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK
ON REGULAR LOCATION

RECEIVED FEB 17 1982

PERMIT NUMBER 150519	DATE OF PERMIT 2/10/82	DISTRICT 08
PI NUMBER 42 389 00000	FORM W-1 (dated) 1/29/82	COUNTY REEVES
TYPE OF OPERATION RE-ENTER		ACRES 640
OPERATOR EASTLAND OIL COMPANY, THE P O DRAWER 3488 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. District Office Telephone No.: 915 684-5581
LEASE NAME ARMSTRONG		WELL NUMBER 1
LOCATION 10 MILES S FROM ORLA		TOTAL DEPTH 4,473
SECTION, BLOCK and/or SURVEY SEC. 22, BLK. 56, TWP 3, T & P RR CO.		
STANCE -- LEASE LINES 60 FNL & 660 FEL	-- SURVEY LINES 660 FNL & 660 FEL	-- NEAREST WELL ON LEASE NA

ELD(S) *****
 *NOTE THE CONDITIONS ON THE REVERSE SIDE, PARTICULARLY CONCERNING *
 *SPACING RULE CHANGE. IT IS THE OPERATOR'S RESPONSIBILITY TO INSURE *
 *THAT THE PERMITTED LOCATION COMPLIES WITH THE DENSITY AS WELL AS THE *
 *SPACING RULES IN EFFECT ON THE SPUD DATE. A RULE 37 AND/OR RULE 38 *
 *EXCEPTION WILL BE REQUIRED IF, BECAUSE OF A FIELD RULE CHANGE, THE *
 *LOCATION IS NOT IN COMPLIANCE WITH THE COMMISSION FIELD RULES ON *
 *THE SPUD DATE. *

 KEN REGAN (DELAWARE)

THIS PERMIT SUBJECT TO THE CONDITIONS ON THE BACK OF THIS FORM.

THE OPERATOR SHOULD CONSIDER THE REQUIREMENTS OF THE NATURAL GAS POLICY ACT OF 1978, AS AMENDED, (NGPA), AND APPLICABLE STATE OR FEDERAL REGULATIONS.

Based upon the representations made on the 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.

PHONE:
(512) 445-1314

DIRECT INQUIRIES TO: ADMINISTRATIVE SERVICES DIVISION
DRILLING PERMIT SECTION

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

00000000

Application to Drill
EASTLAND
WELL # 5-22
FILED APR 19 1982
BOB ARMSTRONG, COMMISSIONER
BY: B. V. PHIPPS

M. F.

82072

(164)



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

May 21, 1982

General Land Office
Austin, Texas 78701

Attention: Mr. Charles F. Whitsel

Re: State Lease M-82072
First National Bank
Reaves North (3200') Field
Reeves County, Texas

Gentlemen:

We are in receipt of your letter of May 18, 1982, a copy of which is enclosed.

Please be advised that at the time Eastland was obligated to pay the third year rental in order to keep the lease alive, we also paid the shut-in gas royalty payment thinking that the well was going to be a gas well. Instead Eastland - Armstrong well #1 was completed as an oil well. A copy of the completion report is enclosed for your peruse.

The well was placed in the captioned field. We are now in the process of obtaining a division order title opion in order to obtain the a division order from The Permian Corporation.

Consequently, we do feel that the shut-in gas affidavit is not necessary under the circumstances. Please advise us if this is not correct.

Very truly yours,

THE EASTLAND OIL COMPANY

E. J. Hogan

EJH/sw
Enclosures

(17)

M. F. 82072
CORRESPONDENCE FILE

~~22~~ Eastland Oil Co.

From

Dated

5-22-82

000000

OIL WELL POTENTIAL TEST COMPLETION OR RECOMPLETION REPORT AND LOG						API NO. if Available 4238900000	7. RRC District 8
1. FIELD NAME (as per RRC Records or Wildcat) Ken Regan (Delaware)		2. LEASE NAME Armstrong		9. Well Number 1			
3. OPERATOR The Eastland Oil Company		4. ADDRESS P. O. Drawer 3488, Midland, Texas 79702		10. County Reeves			
5. If Operator has changed within last 60 days -- Give former Operator		6a. Location (Section, Block, and Survey) Sec. 22, Blk 56, T-3, T&P RR. Co.		11. Purpose of Test Initial Potential ☒ Retest ☐ Reclass ☐			
6b. Distance and Direction to nearest town in this county. 10 miles North to Orla		12. If Workover or Reclass, Give former Field (with Reservoir) & Gas ID or Oil Lease #		13. Type of Electric or other Log run GRN/CL			
14. Completion or Recompletion Date 3-12-82		15. Date of Test 3-27-82		16. No. of Hours Tested 24			
17. Production Method (Flowing, Gas Lift, Jetting, Pumping - Size & Type of Pump) Flowing		18. Choke Size 16/64		19. Production During Test Period Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Gas - Oil Ratio 2820 Flowing Tubing Pressure 500 PSI			
20. Calculated 24 Hour Rate Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Oil Gravity - API -60° 34.0 Casing Pressure Packer PSI		21. Was Swab Used During this Test? Yes ☐ No ☒		22. Oil Produced Prior to Test (New & Reworked Wells) 82			
23. Injection Gas-Oil Ratio --		NOTE: TEST SHOULD BE FOR 24 HOURS UNLESS OTHERWISE SPECIFIED IN FIELD RULES					

INSTRUCTIONS: All potential test Forms, with all information requested thereon filled in, shall be filed in the District Office of the Railroad Commission not later than ten (10) days after the test is completed and, should the operator fail to file potential test in an acceptable Form within the ten (10) days as specified, then the effective date of the allowable resulting from such test shall not extend back more than ten (10) days prior to receipt and acceptance of the potential test Form in the District Office. This Ten-Day provision shall govern regardless of whether the potential test is taken during the month in which it is received in the District Office or any prior month. Fill in only the front of this Form when reporting only a potential test; if well is newly completed or recompleted, fill in reverse side also.

EACH WITNESS MUST PERSONALLY SIGN.

We, the undersigned, witnessed this test, by observation of meter readings, or the top and bottom gauges of each tank, whichever is applicable, into which production was run during duration of this test.

Signature: REPRESENTATIVE OF COMPANY MAKING TEST

List of Offset Operators Notified and Date Notified:
Sledge Oil & Gas, Inc. 3-24-82**The Wiser Oil Co. 3-24-82**

Signature: REPRESENTATIVE OF RAILROAD COMMISSION

List of Offset Operators Notified and Date Notified:
Box 1123, Kermit, Texas 79743**Box 2467, Hobbs, New Mexico 88240**

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was **69.37** feet at a measured depth of **3251** feet.

Signature of Authorized Representative

ARC Pressure Data, Inc.

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.

S/Danny Winkler Form W-15 Attached**Halliburton Services**

Name of Cementing Company

Signature of Cementer or Authorized Representative

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

George D. Neal**Vice Pres.-Prod.**

TITLE

3-31-82

DATE

Phone **915**
A/C**683-6293**
NUMBER

SECTION II		DATA ON WELL COMPLETION AND LOG (Not Required on Retest)					
24. Type of Completion: New Well ☒ Deepening ☐ Plug Back ☐ Other ☐				25. Permit to Drill, Plug Back or Deepen DATE 2-10-82 PERMIT NO. 150519			
26. Notice of Intention to Drill this Well was filed in Name of The Eastland Oil Company				CASE NO.			
				Rule 37 Exception ---			
				Water Injection Permit --- PERMIT NO.			
27. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well One (1)		28. Total Number of Acres in this lease 640		Salt Water Disposal Permit --- PERMIT NO.			
29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Workover		Commenced 2-17-82		Completed 2-27-82			
		30. Distance to Nearest Well, Same Lease & Reservoir NA		Other --- PERMIT NO.			
31. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located				660 Feet From North Line and 660 Feet From East Line of the Armstrong Lease			
32. Elevation (DF, RKB, RT, GR, ETC) 2882' GR				33. Was Directional Survey Made Other Than Inclination (Form W-12)? ☐ Yes ☒ No			
34. Top of Pay 3308	35. Total Depth 4473	36. P. B. Depth 3474	37. Surface Casing Determined by: Field Rules ☒	Recommendation of T.D.W.R. ☐ Dt. of Ltr.			
				Railroad Commission (Special) ☐ Dt. of Ltr.			
38. Is Well Multiple Completion? No		39. If Multiple Completion List All Reservoir Names (Completions in this Well) and Oil Lease or Gas ID No. FIELD & RESERVOIR NA		40. Intervals Drilled by: Rotary Tools 0- Cable Tools 4473'			
41. Name of Drilling Contractor Hopi Drlg. Co.				42. Is Cementing Affidavit Attached? ☒ Yes ☐ No			
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT#/ FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8	24#	605	No	375 sx "C"	12-1/4"	Circulated	480
4-1/2	9.5#	3534	No	350 sx "H"	6-3/4"	333'	1004
				250 sx Lite			
44. LINER RECORD							
Size	TOP		Bottom		Sacks Cement		Screen
	None						
45. TUBING RECORD							
Size	Depth Set	Packer Set	46. Producing Interval (this completion) indicate Depth of Perforation or Open Hole				
2" EUE	3263'	3259'	From 3308'	To 3319'			
			From	To			
			From	To			
			From	To			
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
Depth Interval			Amount and Kind of Material Used				
3308 - 19'			600 gals 15% HCL acid				
3308 - 19'			1700 gals. water, 78,000 SCF nitrogen, and 4000# sand				
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)							
Formations	Depth		Formations	Depth			
Top salt	2715'		Top Delaware Sand	3308'			
Base salt	3065'						
REMARKS Well drilled by Duncan Drilling Co. as Armstrong #1 to 4473'. P&A 2-25-67 w/o completion.							

M.F. 62012
CORRESPONDENCE FILE

To OIL WELL COMPLETION REPT.
(W-2) well #1
Dated 5-22-82

(18)



June 9, 1982

The Eastland Oil Company
P. O. Drawer 3488
Midland, Texas 79702

Attention: Mr. E. J. Hogan

RE: State Lease M-82072
Sec. 22, Blk. 56, T-3
T&P RR. Co. Sur.
Reaves, North (3200) Field
Reeves County, Texas

Gentlemen:

This is in response to your letter (copy enclosed) of May 21, 1982 concerning the captioned State lease.

Because this lease provides for a primary term of two years, ending March 25, 1982, we have refunded the balance of your recent delay rental check, after applying \$32.00 from that payment toward the statutory rental due March 25, 1980 under paragraph 11 of the lease.

Although your Well #1 was completed as an oil well March 12, 1982, it appears that production was not commenced prior to the end of the primary term of this lease. Marketing of production is necessary in order for the habendum clause to continue the lease past the end of the primary term. Therefore, it would be advisable for you to examine Section 52.024, Natural Resources Code, (as amended in 1981), in order to see if this lease may be perpetuated under the shut-in clause of the lease agreement.

If you think the subject well does qualify under the statutes as a shut-in oil well, you should complete and return the enclosed Shut-in Well Affidavit. Be sure to explain in the "Remarks" section of the affidavit, why the well was shut-in rather than producing at the end of the primary term.

Page 2
June 9, 1982
The Eastland Oil Company

As you know, we have already received a shut-in royalty payment for this well. Therefore, when we receive your completed affidavit confirming a shut-in oil well under Section 52.024, Natural Resources Code, we will verify that this lease has been perpetuated for one year past the end of the primary term by operation of the shut-in clause. Your \$640.00 shut-in royalty payment will then be applied to this lease account for that purpose.

If you have any questions, please feel free to call.

Sincerely yours,

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

Enclosure:

MJW/mow

(19)

M. F. 82072

CORRESPONDENCE FILE

To

Castland Co Co

From

Dated

6-9-82



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

June 14, 1982

General Land Office
Austin, Texas 78701

Attention: Mr. Max J. Werkenthin
Energy Resources

Re: State Lease M-82072
Sec. 22, Blk 58-T-3
T&P RR Co. Survey,
Reaves, North (3200) Field
Reeves County, Texas

Blk.
56

Gentlemen:

This is in response to your letter of June 9, 1982, and our telephone conversation of this date.

As stated, we are enclosing the following items relative to the captioned lease and Eastland's Armstrong well #1:

- (1) Form W-2, Oil Well Potential Test;
- (2) Copy of Eastland's daily drilling and completion reports, and;
- (3) Copy of Eastland's Eight (8) Day Gauge Reports and Run Ticket from The Permian Corporation.

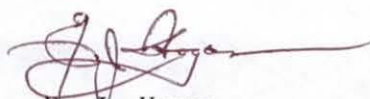
You will note that Eastland produced 11-1/2 barrels of oil and 800 MCFD gas on the day of completion (March 12, 1982). Then on March 13, Eastland produced 40 bbls. fluid with 70-75% oil (approximately 30 bbls oil). Again on March 18th the production was 25 bbls fluid, 75% oil (18.75 B/O).

On April 19, we transferred 245.25 barrels of oil from a test tank to our newly constructed tank battery on the lease. On April 21, 1982 the first sale of 158 barrels of oil was made to The Permian Corporation.

We trust that all of the above will confirm that Eastland Oil's Armstrong #1 well was actually producing before March 25, 1982. If you require additional information, please advise.

Very truly yours,

THE EASTLAND OIL COMPANY



E. J. Hogan

EJH/sw
Enclosures

20

82072

M.F. CORRESPONDENCE FILE

11

Eastland Oil Co.

From

Dated

6-16-82

000000

OIL WELL POTENTIAL TEST COMPLETION OR RECOMPLETION REPORT AND LOG				API NO. if Available 4238900000	7. RRC District 8
1. FIELD NAME (as per RRC Records or Wildcat) Ken Regan (Delaware)		2. LEASE NAME Armstrong		8. RRC Lease Number	
3. OPERATOR The Eastland Oil Company				9. Well Number 1	
4. ADDRESS P. O. Drawer 3488, Midland, Texas 79702				10. County Reeves	
5. If Operator has changed within last 60 days -- Give former Operator				11. Purpose of Test Initial Potential ☒ Retest ☐ Reclass ☐	
6a. Location (Section, Block, and Survey) Sec. 22, Blk 56, T-3, T&P RR. Co.		6b. Distance and Direction to nearest town in this county. 10 miles North to Orla		14. Completion or Recompletion Date 3-12-82	
12. If Workover or Reclass, Give former Field (with Reservoir) & Gas ID or Oil Lease #	FIELD & RESERVOIR	GAS ID or OIL LEASE #	Oil - O Gas - G	WELL #	13. Type of Electric or other Log run GRN/CL

SECTION I

POTENTIAL TEST DATA

15. Date of Test 3-27-82	16. No. of Hours Tested 24	17. Production Method (Flowing, Gas Lift, Jetting, Pumping - Size & Type of Pump) Flowing			18. Choke Size 16/64
19. Production During Test Period Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Gas - Oil Ratio 2820	Flowing Tubing Pressure 500 PSI				
20. Calculated 24 Hour Rate Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Oil Gravity - API - 60° 34.0	Casing Pressure Packer PSI				
21. Was Swab Used During this Test? Yes ☐ No ☒		22. Oil Produced Prior to Test (New & Reworked Wells) 82			23. Injection Gas-Oil Ratio --

NOTE: TEST SHOULD BE FOR 24 HOURS UNLESS OTHERWISE SPECIFIED IN FIELD RULES

INSTRUCTIONS: All potential test Forms, with all information requested thereon filled in, shall be filed in the District Office of the Railroad Commission not later than ten (10) days after the test is completed and, should the operator fail to file potential test in an acceptable Form within the ten (10) days as specified, then the effective date of the allowable resulting from such test shall not extend back more than ten (10) days prior to receipt and acceptance of the potential test Form in the District Office. This Ten-Day provision shall govern regardless of whether the potential test is taken during the month in which it is received in the District Office or any prior month. Fill in only the front of this Form when reporting only a potential test; if well is newly completed or recompleted, fill in reverse side also.

EACH WITNESS MUST PERSONALLY SIGN.

We, the undersigned, witnessed this test, by observation of meter readings, or the top and bottom gauges of each tank, whichever is applicable, into which production was run during duration of this test.

Louis Reed
Signature: REPRESENTATIVE OF COMPANY MAKING TEST

Signature: REPRESENTATIVE OF RAILROAD COMMISSION

List of Offset Operators Notified and Date Notified:
Sledge Oil & Gas, Inc. 3-24-82
The Wiser Oil Co. 3-24-82

List of Offset Operators Notified and Date Notified:
Box 1123, Kermit, Texas 79743
Box 2467, Hobbs, New Mexico 88240

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was **69.37** feet at a measured depth of **3251** feet.

J. W. Harrington
Signature of Authorized Representative

ARC Pressure Data, Inc.

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.

S/Danny Winkler Form W-15 Attached**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.

George D. Neal
REPRESENTATIVE OF COMPANY
George D. Neal

Vice Pres.-Prod.

TITLE

3-31-82

DATE

Phone **915**

A/C

683-6293

NUMBER

SECTION II		DATA ON WELL COMPLETION AND LOG (Not Required on Retest)					
24. Type of Completion:				25. Permit to Drill, Plug Back or Deepen		DATE	PERMIT NO.
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐						2-10-82	150519
26. Notice of Intention to Drill this Well was filed in Name of				Rule 37 Exception		CASE NO.	
The Eastland Oil Company							
27. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well			28. Total Number of Acres in this lease		Water Injection Permit		PERMIT NO.
One (1)			640		---		
29. Date Plug Back, Deepening, WorkOver or Drilling Operations:		Commenced	Completed	30. Distance to Nearest Well, Same Lease & Reservoir		SALT WATER DISPOSAL Permit	
Workover		2-17-82	2-27-82	NA		---	
31. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located				32. Elevation (DF, RKB, RT, GR, ETC)			
660 Feet From North Line and 660 Feet From East Line of the Armstrong Lease				2882' GR			
33. Was Directional Survey Made Other Than Inclination (Form W-12)?				☐ Yes ☒ No			
34. Top of Pay	35. Total Depth	36. P. B. Depth	37. Surface Casing Determined by:	Field Rules ☒	Recommendation of T.D.W.R.	Dt. of Ltr.	
3308	4473	3474			Railroad Commission (Special)	Dt. of Ltr.	
38. Is Well Multiple Completion?		39. If Multiple Completion List All Reservoir Names (Completions in this Well) and Oil Lease or Gas ID No.			40. Intervals Drilled by:		
No		FIELD & RESERVOIR NA			Rotary Tools 0-4473		
41. Name of Drilling Contractor					42. Is Cementing Affidavit Attached?		
Hopí Drlg. Co.					☒ Yes ☐ No		
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/ FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8	24#	605	No	375 sx "C"	12-1/4"	Circulated	480
4-1/2	9.5#	3534	No	350 sx "H" 250 sx Lite	6-3/4"	333'	1004
44. LINER RECORD							
Size	TOP		Bottom		Sacks Cement		Screen
	None						
45. TUBING RECORD				46. Producing Interval (this completion) indicate Depth of Perforation or Open Hole			
Size	Depth Set	Packer Set	From		To		
2" EUE	3263'	3259'	3308'		3319'		
			From		To		
			From		To		
			From		To		
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
Depth Interval			Amount and Kind of Material Used				
3308 - 19'			600 gals 15% HCL acid				
3308 - 19'			1700 gals. water, 78,000 SCF nitrogen, and 4000# sand				
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)							
Formations	Depth		Formations	Depth			
Top salt	2715'		Top Delaware Sand	3308'			
Base salt	3065'						
REMARKS							
Well drilled by Duncan Drilling Co. as Armstrong #1 to 4473'. P&A 2-25-67 w/o completion.							

0.18.03

M.F. 82072
CORRESPONDENCE FILE
Oil Well Rot. Test
+ Comp. Rep. (Well #1)
Dated 6-16-82

(21)

ARMSTRONG #1

Reeves County, Texas

660' FNL & 660' FEL

Sec. 22, Block 56, TWP 3, T&P RR. Co.

- 2-16-82 Moved in rig.
- 2-17-82 Moved in Hopi cable tool rig. Rigging up. Should start drilling cement @ 10:30 a.m.
- 2-18-82 Started drilling surface plug @ 12 noon. Drilled plug. Bailing mud and cleaning out @ 385' in 8-5/8" casing.
- 2-19-82 Cleaning out @ 640'. Bailing mud.
- 2-20-82 Cleaning out @ 650'. Hole caving
- 2-21-82 Cleaning out @ 660'. Hole Caving
- 2-22-82 Shut down Sunday. Move in reverse rig and power swivel. Prep to pick up DC's w/6-3/4" bit.
- 2-23-82 Drilled out of cement @ 732'. Drilling @ 775'.
- 2-24-82 TD 1240'. Drilling out mud.
- 2-25-82 Drilling @ 2785'.
- 2-26-82 TD 3600'. Circ til 2 a.m. Came out of hole, laid down tbg. & DC's. Waiting on 4 1/2" casing.
- 2-27-82 Ran 85 joints 4-1/2", 9-1/2" casing 3532', set @ 3534'. Float collar @ 3490'. Cemented w/350 sx Halliburton Lite; 250 sx Class H, 50-50 Pozmix, 2% gel. POB @ 7 p.m.
- 2-28-82 Temp survey - 118' from surface. Top of cement inside 4-1/2" casing @ 3489'.
- 3-01-82 Prep to move rig.
- 3-02-82 WOCU
- 3-03-83 Waiting on trucks to move rig. WOCU
- 3-04-82 WOCU. Moved rig off hole.
- 3-05-82 WOCU
- 3-06-82 WOCU
- 3-07-82 WOCU
- 3-08-82 WOCU
- 3-09-82 Moved unit in and rigged up. Prep to pick up tubing.
- 3-10-82 Picked up tubing to 3350'. Circulated hole w/KCL water. Spotted 100 gals 7-1/2% MSA acid from 3350 to 3250'. Pulled tubing. Ran Gamma Ray-Neutron CL. Perforated w/1 jet shot per foot 3308-19' (12 shots) Closed well in. Shut down overnight.
- 3-11-82 ONSICP - 70#. Bled off gas and ran 2" tbg w/packer set @ 3250'. Treated w/500 gals 15% mud acid. Formation started taking fluid @ 1400 psi. Dropped to 900 psi @ 3 BPM. Final press - 800 psi. ISD - 450 psi. 15 min - 425 psi. Swabbed tbg down to SN. Running swab every hour w/small blow of gas and show of oil. Shut-in 1 hr and TP built to 70 psi. SION. Prep to frac.
- 3-12-82 ONSITP - 1000#. Bled off press and ran swab. 900' fluid in hole. Approx - 80% oil, 20% acid water. Treated down tbg @ 5 BPM w/1700 gals water and foamer, 4000# sand, & 78,000 SCF nitrogen. Total load 40 bbls water. Treating press 1900 psi max., 1750 psi ave., and 1700 psi final. ISD - 1600 psi. 10 min - 1460 psi. Shut-in 2-1/2 hrs. Opened on 16/64" choke w/1500 psi tbg press. 2 hrs - 5 bbls fluid. Opened to 18/64" choke. Last 5 hrs. flowed 11.5 bbls with good cut of oil and est. 800 MCFD gas. 400 psi TP. 28 bbls load recovered, 12 bbls to recover. SION
- 3-13-82 ONSITP - 1500 psi. Opened on 16/64" choke and flowed 40 bbls fluid in 8 hrs. 15-20% water and 10% BS, 70-75% oil. Est. gas volume- 700 MCF/D. FTP 500-400 psi. Released pulling unit.
- 3-14-82 SI
- 3-15-82 SI
- 3-16-82 SI
- 3-17-82 SI
- 3-18-82 SITP 1500#. Opened on 1/4" choke. Flowed 25 bbls fluid - 3 1/2 hrs. 4-500#. 15% water, 10% BS, 75% oil. SI
- 3-19-82 SI
- 3-20-82 SI

22

M. F. 82072

CORRESPONDENCE FILE

~~to~~ Daily Drilling Log
(Armstrong # 1 well)

From

Dated 6-16-82

0.73.05

8-DAY GAUGE REPORT

Well No.

RECEIVED MAY 04 1982

TOTAL[illegible]

FOR OFFICE USE

Close Stock 427.974

Runs 158.11 g

Stock 122.77

Prod. 463.29

CRUDE OR PRODUCTS RECEIPT TICKET



☐ THE PERMIAN CORPORATION
☐ WESTERN OIL TRANSPORTATION CO., INC.
☐ OTHER _____



FROM (OPERATOR) _____

(LEASE) _____

1

OPENING DATE

MO. DAY YR.

4 2 1 8 2

LEASE NUMBER

RUN TICKET NUMBER

3636043

TANK OR METER NO.

STATION NO.

TANK SIZE →

OBS. GRAVITY

OBS. TEMP.

BS & W

CORR. GRAVITY

WHOLE TENTHS

WHOLE TENTHS

WHOLE TENTHS

TANK GAUGE OIL LEVEL

FEET INCHES FR. IN.

TANK TEMP.

TANK BOTTOM

FEET INCHES FR. IN.

TANK TEMP.

TANK BOTTOM

ESTIMATED BARRELS

HNDRTHS

METER FACTOR

METER READING

CLOSING

HNDRTHS

OPENING

HNDRTHS

GROSS BARRELS

HNDRTHS

NET BARRELS

HNDRTHS

REID VAPOR PRESSURE

CALCULATIONS

160.00

158.11

REMARKS:

DRIVER - GAUGER

TIME

DATE

WITNESS

OFF SEAL

DRIVER - GAUGER

TIME

DATE

WITNESS

ON SEAL

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M. F. 82072
CORRESPONDENCE FILE
~~to~~ Gauge Reports
& Oil Run Ticket
~~from~~
Dated 6-16-82

0.0000



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

March 23, 1982

General Land Office
Austin, Texas 78701

Re: Section 22, Block 56,
Twp. 3, T&P RR. Co. Survey
Reeves County, Texas

Gentlemen:

We enclose, herewith, our check for the eleventh (11th) year rental on State lease number 5367, First National Bank of Midland, Trustee (Trusts 571, 572 and 573) as owner of the soil to Robert L. Zinn d/b/a Zinn Petroleum Co., as Lessee.

Also enclosed are our checks for shut-in gas royalty (\$640.00), and Minimum delay lease rental (\$32.00), as a shut-in gas well has now been completed on the acreage.

We would appreciate signed receipts acknowledging receipt of all of these payments.

Very truly yours,

THE EASTLAND OIL COMPANY

E. J. Hogan

EJH/sw
Enclosures

00455

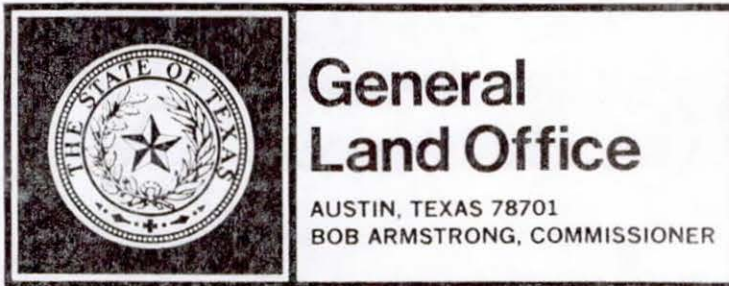
Clifford

3-23-82

Ltr. fm Eastland OIL

M-82072

(24)



June 29, 1982

The Eastland Oil Company
P. O. Drawer 3488
Midland, Texas 79702

Attn: Mr. E. J. Hogan

Re: State Lease M-82072
Sec. 22, Blk. 56, T-3, T&P RR. Co. Sur.
Reaves, North (3200) Field
Reeves County, Texas

Dear Mr. Hogan:

We have received your letter of June 14, 1982, along with the completion report and production information for Eastland's Armstrong #1 well located on the captioned lease.

This is to notify you that this lease appears to have been perpetuated past the end of the primary term and currently held by production.

Therefore, your Shut-In Royalty Payment of \$640.00, which was received March 24, 1982, is not required under the terms of this lease. We will request that the State Treasurer issue a refund warrant in the amount of \$640.00 to Eastland. You should receive the refund in about three weeks.

Section 52.131 of the Natural Resources Code requires that production reports and purchase statements be filed monthly in the General Land Office to report production & sales on State leases. Please submit these documents as promptly as possible. If you have questions about reporting or if you need report forms, (Oil, MA-1; Gas, MA-2) please call our Reports Section at 512-475-2858.

Thank you for your cooperation in this matter.

Sincerely yours,

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

From _____
Dated 6-29-82

To Eastland Oil Co.

CORRESPONDENCE FILE

M. F. 82072

25

WISER

THE WISER OIL COMPANY
PRODUCTION DEPARTMENT

P. O. Box 2467 Phone 505 392-8281
HOBBS, NEW MEXICO 88240

June 25, 1982

The Wiser Oil Company
P.O. Box 192
Sistersville, W. Va.

Att: Charles LaRue

Re: Plugging report on First National Bank State #1 well
Reeves County, Texas

Plugging started: June 2, 1982 and plugged except for clean up June 7, 1982

Hooked into tubing and pumped 30 sx cement plug and flushed with water.

Freepointed tubing and it was free at 2417'. Cut tubing at 2400'.

Circulated hole with 10 mud by mixing salt jell

Set CIBP in 4 1/2 casing at 2300'

Run freepoint in 4 1/2 casing and found casing free at 1600' shot off here

Pumped 80 sx cement at cut off point

Pulled casing and layed it down

Set 8-5/8" CIBP in surface casing at 1350'

Pumped 90 sx cement in surface pipe and welded cap on top of 8-5/8" pipe

Hauled all material from location to Hobbs New Mexico Yard

Salvaged Material:

2400' - 2-3/8" tubing - 4.70 J55

1600' - 4-1/2" - 9.50# J55 casing

Flanged 4-1/2" X 2-3/8" tubing head w/2" outlets

(8-5/8" casing head was eat up and had no salvage value)

Well plugged by: Bill Singletary

161

WISER

THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET

HOUSTON, TEXAS 77002

June 30, 1982

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,

Sistersville, W. Va. 26175

General Land Office
1700 N. Congress
Austin, Texas 78701

Re: 1st National Bank of Midland State Well
Wiser's Lease # 4341
State Lease # 82072
Reeves County, Texas

Gentlemen:

Enclosed please find a copy of plugging report sent to us by
Mr. Bill Singletary regarding the above captioned well.

Yours very truly,

THE WISER OIL COMPANY

Judy Rainey
Judy Rainey

jr

enclosures

26 M 82072

Actual plug record of Wiser
#1 First Nat'l Bank RVP

7-2-8 ✓

2015

ROBERT L. ZINN, DBA ZINN PETROLEUM COMPANY, ET AL TO
JACK C. CARTWRIGHT

PARTIAL ASSIGNMENT OF OIL AND GAS LEASE

[illegible]

KNOW ALL MEN BY THESE PRESENTS:

For and in consideration of the sum of One Hundred and No/100 (\$100.00) Dollars and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, ROBERT L. ZINN, dba ZINN PETROLEUM COMPANY and THE WISER OIL COMPANY, (hereinafter together called "Assignor") have transferred and assigned unto JACK C. CARTWRIGHT, whose address is P. O. Box 10250, Midland, Midland County, Texas, (hereinafter called "Assignee") but subject to all the terms, conditions, limitations and provisions of this instrument and the terms, conditions, limitations and provisions of the lease described in Exhibit "A" attached hereto and made a part hereof, an undivided one-eighth (1/8) interest in and to such lease, insofar only as it covers the lands described in Exhibit "A".

TO HAVE AND TO HOLD the interest herein conveyed, subject to the terms and conditions, covenants, and reservations aforesaid, unto Assignee, and unto Assignee's heirs, successors and assigns.

This Assignment is made without warranty of title, either express or implied.

IN WITNESS WHEREOF, these presents have been executed on this the 31st day of May, 1982, but effective as of June 7, 1980.

ROBERT L. ZINN aka ZINN PETROLEUM
COMPANY

THE WISER OIL COMPANY

ATTEST:

Milton G. Bailes
SECRETARY

STATE OF TEXAS X
COUNTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Zinn, dba Zinn Petroleum Company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 15th day of June, 1982

MY COMMISSION EXPIRES;

7-3-85

NOTARY PUBLIC in and for the
County of Harris, State of Texas

Printed or stamped name of
Notary
JO ANN CHRISTIANSEN
Notary Public in the State of Texas
Commission Expires July 3, 1985

STATE OF WEST VIRGINIA
COUNTY OF TYLER

X
X

BEFORE ME, the undersigned authority, on this day personally appeared JOHN C. WRIGHT, known to me to be the person whose name is subscribed to the foregoing instrument as President of THE WISER OIL COMPANY, a Delaware Corporation, and acknowledged to me that he executed the same for the purposes and considerations therein expressed in the capacity stated as the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 28 day of JUNE, 1982.



B. H. H. H.
Notary Public in and for the
County of Tyler, State of
West Virginia

EXHIBIT "A"

Attached to and made a part of
Partial Assignment of Oil & Gas Lease,
from Robert L. Zinn, dba Zinn Petroleum Company, et al
to Jack C. Cartwright dated May 31, 1982,
but effective June 7, 1980

Oil and gas lease from the First National Bank of Midland, Trustee (Trusts 571, 572, and 573), individually and as agent for the State of Texas, to Robert L. Zinn, dba Zinn Petroleum Company, dated March 25, 1980, recorded Vol. 389, Page 131, Deed Records, Reeves County, Texas, insofar only as said lease covers and includes:

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

THE STATE OF TEXAS

County of Reeves } I, Catherine Ashley, Clerk
of the County Court of Reeves County, Texas, do hereby certify that
the foregoing is a true and correct copy of the original PARTIAL ASSIGNMENT OF OIL AND GAS LEASE
FROM ROBERT L. ZINN, DBA, ET AL TO JACK C. CARTWRIGHT

as the same appears of record in my office in book 422 page 210, Deed Records.

Given under my Hand and Seal of said Court, at office in Pecos, Texas
this 28th day of July, 1982.

CATHERINE ASHLEY Clerk,

By Olga Fuentes Deputy.
Olga Fuentes

M. 82072 (27)

Partial Assignment

File Dated 8-7-82
Bob Armstrong, Commissioner dd

RECEIVED AS STATED
\$10.00

DATE 8-7-82
Reg. No. 144113

GENERAL LAND OFFICE

0. 1.05

FILE NO. 2728

ROBERT L. ZINN, DBA ZINN PETROLEUM COMPANY, ET AL TO
THE EASTLAND OIL COMPANYTHE STATE OF TEXAS)
COUNTY OF REEVES)

PARTIAL ASSIGNMENT OF OIL & GAS LEASE

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Robert L. Zinn, dba Zinn Petroleum Company, The Wiser Oil Company, a Delaware corporation, and Jack C. Cartwright (hereinafter collectively called "Assignor") have transferred and assigned and do by these presents transfer and assign unto The Eastland Oil Company, a Texas corporation, whose address is P. O. Drawer 3488, Midland, Midland County, Texas 79702, (without warranty of title, express or implied, and subject to the exceptions, reservations, terms, conditions, limitations, covenants and provisions hereinafter contained and those contained in the lease hereinafter described) the following described Oil and Gas Lease:

Oil and Gas Lease from the First National Bank of Midland, Trustee (trusts 571, 572, and 573), individually and as agent for the State of Texas, to Robert L. Zinn, dba Zinn Petroleum Company, dated March 25, 1980, recorded Vol. 389, Page 131, Deed Records, Reeves County, Texas. 640

but insofar only as said lease covers and includes the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$ of NE $\frac{1}{4}$) of Section 22, Block 56, Twp 3, T. & P. R. R. Co. Survey, Reeves County, Texas from the surface of the earth to a depth of 460 feet below sea level.

This assignment is made subject to the following:

1) There is excepted from this assignment the 1% of 26/32 of 7/8ths overriding royalty interest heretofore assigned to Dean C. Hamilton by instrument dated March 30, 1982, but effective June 5, 1980, affecting said lease insofar as it covers said lands among others.

2) There is further excepted from this assignment and reserved unto Assignor (in the proportions hereinafter stated) an overriding royalty of 5.53906 per cent of all oil and gas produced under the terms of said lease from the lands and depths as to which said lease is hereby assigned, which overriding royalty shall be in addition to the 1% of 26/32 of 7/8ths ORRI of Dean C. Hamilton excepted herefrom in paragraph 1. above. Such 5.53906% ORRI is reserved by Assignor in the proportions set forth below:

NAME:	SHARE OF ORRI RESERVED:
Robert L. Zinn dba	2.378905% ORRI
Zinn Petroleum Company	
The Wiser Oil Company	2.378905% ORRI
Jack C. Cartwright	0.781250% ORRI
TOTAL:	5.539060% ORRI

3) In addition to the foregoing, each party Assignor hereby severally excepts from this assignment and reserves to itself the right and option to convert at Payout, as hereinafter defined, its share of the 5.53906% ORRI excepted and reserved in paragraph 2. above, into its share (as hereinafter set forth) of an undivided twenty-five per cent of the working interest in and to said lease insofar as it covers the lands and depths as to which said lease is hereby assigned, together with a like interest in and to the Eastland Oil Company No. 1 Armstrong Well (formerly the Duncan Drilling Co. No. 1 Armstrong Well) located on the acreage hereby assigned, and all casing, tubing, other downhole and surface equipment and other personal property therein or thereon and used or obtained in connection therewith. The respective shares of the working interest into which each party Assignor reserves the right to convert its overriding royalty interest at Payout are as follows:

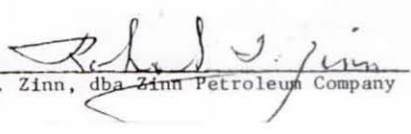
<u>Name:</u>	<u>Share of W.I.:</u>
Robert L. Zinn dba Zinn Petroleum Co.	7/16 of twenty five per cent (25%) of the W. I., subject to $\frac{1}{2}$ of 25% of the 1% of 26/32 of 7/8 ORRI of Dean C. Hamilton referred to above; being a net 8.79785% W.I. in production.
The Wiser Oil Company	7/16 of twenty-five per cent (25%) of the W.I., subject to $\frac{1}{2}$ of 25% of the 1% of 26/32 of 7/8 ORRI of Dean C. Hamilton referred to above; being a net 8.79785% W.I. in production.
Jack C. Cartwright	1/8 of twenty-five per cent (25%) of the W.I., subject to no part of the 1% of 26/32 of 7/8 ORRI of Dean C. Hamilton referred to above; being a net 2.53906% W.I. in production.

"Payout" as hereinabove used means the point in time when The Eastland Oil Company shall have recovered out of the net 75% share of production from the lease acreage and depths herein assigned to them until payout, an amount (net after production and "windfall profits" taxes allocable to such share of production) equal to all of the costs and expense borne and paid by The Eastland Oil Company in re-entering and completing the well referred to above, together with the customary costs of operating same until Payout. The Eastland Oil Company shall promptly after payout notify Assignor thereof in writing, together with a proper accounting of the items of income, cost and expense resulting in Payout, and each party Assignor shall have 30 days following receipt of such notice of Payout to elect, by mailing written notice of such election to The Eastland Oil Company at its address given hereinabove, whether or not to convert its overriding royalty interest into a working interest as hereinabove provided. Failure of any party Assignor so to notify The Eastland Oil Company of such party Assignor's election shall constitute an election by such party Assignor to convert its overriding royalty to a working interest. Conversion of the overriding royalty to a working interest shall, if the election is made so to convert, be automatic and shall be retroactive to the day of Payout, and The Eastland Oil Company and each converting party Assignor agree promptly to exchange such recordable assignments as may be necessary to evidence such conversion of record.

4) This assignment is made subject to all of the terms, provisions and conditions of said lease, all of the Lessee's obligations under which are hereby assumed and agreed to be borne by The Eastland Oil Company.

TO HAVE AND TO HOLD the interest herein assigned, subject to the terms, covenants, conditions, exceptions, reservations, limitations and provisions aforesaid, unto Assignee and its successors and assigns.

Witness the execution hereof this 15th day of June, 1982, but to be effective with first runs from the Eastland Oil Company No. 1 Armstrong Well.


Robert L. Zinn, dba Zinn Petroleum Company

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94633

E 503—CERTIFICATE OF TRUE COPY OF PAPERS RECORDED—Class 1.

(Arts. 6600-6625-6634, R. S. 1925)

Texas Standard Form

THE STATE OF TEXAS

County of Reeves } I, Catherine Ashley, Clerk
of the County Court of Reeves County, Texas, do hereby certify that
the foregoing is a true and correct copy of the original PARTIAL ASSIGNMENT OF OIL AND GAS LEASE
FROM ROBERT L. ZINN, DBA, ET AL TO THE EASTLAND OIL COMPANY

as the same appears of record in my office in book 422 page 320, Deed Records.

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

this 28th day of July 19 82

CATHERINE ASHLEY Clerk,

By Olga Fuentes Deputy.
Olga Fuentes

M. 82072 (28)
Partial Assignment
File Dated 8-7-82
Bob Armstrong, Commissioner dd

RECEIVED AS STATED
\$10.00

DATE 8-7-82
Reg. No. 144113

GENERAL LAND OFFICE

0. 5.05

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

STATE OF TEXAS X

COUNTY OF Reeves X

KNOW ALL MEN BY THESE PRESENTS:

FOR AND IN CONSIDERATION of the sum of One Hundred and No/100 (\$100.00) Dollars and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Robert L. Zinn, dba Zinn Petroleum Company (hereinafter called "Assignor") has TRANSFERRED and ASSIGNED and does by these presents TRANSFER and ASSIGN unto Jack C. Cartwright, whose address is P. O. Box 10250, Midland, Midland County, Texas, 79702 (hereinafter called "Assignee") but subject to all the terms, conditions, limitations and provisions of this instrument and the terms, conditions, limitations and provisions of the lease described in Exhibit "A" attached hereto and made a part hereof, the following overriding royalty interests on oil and gas produced under the terms of such lease from the lands covered thereby and described in Exhibit "A" only, to wit:

- (a) On oil and on condensate saved at the well, one thirty-second (1/32) of 8/8ths of that produced and saved from said lease delivered to the credit of Assignee either in the pipe line to which the wells may be connected or to any other purchaser of Assignor's production from said lease;
- (b) On gas, including casinghead gas or other gaseous substance produced from said lease and sold, or used off the leased premises or in the manufacture of gasoline or other products therefrom, one thirty-second (1/32) of 8/8ths of the proceeds from the sale of such gas, or if same is used by Assignor, the same fraction of the fair market value of same computed at the mouth of the well;

The overriding royalty interests herein assigned are subject to all of the terms, covenants, conditions and reservations set out in the instruments by which Assignor has acquired or is entitled to acquire title thereto, and to the following terms, provisions and conditions:

- (1) Each overriding royalty herein provided in all instances shall bear its proportionate part of production, severance, excise, "windfall profits" and other direct tax or taxes applicable thereto. The overriding royalty on oil and gas shall be computed after deducting any lost, used or consumed on the leases for operating same or for treating and handling the products therefrom.

- (2) In the event that the lease listed and described in said Exhibit "A" is effective as to less than the entire fee simple estate in the oil, gas and other minerals in and under and to be produced from any tract or parcel of land purported to be covered thereby, (whether or not such lesser interest is stated in such lease) then and in that event, the overriding royalty interest herein assigned to Assignee shall be reduced as to such tract or parcel, and any production of oil, gas or other minerals therefrom, in the proportion that the mineral interest in such tract covered by such lease bears to the entire fee simple mineral estate therein.
- (3) The overriding royalty interest herein assigned shall never be deemed to impose any obligation upon Assignor to conduct any drilling operations whatsoever upon any of the property covered by the above mentioned lease or to maintain any such operations if once begun or to maintain production of oil or gas if once established or to protect such lease from drainage or to maintain such lease in effect by payment of rentals, drilling operations or otherwise; and all operations on the property covered by said lease and the extent and duration thereof as well as the preservation of such lease shall be solely at the will of Assignor.
- (4) Assignor, its successors, assigns and legal representatives shall have the right and power to pool the overriding royalty interest herein assigned (to the same extent, in the same manner and with the same effect as any Lessor's interest may be pooled, whether by operation or action of law or other governmental authority, or under the above mentioned lease, or as may hereafter be provided by amendment or supplemental agreement between Lessors and Assignor or their respective heirs, successors, assigns, and legal representatives), into such units as it may be deemed advisable for the production and development of oil, gas or other minerals.
- ~~(5) Assignee shall be entitled to convert the overriding royalty interest herein assigned, to an undivided one-eighth (1/8) interest in and to such lease insofar as it covers the land described in Exhibit "A," and a like interest in that certain well and personal property thereon, as more fully described in letter agreement between Assignor and Assignee, dated April 3, 1980, upon the recovery by Assignor of the costs of such well, and upon all the terms, provisions and conditions of said letter agreement, incorporated herein by reference.~~

TO HAVE AND TO HOLD the interest herein conveyed, subject to the terms and conditions, covenants, and reservations aforesaid, unto Assignee, and unto Assignee's heirs, successors and assigns.

This Assignment is made without warranty of title, either express or implied.

IN WITNESS WHEREOF, these presents have been executed on this the 30th day of March, 1982, but effective as of June 5, 1980.


Robert L. Zinn, dba Zinn
Petroleum Company

STATE OF TEXAS

COUNTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Zinn, dba Zinn Petroleum Company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 30th day of March, 1982.

MY COMMISSION EXPIRES

Jo Ann Christiansen
Notary Public in and for
the State of Texas

Printed or stamped name
of Notary

JO ANN CHRISTIANSEN
Notary Public in the State of Texas
Commission Expires July 3, 1985

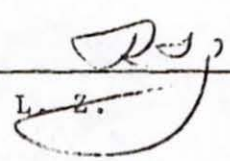
Exhibit "A"

Attached to and made a part of
Assignment of Overriding Royalty Interest (1/32 of 8/8)
from Robert L. Zinn, dba Zinn Petroleum Company to Jack C. Cartwright
dated March 30, 1982, but effective
June 5, 1980.

Oil and gas lease from the First National Bank of Midland,
Trustee, (Trusts 571, 572, and 573), individually and as
agent for the state of Texas, to Robert L. Zinn, dba Zinn
Petroleum Company, dated March 25, 1980, recorded Vol. 389,
Page 131, Deed Records, Reeves County, Texas, insofar only
as said lease covers and includes:

The Northwest Quarter (NW $\frac{1}{4}$) of Section 22,
Block 56, Twp. 3, T & P R R Co. Survey, Reeves
County, Texas, as to all formations and zones
from the surface to a depth of 4500'.

Initialed for
Identification:



R. L. Z.



J. C. C.

No. 2499

COMPARED

FILED FOR RECORD
AT 10:30 O'CLOCK A M

JUN 24 1982

CATHERINE ASHLEY
County Clerk, Reeves County, Texas
BY Sharon Steffen DEPUTY

Jack C. Cartwright
Box 10250
Midland, Tex. 79702
9.00 pd.

THE STATE OF TEXAS,
County of Reeves

CATHERINE ASHLEY Clerk of the County

Court of said County do hereby certify that the foregoing instrument of writing dated the 30th day of March A.D. 1982 its certificate of authentication was filed for record in my office on the 24th day of June A.D. 1982 at 10:30 o'clock A.M. and duly recorded on the 24th day of June A.D. 1982 at 4:00 o'clock P.M. in the DEED records of said county in volume 421 on page 692

WITNESS my hand and the seal of the County Court of said County at office in Pecos, Texas on the date and year last above written.

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By Billie JO Freeman
(Billie JO Freeman)

M 82072 29
Assignment of ORI (7IP0)
File Dated 8-7-82 ddl
Bob Armstrong, Commissioner

2025

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

STATE OF TEXAS X

COUNTY OF Reeves X

KNOW ALL MEN BY THESE PRESENTS:

FOR AND IN CONSIDERATION of the sum of One Hundred and No/100 (\$100.00) Dollars and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Robert L. Zinn, dba Zinn Petroleum Company (hereinafter called "Assignor") has TRANSFERRED and ASSIGNED and does by these presents TRANSFER and ASSIGN unto Dean C. Hamilton, whose address is P. O. Box 10348, Midland, Midland County, Texas, 79702, (hereinafter called "Assignee") but subject to all the terms, conditions, limitations and provisions of this instrument and the terms, conditions, limitations and provisions of the lease described in Exhibit "A" attached hereto and made a part hereof, the following overriding royalty interests on oil and gas produced under the terms of such lease from the lands covered thereby and described in Exhibit "A" only, to wit:

- (a) On oil and on condensate saved at the well, one percent (1%) of 25/32nds of 8/8ths of that produced and saved from said lease delivered to the credit of Assignee either in the pipe line to which the wells may be connected or to any other purchaser of Assignor's production from said lease;
- (b) On gas, including casinghead gas or other gaseous substance produced from said lease and sold, or used off the premises or in the manufacture of gasoline or other products therefrom, one percent (1%) of 25/32nds of 8/8ths of the proceeds received from the sale of such gas, or if same is used by Assignor, the same fraction of the fair market value of same computed at the mouth of the well;

The overriding royalty interests herein assigned are subject to all of the terms, covenants, conditions and reservations set out in the instruments by which Assignor has acquired or is entitled to acquire title thereto, and to the following terms, provisions and conditions:

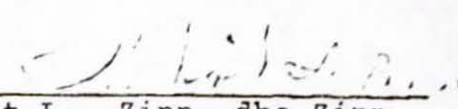
- (1) Each overriding royalty herein provided in all instances shall bear its proportionate part of production, severance, excise, "windfall profits" and other direct tax or taxes applicable thereto. The overriding royalty on oil and gas shall be computed after deducting any lost, used or consumed on the lease for operating same or for treating and handling the products therefrom.

- (2) In the event that the lease listed and described in said Exhibit "A" is effective as to less than the entire fee simple estate in the oil, gas and other minerals in and under and to be produced from any tract or parcel of land purported to be covered thereby, (whether or not such lesser interest is stated in such lease) then and in that event, the overriding royalty interest herein assigned to Assignee shall be reduced as to such tract or parcel, and any production of oil, gas or other minerals therefrom, in the proportion that the mineral interest in such tract covered by such lease bears to the entire fee simple mineral estate therein.
- (3) The overriding royalty interest herein assigned shall never be deemed to impose any obligation upon Assignor to conduct any drilling operations whatsoever upon any of the property covered by the above mentioned lease or to maintain any such operations if once begun or to maintain production of oil or gas if once established or to protect such lease from drainage or to maintain such lease in effect by payment of rentals, drilling operations or otherwise; and all operations on the property covered by said lease and the extent and duration thereof as well as the preservation of such lease shall be solely at the will of Assignor.
- (4) Assignor, its successors, assigns and legal representatives shall have the right and power to pool the overriding royalty interest herein assigned (to the same extent, in the same manner and with the same effect as any Lessor's interest may be pooled, whether by operation or action of law or other governmental authority, or under the above mentioned lease, or as may hereafter be provided by amendment or supplemental agreement between Lessors and Assignor or their respective heirs, successors, assigns, and legal representatives), into such units as it may be deemed advisable for the production and development of oil, gas or other minerals.
- ~~(5) The overriding royalty interest herein assigned shall automatically reduce to one percent (1%) of 26/32nds of 7/8ths (the difference reverting to Assignor, his heirs and assigns) if and when the 1/32nd overriding royalty interest assigned by Assignor to Jack C. Cartwright as to said lease insofar as it covers the land described in Exhibit "A," by instrument of even date, is converted to 1/8th of the working interest as provided in such instrument.~~

TO HAVE AND TO HOLD the interest herein conveyed, subject to the terms and conditions, covenants, and reservations aforesaid, unto Assignee, and unto Assignee's heirs, successors and assigns.

This Assignment is made without warranty of title, either express or implied.

IN WITNESS WHEREOF, these presents have been executed on this the 30th day of March, 1982, but effective as of June 5, 1980


Robert L. Zinn, dba Zinn
Petroleum Company

OF TEXAS X

NTY OF HARRIS X

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Zinn, dba Zinn Petroleum Company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 31st day of March, 1982.

MY COMMISSION EXPIRES

Jo Ann Christiansen
Notary Public in and for the
State of Texas

Printed or stamped name of notary

JO ANN CHRISTIANSEN
Notary Public in the State of Texas
Commission Expires July 3, 1983

Exhibit "A"

Attached to and made a part of
Assignment of Overriding Royalty Interest (1% of 25/32 of 8/8ths)

From Robert L. Zinn to Dean C. Hamilton

Dated March 30, 1982, but effective

June 5, 1980.

Oil and gas lease from the First National Bank of Midland, Trustee (Trusts 571, 572 and 573), individually and as agent for the State of Texas, to Robert L. Zinn, dba Zinn Petroleum Company, dated March 25, 1980, recorded Vol. 389, Page 131, Deed Records, Reeves County, Texas, insofar only as said lease covers and includes:

The Northwest Quarter (NW $\frac{1}{4}$) of Section 22, Block 56, Twp 3, T & P R R Co. Survey, Reeves County, Texas, as to all formations and zones from the surface to a depth of 4500'.

Initialed for

R. L. Z.

D. C. H.

RECORDED

FILED FOR RECORD
At 10:30 O'clock A

JUN 22 1982

CATHERINE ASHLEY
County Clerk, Reeves County, Texas
By Theresa H. Hamilton DEPUTY

Theresa H. Hamilton

Good.

I hereby certify that the foregoing instrument of writing dated the 30th
March 1982 at its certificate of authentication was
in my office the 22nd day of June A.D. 1982
10:30 A.M. and duly recorded the 22nd day of June
82 4:00 o'clock P.M. in the DEED records of said county in
421 or page 569
WITNESSETH my hand and the seal of the County Court of said County at office in Pecos,
Texas this 22nd day of June last above written

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By Theresa H. Hamilton
(Billie M. Freeman)

M 82072
Assignment of ORI (FIPo)
File Dated 8-7-82
Bob Armstrong, Commissioner dd

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

E OF TEXAS X

COUNTY OF Reeves X

KNOW ALL MEN BY THESE PRESENTS:

FOR AND IN CONSIDERATION of the sum of One Hundred and No/100 (\$100.00) Dollars and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Robert L. Zinn, dba Zinn Petroleum Company (hereinafter called "Assignor") has TRANSFERRED and ASSIGNED and does by these presents TRANSFER and ASSIGN unto Dean C. Hamilton, whose address is P. O. Box 10348, Midland, Midland County, Texas 79702, (hereinafter called "Assignee") but subject to all the terms, conditions, limitations and provisions of this instrument and the terms, conditions, limitations and provisions of the lease described in Exhibit "A" attached hereto and made a part hereof, the following overriding royalty interests on oil and gas produced under the terms of such lease from the lands covered thereby and described in Exhibit "A" only, to wit:

- (a) On oil and on condensate saved at the well, one percent (1%) of 26/32nds of 7/8ths of that produced and saved from said lease delivered to the credit of Assignee either in the pipe line to which the wells may be connected or to any other purchaser of Assignor's production from said lease;
- (b) On gas, including casinghead gas or other gaseous substance produced from said lease and sold, or used off the premises or in the manufacture of gasoline or other products therefrom, one percent (1%) of 26/32nds of 7/8ths of the proceeds received from the sale of such gas, or if same is used by Assignor, the same fraction of the fair market value of same computed at the mouth of the well;

The overriding royalty interests herein assigned are subject to all of the terms, covenants, conditions and reservations set out in the instruments by which Assignor has acquired or is entitled to acquire title thereto, and to the following terms, provisions and conditions:

- (1) Each overriding royalty herein provided in all instances shall bear its proportionate part of production, severance, excise, "windfall profits" and other direct tax or taxes applicable thereto. The overriding royalty on oil and gas shall be computed after deducting any lost, used or consumed on the leases for operating same or for treating and handling products therefrom.

in the event that the lease listed and described in said Exhibit "A" is effective as to less than the entire fee simple estate in the oil, gas and other minerals in and under and to be produced from any tract or parcel of land purported to be covered thereby, (whether or not such lesser interest is stated in such lease) then and in that event, the overriding royalty interest herein assigned to Assignee shall be reduced as to such tract or parcel, and any production of oil, gas or other minerals therefrom, in the proportion that the mineral interest in such tract covered by such lease bears to the entire fee simple mineral estate therein.

- (3) The overriding royalty interest herein assigned shall never be deemed to impose any obligation upon Assignor to conduct any drilling operations whatsoever upon any of the property covered by the above mentioned lease or to maintain any such operations if once begun or to maintain production of oil or gas if once established or to protect such lease from drainage or to maintain such lease in effect by payment of rentals, drilling operations or otherwise; and all operations on the property covered by said lease and the extent and duration thereof as well as the preservation of such lease shall be solely at the will of Assignor.
- (4) Assignor, its successors, assigns and legal representatives shall have the right and power to pool the overriding royalty interest herein assigned (to the same extent, in the same manner and with the same effect as any Lessor's interest may be pooled, whether by operation or action of law or other governmental authority, or under the above mentioned lease, or as may hereafter be provided by amendment or supplemental agreement between Lessors and Assignor or their respective heirs, successors, assigns, and legal representatives), into such units as it may be deemed advisable for the production and development of oil, gas or other minerals.

TO HAVE AND TO HOLD the interest herein conveyed, subject to the terms and conditions, covenants, and reservations aforesaid, unto Assignee, and unto Assignee's heirs, successors and assigns.

IN WITNESS WHEREOF, these presents have been executed on this the 30th day of March, 1982, but effective as of June 5, 1980.


Robert L. Zinn, dba Zinn
Petroleum Company

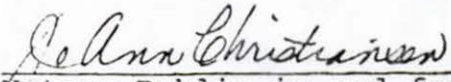
STATE OF TEXAS Y

COUNTY OF HARRIS X

BEFOFE ME, the undersigned authority, on this day personally appeared Robert L. Zinn, dba Zinn Petroleum Company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 30th day of March, 1982.

MY COMMISSION EXPIRES


Notary Public in and for the
State of Texas

Notary's printed or stamped
name

JO ANN CHRISTIANSEN
Notary Public in the State of Texas
Commission Expires July 3, 1984

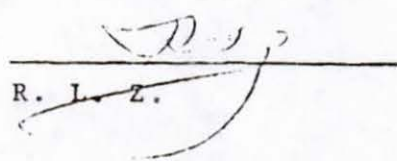
Exhibit "A"

Attached to and made a part of
Assignment of Overriding Royalty Interest (1% of 26/32 of 7/8)
from Robert L. Zinn, dba Zinn Petroleum Company to Dean C. Hamilton
dated March 20th, 1982, but effective
June 5, 1980.

Oil and gas lease from the First National Bank of Midland, Trustee
(Trusts 571, 572, and 573), individually and as agent for the State
of Texas, to Robert L. Zinn dba Zinn Petroleum Company, dated
March 25, 1980, recorded Vol. 389, Page 131, Deed Records,
Reeves County, Texas, insofar only as said lease covers and
includes:

All of Section 22, Block 56, Twp 3, T & P R R Co.
Survey, Reeves County, Texas, as to all formations
and zones from the surface to a depth of 4500',
SAVE and EXCEPT the Northwest Quarter (NW $\frac{1}{4}$) of said
Section 22.

Initialed for
Identification:


R. L. Z.

D. C. H.

No.

COMPARED

FILED FOR RECORD
AT 10:30 O'CLOCK P M

JUN 22 1982

CATHERINE ASHLEY
County Clerk, Reeves County, Texas
By *[Signature]*

Alan C. Hamilton
Box 10348
Midland, Texas 79702
7.00 pd.

ATTORNEY Clerk of the County

I do hereby certify that the foregoing instrument of writing dated the 30th
March 1982 and its certificate of authentication was
filed for record on the 22nd day of June A. D. 1982
at 10:30 A. M. and duly recorded the 22nd day of June
82 at 4:00 O'clock P. M. in the DEED records of said county in
421 of page 566
Witness my hand and the seal of the County Court of said County at office in Pecos,
in the date and year last above written.

CATHERINE ASHLEY
Clerk County Court, Reeves County, Texas
By *[Signature]*

(B1111e JO Freeman)

M. 82072

(31)

Assignment of ORI (FIPo)

File Dated 8-7-82

Bob Armstrong, Commissioner dcl

0. 1.05



THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET

HOUSTON, TEXAS 77002

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,
Sistersville, W. Va. 26175

August 5, 1982

General Land Office
1700 N Congress
Austin, Texas 78701

171
Re: State Lease No. 82072
Wiser's No. 4341
First National Bank of Midland State
Reeves County, Texas

Gentlemen:

We are filing herewith the following certified copies of Assignment of Oil & Gas Lease as required in lease.

- 1) Robert L. Zinn and Wiser to Jack C. Cartwright.
- 2) Zinn, Wiser and Cartwright to Eastland Oil Co.

A check in the amount of \$20.00 is enclosed to cover the filing fee.

X-20.00 144113

For your records we are enclosing the following copies of ORRI:

- 1) Zinn to Cartwright
- 2) Zinn to Hamilton
- 3) Zinn to Hamilton (NW/4)

Yours very truly,

THE WISER OIL COMPANY

George L. McLeod, Jr.
George L. McLeod, Jr.
Land Department

GLM/jr

enclosures

M. F. 82072 (32)

CORRESPONDENCE FILE

To

From The Wiser Oil Co.

Dated 8-7-82 dd

0. 105

August 11, 1982

The Wiser Oil Company
Suite 605 One Allen Center
500 Dallas Street
Houston, Texas 77002

Attn: George L. McLead, Jr.

Re: Two Partial Assignments of Oil & Gas Lease
M-82072 (Wiser's No. 4341)
Reeves County, Texas

Gentlemen:

The certified copies of Partial Assignments of Oil and Gas Lease, affecting the captioned tract, have been filed in our records. We have filed in three Assignments of Overriding Royalty Interest for information purposes only.

Your \$20.00 remittance has been applied as the filing fees due thereon.

Sincerely yours,

BOB ARMSTRONG

By:
Dena Dupont, Assistant
Oil and Gas Division
Legal Department
512 475-4246

/dd

V. P. 82072

(33)

CORRESPONDENCE FILE

TO The Wiser Oil Co.
FROM

Dated 8-11-82 dl

WELL/LEASE STATUS REPORT INFORMATION

MFN ~~82023~~ 82072

Please initial and pass on to the next person on the list.

	INITIAL	DATE
1. Lillie Gamble	<u>LG</u>	<u>9/1/82</u>
2. Gas Auditor TB	<u>TB</u>	<u>9-3-82</u>
3. Oil Auditor RB	<u>RB</u>	<u>9-3-82</u>
4. LaVerne Montano	<u>AM</u>	<u>9-3-82</u>

REMARKS: ltr 9-3-82 1st prod, New lease,
1st Time Operator RB

Gas - NO prod
Oil - NO prod

ENERGY RESOURCES

WELL/LEASE STATUS REPORT INFORMATION

TO La Verne Montano FROM BF Underwood
DATE ACTION INITIATED 4-20-82 DATE ACTION COMPLETED 8/27/82
ORIGINATING SOURCE Bob Phipps DATA SOURCE Micro Fiche
NAME OF OPERATOR Eastland Oil Co. OPERATOR NO. _____
RRC DISTRICT 05 FIELD Ken ^{Regan} Leagan (Holeway) FIELD CODE _____
LEASE Armstrong LEASE NO. OR WELL ID NO. 27254
OIL WELL ☒ GAS WELL ☐ WELL NO. 1 COUNTY Galbreath
COMPLETION DATE 3-12-82 DEPTH TD 4473
POTENTIAL 52.9 Bc + 13 Bw 149 MCF/G G.L.O. MINERAL FILE NO. 82073
DRILLING PERMIT NO. 150519
OTHER INFORMATION _____

REPLY

DATE OF INITIAL PRODUCTION 3/82
OTHER INFORMATION _____

cc: CHARLES WHITSEL
cc: A.J. WALLIS
cc: CECIL FISHER
cc: HARRY FINNELL
cc: E & D GEOLOGIST

re-copy *Fisher*

27254 ARMSTRONG

275	197
1860	1797
620	607
NO	RPT.
NO	RPT.
NO	RPT.

17661	534
20611	270
4831	204

534
270
204 PERMI

20832	2800
20160	1800
5208	450

2800
1800
450

* DISPOSITION CODES

CLASH	PIPELINE
1	TRUCKS

7 TANK CARS ON SURGE
3 NET ON FROM TANK CLEANING

4 CIRCULATING ON
3 LOST

6 SEDIMENTATION
7 OTHER AND OR COMBINATION

④ 2014 年 12 月 31 日

MAY, 1982

DISTRICT 08

PAGE 572

OIL PRODUCTION LEDGER

RAILROAD COMMISSION OF TEXAS

FIELD	OPERATOR	LEASE	NO	NO. WELLS			OIL - BARRELS				OIL GATH	CASINGHEAD GAS - MCF				
				FLOW	OTHER	ALLOW	PROD	DISPOSITIONS	FSM BAL	FORM QTR		MTH BAL	LIMIT	PROD	LIFT	
KEN REGAN (DELAWARE)	48754	500			CONTINUED/											
EASTLAND OIL COMPANY, THE	239725				CONTINUED/											
27254 ARMSTRONG					CONT/											
						371	123			123			1176	300		
						1590	463			428			5040	175		
						1643	446			232		PERM	5208	175		
27281 H&M "B"						NO RPT.										
						NO RPT.										
						NO RPT.										
						NO RPT.										
						NO RPT.										
						1674	984			8031	371		371	PERM	15624	1350
ETC OIL CO.	254880					279	315			492	36		456		15624	393
14225 TXL						279	234	860		166			166		15624	393
						282	160	193		133			133		14112	393
						279	258	189		199			199		15624	393
						270	76	189		86			86		15120	393
						279	216	188		114		SCURL	114		15624	393
GRAHAM, BILL J.	322348					778	547			4981	224		224		32488	1
12244 NORCOP-STATE						778	463			4981	191		191		32488	1
						700	484			4821	193		193		29344	1
						778	571			6471	119		119		32488	1
						780	588			3211	384		384		31440	1
						778	546			8241	108		108	PERM	32488	1
GULF OIL CORP.	338130					806	581			8561	216		216		6448	555
24084 TXL "BP" (NCT-B)						778	584			800	800		800		6448	531
						616	528			10781	250		250		5824	443
						651	517			4921	278		278		6448	748
						630	466			4861	255		255		6240	373
						651	524			4901	259		259	PERM	6448	308
MAY, JACK OPERATING ACCOUNT	538590					1240	1094	1107		298			298		27156	1958
03170 BOLINGER, C. E.						1240	994	950		339			339		27156	1719
						1120	866	982		223			223		24528	1615
						1240	1066	817		474			474		27156	2394
						1200	1009	1133		350			350		26280	1435
						1178	1028	1132		246			246	PERM	27156	827
SLEDGE OIL & GAS, INC.	787410					NO RPT.										
09485 NORCOP, A.W.						NO RPT.										
						NO RPT.										
						NO RPT.										
						NO RPT.										

(37)

Will/Have Status
Report

9-16-82 km



IMPORTANT: RETAIN WHITE COPY AND
RETURN YELLOW COPY WITH
REQUESTED DOCUMENTS.

September 7, 1982

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

ATTENTION: Accounting Manager

RE: State Lease M-8207 *2*
Armstrong Lease
Ken Regan (Delaware)
Reeves County, Texas

Gentlemen:

Our records indicate production was secured from the subject lease during March, 1982.

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

Enclosed is a booklet entitled "Rules and Regulations Governing Oil and Gas Reports and Payments (ERP-100)", a supply of Oil and Condensate Reports (Form MA-1), Gas Reports (Form MA-2), and a blank for reorder when this supply is depleted. (Specific filing instructions are also on the reverse side of each report.)

Oil and Condensate Reports (Form MA-1) and royalties must be received on or before the fifth day of the second month succeeding the month of production. Gas Reports (Form MA-2) and royalties must be received on or before the fifteenth day of the second month succeeding the month of production.

Furthermore, we are enclosing a copy of a letter dated March 7, 1975 that was mailed to all lessees and operators of State leases concerning the calculation of royalties on gross value. If you have any questions or problems regarding this subject, please let us know.

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

Sincerely yours,

Ms. Del West, Unit Supervisor
Resource Accounting
Telephone No. 512-475-4524

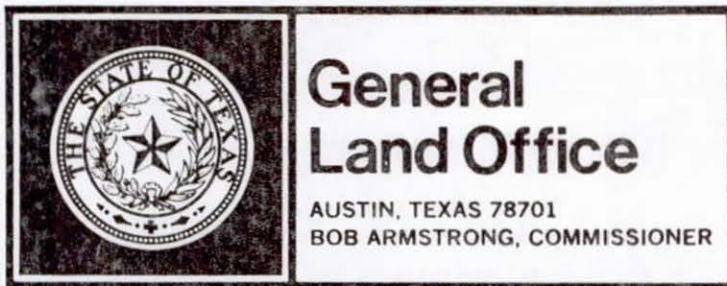
RWB/pdg
Encls.

35-
2
M. F. 82073
CORRESPONDENCE FILE

TO
Castland Oil

FROM

DATED 9/17/82



September 1, 1982

Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

RE: State Lease M-82073
Ken Reagan (Delaware) 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.

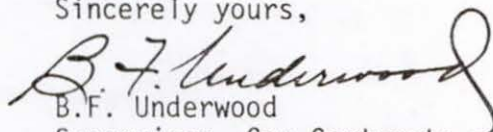
The Contract is needed by this office in order to conduct an audit of your gas royalty reports and payments.

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 the 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,


B.F. Underwood
Supervisor, Gas Contracts
Resource Accounting
Telephone No. 512-475-2855

BFU/pdg
Enclosure

GLO-RA-02-(1-82)

36 (17)

M. F. 8 20 72

CORRESPONDENCE FILE

TO

Eastland Chl

FROM

DATED 9-1-82



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

September 8, 1982

General Land Office
Austin, Texas 78701

Attention: Mr. B. F. Underwood

Re: State Lease M-82072²,
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

We have received your letter of September 1, 1982, regarding a Gas Contract on the captioned lease.

Please be advised that there is no gas contract for the sale of casinghead gas on this lease. Eastland has been unsuccessful in locating a purchaser of the gas on Eastland's Armstrong well #1 located thereon.

At this time a small amount of the casinghead gas is used in the treater.

In view of the above, we are not returning the Form MA-5, Gas Contract brief at this time. If additional information is required, please advise.

Very truly yours,

THE EASTLAND OIL COMPANY


E. J. Hogan

EJH/sw

(37)

M. F. 82072

CORRESPONDENCE FILE

TO

Eastland Oil Co.

FROM

DATED 9-8-82

2733



THE PERMIAN CORPORATION

2000 POST OAK BOULEVARD
P. O. BOX 1183 HOUSTON, TEXAS 77001

713/840-7530

TWX: 910-881-1675
"OXYCHEM HOU #2"

September 1, 1982

RE: Lease No. 477466 - The Eastland Oil Co. - Armstrong

Dear Interest Owner:

We refer to The Permian Corporation's Division Orders dated June 14, 1982, covering the captioned lease.

Due to several changes in the leasehold estate and the legal description of property, it has become necessary that we prepare the enclosed Amended Division Order. Therefore, if this meets with your approval, please execute one copy in accordance with the attached instructions and return same directly to this office. An extra copy is furnished for your personal records.

Should you have any questions concerning the enclosed or the above or if we can be of further service, please advise.

Very truly yours,

THE PERMIAN CORPORATION

Margie Thornton
MT/gr/enclosures
cc w/encl.: The Eastland Oil Company
P. O. Drawer 3488
Midland, TX 79702
ATTN: Mr. E. J. Hogan

INSTRUCTIONS TO ALL INTEREST OWNERS

Read Carefully Before Signing The Instrument

This instrument should not be altered in any way unless accompanied by documentary evidence to support the change.

If your name and interest are correctly shown:

Signature:

Sign name as shown on the instrument. Have your signature witnessed by at least one person not related to the party signing.

If signing for a corporation, signature must be attested, corporate seal affixed, and title of signatory party shown. If not previously furnished, a certified copy of authority of executing officer must be submitted.

If signed for a partnership, all partners must sign unless signed by an authorized partner and we are furnished a certified copy of his authority.

**Signature by
Second Party:**

If the instrument is signed by agent, attorney-in-fact, guardian, estate representative, trustee or any party other than the named interest owner, we must have evidence of the rights vested in the signatory party.

**Taxpayers Identification
Number or Social
Security Number:**

Insert your number in the space provided.

Mailing Address:

Indicate, in the space provided, 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.

Lease Number:

On the third line of the instrument you will find the number assigned to this lease. This number will appear on the statement attached to your check and should always be used when corresponding with this company.

Change of Address:

You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent. Always include your Owner Number (which appears on your check from this company) and your old address, then state your new address with zip code.

RETURN THE EXECUTED INSTRUMENT WITHOUT DELAY TO THE ADDRESS BELOW. KEEP ONE COPY FOR YOUR RECORDS.

The Permian Corporation
Attention: Division Order Department
P.O. Box 1183
Houston, Texas 77001

THE PERMIAN CORPORATION

AMENDED

DIVISION ORDER

Lease No. 477466

September 1, 1982

TO THE PERMIAN CORPORATION, P. O. BOX 1183, HOUSTON, TEXAS 77001

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our

respective interests as set out below in all oil produced from all wells on the

The Eastland Oil Co. - Armstrong

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

NE/4 of NE/4 of Section 22, Block 56, T-3, T&P Railway Company Survey, in Reeves County, Texas;

LIMITED from the surface of the earth down to a depth of 460 feet below sea level.

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

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
	<u>ROYALTY INTEREST</u>	
The State of Texas	1/2 of 3/16 R.I. (.0937500)	GENERAL LAND OFFICE STEPHEN F. AUSTIN BUILDING 1700 NORTH CONGRESS AVENUE AUSTIN, TEXAS 78701 JAX I.D. #74-6000-108
The First National Bank of Midland, Trustee (Trusts 571, 572 and 573)	1/2 of 3/16 R.I. (.0937500)	
	<u>OVERRIDING ROYALTY INTEREST</u>	
*Jack C. Cartwright	0.781250% O.R.I. (.0078125)	
Dean C. Hamilton	1% of 26/32 of 7/8 O.R.I. (.0071094)	
*Robert L. Zinn, d/b/a Zinn Petroleum Company	2.378905% O.R.I. (.0237891)	
*The Wiser Oil Company	2.378905% O.R.I. (.0237890)	
Lindley Family Trust, R. H. Lindley, Trustee	.0144000 O.R.I.	
	<u>WORKING INTEREST</u>	
*L. B. L. Oil Corporation	72% of 75% W.I. (.5256000)	

MAKE SURE YOUR CORRECT MAILING ADDRESS IS SHOWN ABOVE

The following covenants are also parts of this division order and shall be binding on the undersigned, their heirs, devisees, successors, legal representatives and assigns.

FIRST: The oil received and purchased hereunder shall become your property as soon as the same is received into your custody, or that of any pipe line company or carrier designated by you, and the undersigned agree to look solely to you for payment of oil purchased hereunder and shall have no claim or recourse against any subsequent purchaser of said oil.

SECOND: The oil received and purchased hereunder shall be delivered F. O. B. to any pipeline or carrier designated by you which gathers and receives said oil, and you shall pay for such oil to the respective owners according to the division of interest above set forth at the same price per barrel received by the operator of the lease covered by this division order. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

THIRD: Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with lease operator. The oil shall be steamed when necessary to make merchantable and you may refuse to receive any oil not considered merchantable by you.

FOURTH: Settlements and payments shall be made monthly by check mailed from your office to the respective parties at the addresses above given, for the amount of such purchase price due said parties, respectively, less any taxes required by the law to be deducted and paid by you as purchaser.

FIFTH: Abstracts and other evidence of title satisfactory to you will be furnished to you at any time on demand. In the event of failure to so furnish such evidence of title, or in the event of any dispute or question at any time concerning title to the above lands, or the oil produced therefrom, you may hold the proceeds of all oil received and run, without interest, until indemnity satisfactory to you has been furnished or until such dispute or question of title is corrected or removed to your satisfaction. And in the event any action or suit is filed in any Court affecting title either to the real property above described or to the oil produced therefrom in which any of the undersigned are parties, written notice of filing of such action shall immediately be furnished you by the undersigned, stating the Court in which the same is filed and the title of such action or suit, and you or any carrier transporting oil for your account shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in your defense or in the defense of the carrier transporting oil for your account, and the undersigned shall pay said judgment and said costs and expenses.

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

SEVENTH: This division order shall become valid and binding on each and every owner above named as soon as signed by him or her regardless of whether any of the other above named owners have so signed; and in consideration of the purchase of oil hereunder, consent is given hereby to you and any pipe line company which you may cause to connect with the wells or tanks on said land, to disconnect and remove such pipe lines, in case of termination by either you or us of purchases under this division order.

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

IN ACCORDANCE WITH FEDERAL LAW, PLEASE INDICATE YOUR SOCIAL SECURITY
OR IDENTIFICATION NUMBER BELOW: 1700 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701
TAX I.D. #74-6000-108

WITNESS OF SIGNATURES

OWNERS SIGN BELOW

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

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

*George A. Donnelly, Jr. 7.5% of 75% W.I.
(.0562500)

*R. H. Lindley 3.0% of 75% W.I.
(.0225000)

*Peggy D. McConnell 7.5% of 75% W.I.
(.0562500)

*R. D. Partnership 7.5% of 75% W.I.
(.0562500)

*E. R. Kennedy, Jr. 2.5% of 75% W.I.
(.0187500)

*If, as and when payout occurs, these interests shall be subject to change and shall thereafter be owned as follows:

L. B. L. Oil Corporation 72% of 75% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
LESS 1.44% of 8/8
(.4205110)

George A. Donnelly, Jr. 7.5% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
(.0453032)

R. H. Lindley 3.0% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
(.0181213)

Peggy D. McConnell 7.5% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
(.0453032)

R. D. Partnership 7.5% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
(.0453032)

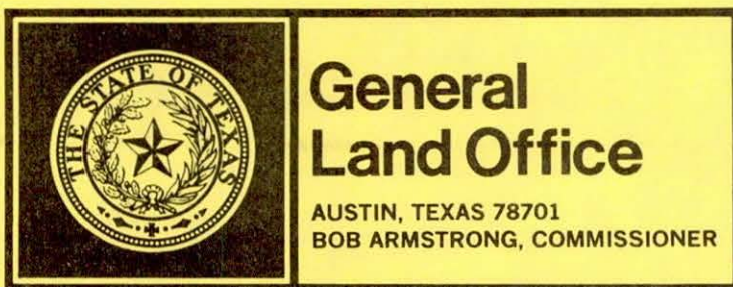
E. R. Kennedy, Jr. 2.5% of 13/16 W.I.
LESS 72% of 75% of 1% of 26/32 of 7/8
(.0151011)

Robert L. Zinn, d/b/a Zinn Petroleum Co. 7/16 of 25% of 13/16 W.I.
LESS 1/2 of 25% of 1% of 26/32 of 7/8
(.0879785)

The Wiser Oil Company 7/16 of 25% of 13/16 W.I.
LESS 1/2 of 25% of 1% of 26/32 of 7/8
(.0879785)

Jack C. Cartwright 1/8 of 25% of 13/16 W.I.
(.0253906)

By execution of this division order, each of said parties covenants and agrees to hold The Permian Corporation harmless from any liability in determining if, as and when this contingency occurs in the absence of 30 days written notice by registered mail.



September 30, 1982

The Permian Corp.
P. O. Box 1183
Houston, Texas 77001

Attention: Division Order Dept.

RE: State Lease M-82072
The Eastland Oil Co. - Armstrong
NE/4 of NE/4 of Sec. 22, Blk. 56,
T-3, T&P Ry. Co. Sur.
Reeves County, Texas
Oil DO #477466

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

M. F. 82072
CORRESPONDENCE FILE

To
DIVISION ORDER

From

Dated 9-30-82





THE WISER OIL COMPANY

SUITE 605 ONE ALLEN CENTER — 500 DALLAS STREET
HOUSTON, TEXAS 77002

John C. Wright, President

Milton G. Bailes, Secretary

Home Office,
Sistersville, W. Va. 26175

October 14, 1982

Texas General Land Office
1700 N. Congress
Austin, Texas 78701

Re: State Lease # 82072
First Nat'l. Bk. of Midland St. # 1
Reeves County, Texas

Gentlemen:

Enclosed is your copy of the Gas Well Allowable Supplement
received from the Railroad Commission, indicating that the
referenced well has been plugged and abandoned.

Yours very truly,

THE WISER OIL COMPANY


George L. McLeod, Jr.
Land Department

GLM/jr

enclosures

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.

OPERATOR

GATHERER

Well File
OCT 14 REC'D

WISER OIL CO, THE-ZINN PETRO CO
605 ONE ALLEN CENTER
HOUSTON TX 77002

NO.	RRC IDENT. NO.	COUNTY NAME	SUPPLEMENT NO.	DATE OF ISSUANCE	CURRENT STATUS	STATUS DATE	OPERATOR NO.	
08	089984	REEVES	635423	10/09/82		09/01/82	933801	
D NAME EAVES, N. (3200)			FIELD NUMBER 75090500	LEASE NAME FIRST NATIONAL BANK - STATE			WELL NO. 1	
MONTH DAY YEAR	PREVIOUS ALLOWABLE	NEW ALLOWABLE	POTENTIAL	DELIVERABILITY	BHP OR SIWHP	ACRES	ACRE-Feet	PRODUCTION
/01/82	T. A.	0A						
/01/82	T. A.	0A						
/01/82	T. A.	0A						
/01/82	T. A.	0A						

MARKS:

P&A 6-7-82

** OPERATOR COPY **

INDICATES CHANGE AND REASON FOR SUPPLEMENT

SEE REASON BELOW

- INITIAL ALLOWABLE ASSIGNMENT
- REVISED ALLOWABLE DUE TO OVERPRODUCED LIMITED WELL
- CHANGE OF @ LIMITATION
- CHANGE OF @ LIMITATION - BUT RESTRICTED TO TEST
- SUBMIT AVERAGE PRODUCTION ON FORM G-10

By order of the Railroad Commission of Texas

SEND INQUIRES TO:

DIRECTOR, PRODUCTION and PRORATION
Oil and Gas Division

10.12.05

(39) m. 82072
the from W. river Old
10-19-82 RVT

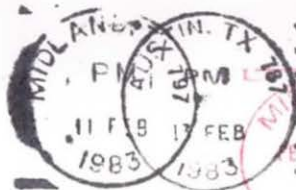
39

EASTLAND

THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702



2056925

3.20

RENTAL PAYMENT

CHECK NO

2563

DATE

February 11, 1983

THE EASTLAND OIL COMPANY has this day tendered to GENERAL LAND OFFICE
OF THE STATE OF TEXAS, AUSTIN, TEXAS, 78701 the sum of \$ 64.00

- - - - SIXTY-FOUR AND NO 100 - - - - - Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of Texas
for the period from March 25, 19 83 to March 25, 19 84

Covering land described as:

ALL of Section 22, Block 56, TWP. 3, T&P RR Co. Survey, Reeves
County, Texas, as to all formations and zones from the surface
to a depth of 4,500 feet.

M-82072

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
109(1)	THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	640	REEVES	\$64.00

74154

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

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

THE EASTLAND OIL COMPANY
P. O. DRAWER 3488
MIDLAND, TEXAS 79702

1212

(40) M-82072
Fental Payment
9-12-83

Garry Mauro
Commissioner
General Land Office



IMPORTANT: RETAIN WHITE COPY AND
RETURN YELLOW COPY WITH
REQUESTED DOCUMENTS.

March 22, 1983

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

ATTENTION: Accounting Manager

RE: State Lease M-82072
Armstrong Lease
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

This is to advise that the statutes require certain records to be filed in the General Land Office each month pertaining to production for the preceding month when a lease is producing.

The files of this office do not show the following records to have been received:

The Permian Corporation's oil purchase statements for April, 1982 through July, 1982, Permian's lease # 477466.

Please file these records at the earliest possible time.

Sincerely yours,

Ms. Del West, Unit Supervisor
Resource Accounting
Telephone No. 512-475-4524

RWB/pdg

41

M. F. 82072

CORRESPONDENCE FILE

TO

Castland Div

FROM

DATED 3/22/83

Exploration and Development

Lease Status Report

DO NOT DESTROY

DATE

NAME

0: Mineral Acctg. 10-23-80

R. V. PHIPPS

.F. No. 82072

ease Sec 22, Blk 56, T-3, T&P

ounty Reeves

perator Wiser-Zinn Oil

Effective Date

☐ P & A (Last Well on Lease) _____

☒ First Producing Well on Lease ± 10-20-80

☐ Commingle Production _____

☐ Unit & Pooling Agreements _____

☐ Amendments to Units _____

☐ Other: Note Below _____

2w
10/23/80

ENERGY RESOURCES

WELL/LEASE STATUS REPORT INFORMATION

TO La Verne Montana FROM D. F. Underwood
 DATE ACTION INITIATED 12/80 DATE ACTION COMPLETED 5/30/83
 ORIGINATING SOURCE Bob Phipps DATA SOURCE RLC Fitch
 NAME OF OPERATOR Wiser Oil Co./Zinn Pet. Co. OPERATOR NO. _____
 RRC DISTRICT 08 FIELD Reefer, N. 3200' FIELD CODE _____
 LEASE FIRST NATIONAL BANK STATE LEASE NO. OR WELL ID NO. 89984
 OIL WELL ☐ GAS WELL ☒ WELL NO. 1 COUNTY Reefer
 COMPLETION DATE 10-20-80 DEPTH 3370
 POTENTIAL 2,337 MCF/D G.L.O. MINERAL FILE NO. 82072
 DRILLING PERMIT NO. _____
 OTHER INFORMATION _____

REPLY

DATE OF INITIAL PRODUCTION P+AG 7-1-82
 GATHERER OF GAS _____
 GATHERER OF CONDENSATE/CRUDE OIL _____
 OTHER INFORMATION _____

PRODUCTION INFORMATION

PERIOD	GAS PRODUCTION (MCF)	CONDENSATE/CRUDE OIL PRODUCTION (BBLs)
<u>12/80</u>	<u>0 -</u>	<u>JAN 83 well #5 producing</u>
<u>2/81</u>	<u>0 -</u>	
<u>5/81</u>	<u>0 -</u>	
<u>7/81</u>	<u>0 -</u>	
<u>10/81</u>	<u>0 -</u>	
<u>12/81</u>	<u>0 -</u>	
<u>2/82</u>	<u>0 -</u>	
<u>5/82</u>	<u>0 - 6/82</u>	
ER-110	<u>No report - 7/82 P+AG</u>	

GAS PRODUCTION LEDGER

RAILROAD COMMISSION OF TEXAS

TYPE FIELD	FIELD OPERATOR LEASE	WELL NUMBER	BMC IDENT NUMBER	MONTH	GAS-M.C.F.				BAL. WBS STA. US	GATHERER	CONDENSATE—BARRELS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
					ALLOWABLE	PRODUCTION	CREDIT (1) INJECTION (2) GAS LIFT	CUMULATIVE STAT (3) UNDERAGE (4) C.A.P. (5) C.E.C.			LEAD PRODUCTION	PLANT PRODUCTION	STATUS	GATHERER																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
AS	REEVES, N. (3200) TEXACO INC. REEVES -AM- COMPLETION DATE 6/17/77 POTENTIAL (G-1) 437 PERF 3122- 3146 TD 3300 BHP 1547 CNTY REEVES GAS PROD FOR 1982 : -0- COND PROD FOR 1982: -0- REEVES -BC- FEE COMPLETION DATE 6/21/77 POTENTIAL (G-1) 1240 PERF 3080- 3114 TD 3300 BHP 1520 CNTY REEVES GAS PROD FOR 1982 : -0- COND PROD FOR 1982: -0- REEVES -BD- FEE COMPLETION DATE 7/26/77 POTENTIAL (G-1) 260 PERF 3078- 3116 TD 3179 BHP 1526 CNTY REEVES GAS PROD FOR 1982 : -0- COND PROD FOR 1982: -0- WISER OIL CO, THE-ZINN PETRO CO FIRST NATIONAL BANK - STATE COMPLETION DATE 9/07/80 POTENTIAL (G-1) 2337 PERF 3263- 3295 TD 3370 CNTY REEVES GAS PROD FOR 1982 : -0- COND PROD FOR 1982: -0-	75090 844110 3	500 072032	/CONTINUED/ /CONTINUED/ 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12	T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN SHUT IN T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A. T. A.	-0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- -0-				9-1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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DISTRICT 08

ANNUAL 1982

PAGE 630

GAS PRODUCTION LEDGER

RAILROAD COMMISSION OF TEXAS

TYPE FIELD	FIELD OPERATOR LEASE	W.P. NUMBER	BRC IDENT NUMBER	ADJ ADJUST	GAS - M.C.F.					BAL. RISE STATUS	GATHERER	CONDENSATE - BARRELS				
					ALLOWABLE	PRODUCTION	CREDIT (B) PRODUCTION (C) GAS LIFT	CUMULATIVE GAS LIFT	DATE			UNIT	LEASE PRODUCTION	PLANT PRODUCTION	STATUS	GATHERER
A	JAMESON, NORTH (STRAWN) FLAG-REDFERN OIL COMPANY JAMESON -A- DEL 215 BHP 380	45582 271610 1	666 /CONTINUED/ 020128	7 /CONTINUED/ /CONTINUED/	10544 63334 64348	5199 4774				3-1	ELNAT		50 51			SUN P
	SUN EXPL. & PROD. CO.-ABILENE TUBB-OMEGA COMPLETION DATE 4/07/77 POTENTIAL (G-1) 176 PERF 5793- 5836 TD 6497 WHP 237 DEL 34 BHP 1783	829432 1	072301	10 11 12	10544 10204 12344	988 977 1234					SUN C					SUNCP
	TIPCO WALKER COMPLETION DATE 9/28/79 POTENTIAL (G-1) 1700 PERF 5897- 5963 TD 7250 DEL 84 BHP 250	860790 1	085285	10 11 12	25088 18008 18008	1716 1675 1461					SUN C		39 49 34 32 33 27			CHARC
NP	JANELLE, SE. (ELLENBURGER) GULF OIL CORP. EDWARDS, C. W. ET AL COMPLETION DATE 1/15/63 POTENTIAL (G-1) 4300 PERF 9037- 9236 TD 9330 WHP 163 X	45680 338130 2 L	250 031446	10 11 12	SHUT IN SHUT IN SHUT IN	-0- -0- -0-				-0-	WARRE					SHELP
	EDWARDS, JACK ET AL COMPLETION DATE 8/19/62 POTENTIAL (G-1) 2060 PERF 9045- 9137 TD 9420	1 L	031447	10 11 12	-0- -0- -0-	-0- -0- -0-				-0-	WARRE					SHELP
A	KEN REGAN (DELAWARE) EASTLAND OIL COMPANY, THE H & M "B" COMPLETION DATE 6/21/82 POTENTIAL (G-1) 3900 PERF 3373- 3391 TD 3391 POTE 3900 WHP 1370 DEL 322	48754 239725 5	500 100960	10 11 12	-0- -0- -0-	-0- -0- -0-					UNTT		84 28 34			PERMI
A	KERMIT ODEN, H. D. PIPE & SUPPLY, INC. MCCURDY-MCCUTCHEON COMPLETION DATE 7/25/55 POTENTIAL (G-1) 167 PERF 2576- 2745 TD 2837 WHP 285 DEL 87 BHP 287	49038 618277 3	001 066066	10 11 12	18604 12894 26974	1133 1289 1481					PHIPC					

OIL AND GAS DIVISION

DISTRICT 08

MARCH 1983

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OIL AND GAS DIVISION

DISTRICT 08

MARCH 1983

PAGE 236

(42)

M-82072

Well/Lease Status Report

5-31-83

M-82072

OIL WELL POTENTIAL TEST COMPLETION OR RECOMPLETION REPORT AND LOG						API NO. if Available 4238900000		7. RRC District 8			
1. FIELD NAME (as per RRC Records or Wildcat) Ken Regan (Delaware)		2. LEASE NAME Armstrong				8. RRC Lease Number					
3. OPERATOR The Eastland Oil Company						9. Well Number 1					
4. ADDRESS P. O. Drawer 3488, Midland, Texas 79702						10. County Reeves					
5. If Operator has changed within last 60 days -- Give former Operator						11. Purpose of Test Initial Potential ☒ Retest ☐ Reclass ☐					
6a. Location (Section, Block, and Survey) Sec. 22, Blk 56, T-3, T&P RR. Co.		6b. Distance and Direction to nearest town in this county. 10 miles North to Orla				14. Completion or Recompletion Date 3-12-82					
12. If Workover or Reclass, Give former Field (with Reservoir) & Gas ID or Oil Lease #		FIELD & RESERVOIR		GAS ID or OIL LEASE #		Oil - O Gas - G		WELL #		13. Type of Electric or other Log run GRN/CL	

SECTION I

POTENTIAL TEST DATA

15. Date of Test 3-27-82		16. No. of Hours Tested 24		17. Production Method (Flowing, Gas Lift, Jetting, Pumping - Size & Type of Pump) Flowing			18. Choke Size 16/64	
19. Production During Test Period Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Gas - Oil Ratio 2820						Flowing Tubing Pressure 500 PSI		
20. Calculated 24 Hour Rate Oil - BBLs 52.9 Gas - MCF 149 Water - BBLs 13 Oil Gravity - API - 60° 34.0						Casing Pressure Packer PSI		
21. Was Swab Used During this Test? Yes ☐ No ☒		22. Oil Produced Prior to Test (New & Reworked Wells) 82				23. Injection Gas-Oil Ratio --		

NOTE: TEST SHOULD BE FOR 24 HOURS UNLESS OTHERWISE SPECIFIED IN FIELD RULES

INSTRUCTIONS: All potential test Forms, with all information requested thereon filed in, shall be filed in the District Office of the Railroad Commission not later than ten (10) days after the test is completed and, should the operator fail to file potential test in an acceptable form within the ten (10) days as specified, then the effective date of the allowable resulting from such test shall not extend back more than ten (10) days prior to receipt and acceptance of the potential test Form in the District Office. This Ten-Day provision shall govern regardless of whether the potential test is taken during the month in which it is received in the District Office or any prior month. Fill in only the front of this Form when reporting only a potential test; if well is newly completed or recompleted, fill in reverse side also.

EACH WITNESS MUST PERSONALLY SIGN.

We, the undersigned, witnessed this test, by observation of meter readings, or the top and bottom gauges of each tank, whichever is applicable, into which production was run during duration of this test.

Signature: REPRESENTATIVE OF COMPANY MAKING TEST

Signature: REPRESENTATIVE OF RAILROAD COMMISSION

List of Offset Operators Notified and Date Notified:

Sledge Oil & Gas, Inc. 3-24-82
The Wiser Oil Co. 3-24-82

List of Offset Operators Notified and Date Notified:

Box 1123, Kermit, Texas 79743
Box 2467, Hobbs, New Mexico 88240

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was **69.37** feet at a measured depth of **3251** feet.

Signature of Authorized Representative**ARC Pressure Data, Inc.**

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.

S/Danny Winkler Form W-15 Attached**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.

Vice Pres.-Prod.**3-31-82**Phone **915 683-6293**
REPRESENTATIVE OF COMPANY
George D. Neal

TITLE

DATE

A/C

NUMBER

SECTION II		DATA ON WELL COMPLETION AND LOG (Not Required on Retest)					
24. Type of Completion:				25. Permit to Drill, Plug Back or Deepen		DATE	PERMIT NO.
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐						2-10-82	150519
26. Notice of Intention to Drill this Well was filed in Name of				Rule 37 Exception		CASE NO.	
The Eastland Oil Company				Water Injection Permit		PERMIT NO.	
				Salt Water Disposal Permit		PERMIT NO.	
27. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well		28. Total Number of Acres in this lease		Other		PERMIT NO.	
One (1)		640					
29. Date Plug Back, Deepening, Workover or Drilling Operations:		Commenced	Completed	30. Distance to Nearest Well, Same Lease & Reservoir			
Workover		2-17-82	2-27-82	NA			
31. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located				660 Feet From North Line and 660 Feet From East Line of the Armstrong Lease			
32. Elevation (DF, RKB, RT, GR, ETC)				33. Was Directional Survey Made Other Than Inclination (Form W-12)?			
2882' GR				☐ Yes ☒ No			
34. Top of Pay	35. Total Depth	36. P. B. Depth	37. Surface Casing	Field Determined by:	Recommendation of T.D.W.R.	Dt. of Ltr.	
3308	4473	3474		Rules ☒	Railroad Commission (Special)	Dt. of Ltr.	
38. Is Well Multiple Completion?		39. If Multiple Completion List All Reservoir Names (Completions in this Well) and Oil Lease or Gas ID No.			40. Intervals Drilled by:		
No		FIELD & RESERVOIR NA			Rotary Tools 0-4473'		
41. Name of Drilling Contractor				42. Is Cementing Affidavit Attached?			
Hopí Drlg. Co.				☒ Yes ☐ No			
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/ FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8-5/8	24#	605	No	375 sx "C"	12-1/4"	Circulated	480
4-1/2	9.5#	3534	No	350 sx "H"	6-3/4"	333'	1004
				250 sx Lite			
44. LINER RECORD							
Size	TOP		Bottom		Sacks Cement		Screen
	None						
45. TUBING RECORD							
Size	Depth Set	Packer Set	46. Producing Interval (this completion) indicate Depth of Perforation or Open Hole				
2" EUE	3263'	3259'	From	3308'	To	3319'	
			From		To		
			From		To		
			From		To		
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
Depth Interval			Amount and Kind of Material Used				
3308 - 19'			600 gals 15% HCL acid				
3308 - 19'			1700 gals. water, 78,000 SCF nitrogen, and 4000# sand				
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)							
Formations	Depth		Formations	Depth			
Top salt	2715'		Top Delaware Sand	3308'			
Base salt	3065'						
REMARKS: Well drilled by Duncan Drilling Co. as Armstrong #1 to 4473'. P&A 2-25-67 w/o completion.							

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning ^{xxx} The Eastland Oil Company,
OPERATOR
Armstrong Lease, No. 1; that such well is
LEASE
completed in the Ken Regan (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 _____
40 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

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

Date 4-1-82

Signature George D. Neal

Telephone 915
AREA CODE

683-6293

Title Vice President- Production

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)

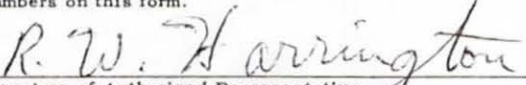
INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report.)		6. RRC District
1. FIELD NAME (as per RRC Records or Wildcat)		7. RRC Lease Number. (Oil completions only)
2. LEASE NAME Armstrong		8. Well Number 1
3. OPERATOR Eastland Oil Company		9. RRC Identification Number (Gas completions only)
4. ADDRESS		10. County
5. LOCATION (Section, Block, and Survey)		

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
251	2.51	0.2	0.35	0.88	0.88
751	5	1.2	2.09	10.47	11.35
1251	5	1.8	3.14	15.71	27.05
1751	5	1.95	3.40	17.01	44.07
2251	5	1.8	3.14	15.71	59.77
2751	5	0.1	0.17	0.87	60.64
3251	5	1.0	1.75	8.73	69.37

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

17. Is any information shown on the reverse side of this form? ☐ yes ☒ no
18. Accumulative total displacement of well bore at total depth of 3251 feet = 69.37 feet.
- *19. Inclination measurements were made in - ☒ Tubing ☐ Casing ☐ Open hole ☐ Drill Pipe
20. Distance from surface location of well to the nearest lease line _____ feet.
21. Minimum distance to lease line as prescribed by field rules _____ feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? _____
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.  Signature of Authorized Representative R. W. Harrington - Vice-President Name of Person and Title (type or print) ARC PRESSURE DATA, INC. Name of Company Telephone: <u>915</u> <u>563-2371</u> Area Code	OPERATOR CERTIFICATION I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form. Signature of Authorized Representative Name of Person and Title (type or print) Operator Telephone: _____ Area Code
---	--

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

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

OIL AND GAS DIVISION

Form W - 15
(Rev. 5-1-80)

CEMENTING REPORT

305142

*1. Field Name (as per RRC Records or Wildcat) Ken Regan (Delaware)	*2. RRC District 8
*3. Operator THE EASTLAND OIL COMPANY	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Armstrong	*6. Well Number #1
*7. Location (Section, Block, and Survey) Sec. 22, Blk. 56, T3, T&P RR. Co.	

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
*8. Cementing Date			2/26/82			
*9. (a) Size of Drill Bit (inches)			6-3/4			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.			100			
*10. Size of Casing (inches O.D.)			4-1/2			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)			3300 3534			
13. Type API Class Cement & Amount of Additives Used: (a) In First (Lead) or Only Slurry (If additional space is needed, use "REMARKS" on reverse side.)			See 26A			
(b) In Second Slurry			See 26B			
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry			350			
(b) In Second Slurry			250			
(c) In Third Slurry						
(d) Total Sacks of Cement Used			600			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry			1.97			
(b) In Second Slurry			1.26			
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry			689			
(b) In Second Slurry			315			
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)			1004			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)			7272			
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)			No			
CEMENTING TO PLUG AND ABANDON DATA:	PLUG NO. 1	PLUG NO. 2	PLUG NO. 3	PLUG NO. 4	PLUG NO. 5	PLUG NO. 6
19. Cementing Date						
*20. Size of Hole or Pipe in which Plug Placed (inches)						
*21. Depth to Bottom of Tubing or Drill Pipe (ft.)						
22. Sacks of Cement Used (each plug)						
23. Slurry Volume Pumped (cu. ft.)						
24. Calculated Top of Plug (ft.)						
*25. Measured Top of Plug (if tagged) (ft.)						

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

- OVER -

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

26. Remarks:

- A) 350 sks, Class-H, 1/4# Flocele
B) 250 sks, Halliburton Light, 50/50 Poz,
2% Gel

CEMENTING COMPANY

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers cementing data only.


Signature of Cementer or Authorized Representative

Danny Winkler-Cementer
Name of Person and Title (type or print)

HALLIBURTON SERVICES
Cementing Company

P.O. Drawer "Y"
Street Address or P.O. Box

Monahans, Texas 79756-0747
City, State Zip Code

Telephone 915 943-2721
Area Code

2/26/82
Date

* 27. Remarks:

* OPERATOR

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all well data and information presented herein.


*Signature of Operator or Authorized Representative

Travis Reed - Production Superintendent
*Name of Person and Title (type or print)

The Eastland Oil Company
*Operator

P. O. Drawer 3488
*Street Address or P.O. Box

Midland, Texas 79702
*City, State Zip Code

*Telephone 915 683-6293
Area Code

4-1-82
*Date

INSTRUCTIONS

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



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

October 6, 1983

General Land Office
1700 North Congress Avenue
Austin, TX 78701

Attention: Mr. John Hall
Deputy Land Commissioner

Re: Required Reports
Relinquishment Act Lease

Gentlemen:

In reply to your letter of September 26, 1983, addressed to Lessees and Operators of State of Texas Leases, we are enclosing copies of reports for Eastland's Armstrong #1 and Arco State #1, Reeves County, Texas. Since it was not possible to know which reports were missing from the General Land Office files, we are including copies of all Railroad Commission forms filed on these wells.

Armstrong #1 was a re-entry of a previously abandoned well and was not logged by Eastland. A log is included for Arco State #1.

If additional information is needed, please let us know.

Yours very truly,

THE EASTLAND OIL COMPANY

George D. Neal
Vice President-Production

GDN/mem

Enclosures

WELL # 1

87072

RENTAL PAYMENT

CHECK NO.

5827

DATE

February 13, 1984

THE EASTLAND OIL COMPANY has this day tendered to GENERAL LAND OFFICE
OF THE STATE OF TEXAS, AUSTIN, TEXAS, 78701 the sum of \$ 64.00

- - - -SIXTY-FOUR AND NO/100- - - - - Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of DELAY RENTAL under oil and gas lease of lands in the state of Texas
for the period from March 25, 19 84 to March 25, 19 85

Covering land described as:

ALL of Section 22, Block 56, TWP. 3, T&P RR Co. Survey, Reeves
County, Texas, as to all formations and zones from the surface
to a depth of 4,500 feet.

State Lease #M-82072

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
1091	THE GENERAL LAND OFFICE OF THE STATE OF TEXAS	640	REEVES	\$64.00
				75395

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

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

THE EASTLAND OIL COMPANY
P.O. DRAWER 3488
MIDLAND, TEXAS 79702

RECEIVED
JAN 10 1972
FBI - NEW YORK

12332

RECEIVED

TO DIRECTOR OF FBI

FROM SAC, NEW YORK (100-100000) (P)
SUBJECT: [REDACTED] (100-100000) (P)

44-82072
Rental Payment
2-16-84

RECEIVED AUG 19 1983

PARTIAL ASSIGNMENT OF OIL & GAS LEASE

THE STATE OF TEXAS)
COUNTY OF REEVES)

KNOW ALL MEN BY THESE PRESENTS

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good valuable considerations, the receipt and sufficiency of which are hereby acknowledged, The Eastland Oil Company (hereinafter called "Assignor"), has transferred and assigned and do by these presents transfer and assign unto the following in the proportion opposite of each owner:

L.B.L. Oil Corporation, P.O. Box 36117, Houston, Texas 77036,

a proportionate .720000;

Herb Lindley, P.O. Box 4822, Tulsa, Oklahoma 74104,

a proportionate .030000;

George A. Donnelly, Jr., P.O. Drawer 3488, Midland, Texas 79702,

a proportionate .075000;

Peggy D. McConnell, c/o Doug Sanford, 503 Ridglea Bank Building, Fort Worth, Texas 76116,

a proportionate .075000;

R.D. Partnership, c/o David P. Donnelly, 1713 Westheimer, #6520, Houston, Texas 77098,

a proportionate .075000;

E.R. Kennedy, Jr., P.O. Drawer 432, Midland, Texas 79702,

a proportionate .025000.

(without warranty of title, express or implied, and subject to the exceptions, reservations, terms, conditions, limitations, covenants and provisions herein-after contained and those contained in the lease hereinafter described) the following described Oil and Gas Lease:

m-82072
Oil and Gas Lease, dated March 25, 1983 by and between The First National Bank of Midland, Texas, Trustee as, Lessor, and Robert L. Zinn, dba Zinn Petroleum Co., as Lessee, covering all of Section 22, Block 56, Twp. 3, T&P RR Co. Survey, Reeves County, Texas, as to all formations and zones from the surface to a depth of 4500', and recorded in Volume 389, Page 131 of the Deed Records.

but insofar only as said lease covers and includes the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$ of NE $\frac{1}{4}$) of Section 22, Block 56, Twp. 3, T&P RR Co. Survey, Reeves County, Texas from the surface of the earth to a depth of 460 feet below sea level.

This assignment is made subject to the reservations, terms and conditions made in that certain assignment dated the 15th of June, 1982 and recorded in Volume 422, Page 320.

TO HAVE AND TO HOLD the interest herein assigned, subject to the terms, covenants, conditions, exceptions, reservations, limitations and provisions aforesaid, unto Assignee and its successors and assigns.

Witness the execution hereof this 15th day of August, 1983, but to be effective with first runs from The Eastland Oil Company No. 1 Armstrong Well.

Richard Donnelly
Richard Donnelly, Vice-President
The Eastland Oil Company

THE STATE OF TEXAS)

COUNTY OF MIDLAND)

BEFORE ME, the undersigned authority, on this day personally appeared Richard Donnelly, known to me to be the person whose name is subscribed to the foregoing instrument as Vice-President of THE EASTLAND OIL COMPANY, and acknowledged to me that he executed the same for the purposes and considerations therein expressed in the capacity stated as the free act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16 day of August, 1983.

MY COMMISSION EXPIRES:

9/16/83

Sandra K. Paxton

Notary Public in and for the State of
Texas

Sandra Kay Paxton



005423

5.00 *pa*

Eastland Oil Co.
P.O. Drawer 3488
Midland 79702

002453
COMPARED'

FILED FOR RECORD

1983 AUG 16 PM 3:30

CATHERINE ASHLEY
COUNTY CLERK, REEVES COUNTY, TX
BY: *Q. Fuentes* DEPUTY

THE STATE OF TEXAS,
County of Reeves

CATHERINE ASHLEY Clerk of the County

Court of said County do hereby certify that the foregoing instrument of writing dated the 1st
day of August A.D. 19 83 with its certificate of authentication was
filed for record in my office the 16th day of August A.D. 19 83
at 3:30 o'clock P. M., and duly recorded the 16th day of August
A.D. 19 83 at 4:00 o'clock P. M. in the DEED records of said county in
volume 434 on page 574

WITNESS my hand and the seal of the County Court of said County at office in Pecos,
Texas on the date and year last above written.

CATHERINE ASHLEY

Clerk County Court, Reeves County, Texas

By: *Billie Jo Freeman, Dep.*

(Billie JO Freeman)



GENERAL LAND OFFICE

DATE

Reg. No.

4-27-84
107344

RECEIVED AS STATED

25.00

Garry Mauro, Commissioner

File dated

4-27-84

M

82072

Partial Assignment

(45)

THE EASTLAND OIL COMPANY

MIDLAND, TEXAS 79702 ✓

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

04/25/84

Per attached

~~X~~ \$50.00

107344

171

TOTAL AMOUNT

\$50.00

PLEASE DETACH COPY BEFORE DEPOSITING CHECK



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
560 ONE MARIENFELD PLACE
MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293

April 24, 1984

Commissioner of the General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701

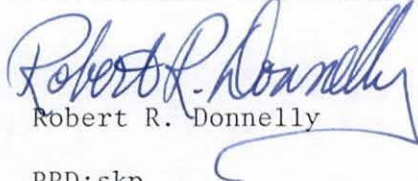
Ref: Assignments
ARCO State Lease
Armstrong #1 Lease
Reeves County, Texas

Gentlemen:

Enclosed are three original recorded assignments covering the captioned mineral classified leases. Additionally, we are enclosing a check for \$50.00 to cover the filing fee. Please return the assignments to us after updating your records.

Yours truly,

THE EASTLAND OIL COMPANY


Robert R. Donnelly

RRD:skp

Enclosures

X 50.⁰⁰ 107344

171

46

M. F. 82072

CORRESPONDENCE FILE

To Eastland Oil
From

Dated 4-27-84

Garry Mauro
Commissioner
General Land Office



May 10, 1984

Mr. Robert R. Donnelly
The Eastland Oil Company
P.O. Drawer 3488
560 One Marienfeld Place
Midland, Texas 79702

Re: Partial Assignment of Relinquishment Act Lease
M-82072
The Eastland Oil Company to L.B.L. Oil Corporation, et al
Reeves County, Texas

Dear Mr. Donnelly:

The certified copy of an assignment covering the captioned oil and gas lease has been filed in our records.

We have applied \$25.00 of your \$50.00 remittance as the required filing fee and have requested a refund of the remaining \$25.00 from our accounting department

We are returning the following three assignments as they have already been filed in our records.

1. Robert L. Zinn, et al to The Eastland Oil Company covering lease M-82072
2. Tom Craddick to The Eastland Oil Company (two copies of the same assignment) covering lease M-86067.

If you have any questions, please call.

Sincerely,

Diana Dickson, Assistant
Oil and Gas Division
Legal Services
512 475-4246

/dd

(17)

N. 2. 92072

RESPONSE FILE

To East and Oil

FROM

Dated 5-10-84

Garry Mauro
Commissioner
General Land Office



IMPORTANT: RETAIN WHITE COPY AND
RETURN BLUE COPY WITH
SEPARATE CHECK FOR THE
TOTAL DUE.

April 23, 1985

The Eastland Oil Company
P.O. Drawer 3488
Midland, TX 79702

RE: State Lease M-82072
Sec. 22, Blk. 56, T-3
T&P RR Co.
Reeves County, TX

Gentlemen:

Our records show the statutory \$.10 per acre rental in the amount of \$64.00 on the subject lease was due on 3/25/85.

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

At an early date, please forward your check in the amount of \$64.00 to pay the minimum rental due on the subject lease.

Sincerely,

Carl Liberty, Supervisor
Revenue/Processing
(512) 475-2858

RW/dm

File No. 82072 (48)
ltr to Eastland

Date Filed: 4-23-1985

Jerry E. Patterson, Commissioner

By _____



SECOND REQUEST

June 10, 1985

The Eastland Oil Company
P.O. Drawer 3488
Midland, TX 79702

RE: STATE LEASE M-82072
Sec. 22, Blk. 56, T-3
T&P RR Co.
Reeves County, TX

Gentlemen:

Enclosed is a copy of our letter to you dated April 23, 1985 and as of this date we have not received a reply to this letter.

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

Your prompt attention to this matter is requested.

Sincerely yours,

Carl Liberty, Supervisor
Revenue Processing
(512) 475-2858

RW/dm
Enclosure

*L.B.L. Oil Co.
7-11-85*

*918-743-1690
talked to*

*HERB HINDLEY - he will
check this and write a
letter*

File No. 82072 (49)
Hr to Eastland

Date Filed: 6-10-1985

Jerry E. Patterson, Commissioner

By _____

Box 4574

AREA 74159



*Ray Wagenfuhr
State of Texas General Land Office
Stephen F. Austin Bldg.
1700 N. Congress
Austin, Texas 78701*

57300

L. B. L. OIL COMPANY

P. O. BOX 4822
TULSA, 74159
1 - 918 - 743-1690

July 11, 1985

Ray Wagenfuhr
State of Texas General Land Office
Stephen F. Austin Bldg.
1700 N. Congress
Austin, Texas 78701

M-82072
\$4.00 Pd. 7-13-85

Re: Our telephone conversation of this date regarding lease on Sec 22, Blk 56,
Twp 3, T&PRR Survey, Reeves County, Texas.

Dear Mr. Wagenfuhr,

According to our records:

1. The lease on this property was made to Robert L. Zinn 3/25/80.
2. Zinn subsequently assigned interests in the lease to Wiser Oil Company and on 4/3/80 to Jack C. Cartwright which together was thereafter called "Wiser".
3. The Wiser group farmed out the 640 acres to Eastland Oil Company 1/28/82.
4. Eastland re-entered and completed a well in the NE/4 of the NE/4 (40 acre proration unit) 3/28/82.
5. Eastland assigned 72% W.I. in the NE/4 of the NE/4 of the lease to L.B.L. Oil Corporation 8/1/83.
6. L.B.L. became Operator of the NE/4 of the NE/4 7/1/84.

We believe that LBL owns no lease interest in the section other than the 40 acres in the NE/4 of the NE/4 and has never owned other such interest.

Inasmuch as the Wiser farm-out to Eastland of 1/28/82 required that a second well be started in the section within two years after completion of the first one, or forfeit it's interest in the undrilled acreage, and such second well was never started, we are of the opinion that Eastland lost it's lease interest in the undrilled 600 acres on 3/28/84 and should have paid only \$4 for 1984 rental (rather than the \$64 it did pay). We are unaware of the lease on the undrilled 600 acres as it applies to the Wiser Group.

A 10x10 grid of dots forming a stylized letter 'A'. The dots are arranged in a pattern that is 10 units wide and 10 units high. The letter 'A' is formed by a central vertical column of 10 dots, with two diagonal columns of dots on either side, each 5 units high. The top of the 'A' is formed by a horizontal row of 10 dots. The bottom of the 'A' is formed by a horizontal row of 10 dots. The total number of dots is 100.

R. H. Lindley

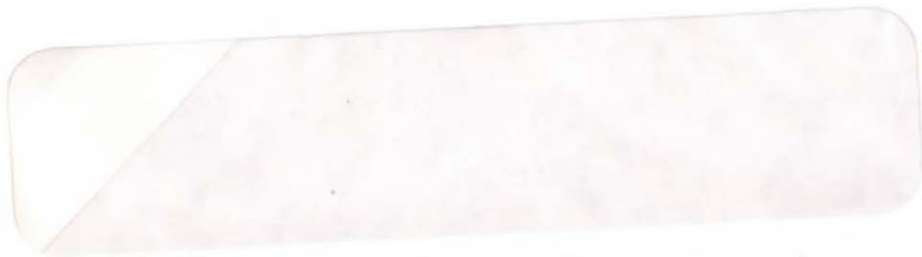
7-13-85

(51) M-82072
St. J. L. B. L. Co.
7-13-85

EASTLAND

THE EASTLAND OIL COMPANY

P.O. DRAWER 3488
MIDLAND, TEXAS 79702



LBL OPERATING COMPANY ✓

2175

2175-50

CHECK

STATE OF TEXAS, COMMISSIONER, GENERAL LAND OFFICE 07/11/85 \$4.00 TAX ID=

RENTAL ON ARMSTRONG LEASE (40 ACRES @ \$.1)

M-82072

12/1/80

X-4⁰⁰

85400

20.5.7

(53) M-82072

Revised Payment

7-13-85

Garry Mauro
Commissioner
General Land Office



August 7, 1985

Mr. R. H. Lindley
L. B. L. Oil Company
P. O. Box 4822
Tulsa, Oklahoma 74159

Re: State Lease M-82072
Section 22, Block 56, Twp. 3,
T. & P. RR Co. Reeves County, Texas
(Surface to 4500') 640 Acres

Gentlemen:

Reference is made to your letter of July 11, 1985 to Ray Wagenfuhr of this office relative to the ten (10) cents per acre rental under the captioned lease.

Section 52.172 of the Natural Resources Code and Paragraph 11 of the lease provide for a minimum ten cents per acre payment each year notwithstanding that development may be in progress or production secured.

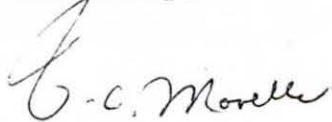
You have advised that you own only under 40 acres of the lease and have tendered \$4.00. It is the position of this office that under the statutes we must receive ten cents per acre on all of the land covered by the lease, which in this case is \$64.00. In order to protect the leasehold interests, we suggest that you or one of the leasehold owners pay the full \$64.00 and seek reimbursement from the others for their pro rata share. (Effective September 1, 1985 Senate Bill 493 repeals the ten cent minimum rental which will no longer be required.)

Also, on June 14, 1985 we received an unrecorded copy of "Partial Assignment of Oil & Gas Lease" from the Eastland Oil Company to L. B. L. Oil Corporation et al dated August 1, 1983. Before we can officially file this instrument we need a certified copy of the assignment together with a \$50.00 fee, being \$25.00 filing

Mr. R. H. Lindley
L. B. L. Oil Company
August 7, 1985
Page 2

fee plus \$25.00 penalty for late submittal. (Eastland's letter of transmittal dated April 14, 1984 referred to three original recorded assignments together with a check for \$50.00. However, we find no record of our having received this money.)

Sincerely,



V. C. Morelle, Attorney
Oil and Gas Section
Legal Division
512 475-6298

VCM:clf

(5)

82072

CORRESPONDENCE FILE

To L.B.L. Oil Co
From

Dated 8-7-85

171

L. B. L. OIL COMPANY

P. O. BOX 4822

TULSA, 74159

1 - 918 - 743-1690

August 9, 1985

Garry Mauro, Commissioner
General Land Office
1700 N. Congress Avenue
Austin, Texas 78701

Re: LBL, Armstrong Lease, NE/4 of NE/4 (40 acres) of Sec. 22, Blk 56, T 3,
T&P RR Survey, Reeves County, Texas.

Gentlemen:

Reference is made to V.C. Morello's letter of 8/7/85.

We seem to be having difficulty in getting the point across that we don't own a lease on the 600 acres for which you are attempting to collect 10¢/acre rental. - Never have owned such lease and don't know who does.

We were not a party to the original lease and recieved our interest in the referenced 40 acres by assignment.

We have paid the rental due on the 40 acre lease which we own and, so far as we know, the lease on the remaining 600 acres has expired.

If you believe the other 600 acres is still under lease, we suggest you collect the \$60 from the present lessee(whoever that is).

Alternately, we are perfectly willing to pay the disputed \$60 if you are willing to assign to us the lease on this undeveloped 600 acres.

Sincerely

R.H. Lindley

R.H. Lindley

P.S. We did not become Operator of the referenced 40 acres until 7/1/84.



(55)

M. F. 82072

CORRESPONDENCE FILE

by LBSL

From

Dated 8-9-85



APR 15 1982

Garry Mauro
Commissioner
General Land Office



August 15, 1985

Mr. R. H. Lindley
L. B. L. Oil Company
P. O. Box 4822
Tulsa, Okla. 74159

Re: State Lease M-82072
Section 22, Block 56, Twp. 3,
T. & P. RR Co., Reeves County, Texas

Dear Mr. Lindley:

This will acknowledge receipt of your letter of August 9, 1985 relative to the ten (10) cents per acre rental under the captioned lease.

We will again contact The Eastland Oil Company and request that it pay the balance of the \$64.00 due under the lease. However, as indicated in our letter of August 7, 1985, we must receive ten cents per acre on all of the land covered by the lease.

Referring to our letter of August 7, 1985, you may disregard our comment with respect to furnishing a certified copy of the "Partial Assignment of Oil & Gas Lease" dated August 1, 1983 inasmuch as we have previously been furnished with the original recorded assignment.

Sincerely,

A handwritten signature in cursive script that reads "V. C. Morelle".

V. C. Morelle, Attorney
Oil and Gas Section
Legal Division
512 475-6298

VCM:clf

M. F. 87072

(56)

CORRESPONDENCE FILE

To DBL

From

Dated 8-15-85

Garry Mauro
Commissioner
General Land Office



August 19, 1985

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

Re: State Lease M-82072
Sec. 22, Blk. 56, T-3
T&P RR Co.
Reeves County

Gentlemen:

Our records show the statutory \$.10 per acre rental in the amount of \$60.00 on the subject lease was due on March 25, 1985.

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

At an early date, please forward your check in the amount of \$60.00 to pay the minimum rental due on the subject lease.

Sincerely,

Carl Liberty, Supervisor
Revenue Processing
(512) 475-2828

CL/lrs

(57) M-82072
At. to the Eastland Co.
8-19-85

THE EASTLAND OIL COMPANY ✓ MIDLAND, TEXAS 79702

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

INVOICE #	INV. DATE	VOUCHER	INV. AMOUNT	DISCOUNT	NET
M-82072	08/19/85	502212	60.00		60.00

$$\frac{121}{8}$$
~~04431~~

VENDOR # C0597 CHECK: 11943 09/20/85

TOTAL AMOUNT

~~\$60.00~~

Garry Mauro
Commissioner
General Land Office



August 19, 1985

The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702

Re: State Lease M-82072
Sec. 22, Blk. 56, T-3
T&P RR Co.
Reeves County

04431

Gentlemen:

Our records show the statutory \$.10 per acre rental in the amount of \$60.00 on the subject lease was due on March 25, 1985.

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

At an early date, please forward your check in the amount of \$60.00 to pay the minimum rental due on the subject lease.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Liberty".

Carl Liberty, Supervisor
Revenue Processing
(512) 475-2828

CL/1s

RECEIVED AUG 22 1985

(58) M-82072
Router Payment
9-21-85





Conoco Inc.
P.O. Box 1267
Ponca City, OK 74603

121

M- 82072

September 26, 1985

Dear Interest Owner:

Division Order No.35189
Armstrong
Reeves County, Texas

Enclosed you will find our division order for the above captioned property. We ask that you fully execute the enclosed. This includes social security number and having your signature witnessed, and return to my attention. The other copy may be retained for your future reference.

Yours very truly,

David Hunt
Land Analyst
Mineral Lease Records

ppy
Enc.

Conoco Inc.
Oil and Gas Division Order

RSC No. 44-

D.O. No. 35189

EFFECTIVE: 1st run, 19 85

TO: Conoco Inc.
 Mineral Lease Records
 P.O. Box 1267
 Ponca City, OK 74603

Each of the undersigned warrants ownership of the interest, set opposite his name, in all oil (defined as crude oil and condensate) and/or in the proceeds derived from the sale of all gas (defined as natural gas and casinghead gas) produced from
Armstrong Lease (or Unit), Reeves County, Texas,
 described as:

NE/4 NE/4 of Section 22, Block 56, Township 3, T&P RR Co. Survey,
 limited from the surface of the earth down to a depth of 460 feet
 below sea level.

including all substances produced with such oil and gas. From the effective date and until further written notice, and subject to the following provisions, you, or your designated agent, are authorized to receive such production and give credit for all production received, and for the proceeds derived from the sale of gas, in accordance with the division of interest shown below: (The contents of the reverse side, and any attachments hereto, shall constitute a part of this Division Order.)

Credit To	Division of Interest	P. O. Address (Give box number or street address and zip code)
-----------	----------------------	---

THE WORKING INTEREST

LBL Oil Corp. .7356000

THE OVERRIDING ROYALTY INTEREST

Zinn Petroleum Company	.0237891
Wiser Oil Company	.0237891
R. H. Lindley, Trustee, Lindley Family Trust	.0144000
Jack C. Cartwright	.0078125
Dean C. Hamilton	.0071093

THE ROYALTY INTEREST

RepublicBank First National	.0312500
Midland Trustee for Trust #571	
RepublicBank First National	.0312500
Midland Trustee for Trust #572	
RepublicBank First National	.0312500
Midland Trustee for Trust #573	
State of Texas, Comm. General Land Office	.0937500

YOUR COPY

8. This Division Order may be executed in counterparts, and shall be binding upon and inure to the benefit of all signers hereof, their heirs, successors and assigns, whether or not it is signed by all parties named herein.

FEDERAL TAX ID NUMBER:

WITNESSES:

DATED 10-1-85

FROM

Concord line

CORRESPONDENCE FILE TO

82072

65

TOTAL RAL LEASES BY PAYING COMPANY

121

COMPANY NAME: L B L OIL CORPORATION
ADDRESS : BOX 4574
TULSA

COMPANY TAXID: 1840806445100

OK 74159

CONTACT PERSON: STRODE VICKI
PHONE NUMBER: (918)743-1690

RAL LEASES

LEASE NUMBER COMPANY LEASE NAME

MFD82072-----
LBL OIL

Surface Owner - Robert L. Zinn
1009 San Jacinto Bldg.
911 Walker Street
Houston, Texas 77002

LEASE NO	LEASE NAME	COUNTY	STATE	OPERATOR
477466	ARMSTRONG	REEVES	TEX	L.B.L. OIL CORPORATION P.O. BOX 4822 TULSA, OKA 74159

ALT OWNER NO	** INTEREST OWNER *****	DECIMAL	KIND	STATUS	ALT OWNER NO	** INTEREST OWNER *****	DECIMAL	KIND	STATUS
005868	PEGGY D MCCONNELL C/O DOUG SANFORD 503 RIDGLEA BANK BLDG FT WORTH TX 76116	.0562500	WI	PAY	131772	JACK C CARTWRIGHT P O BOX 10250 MIDLAND TX 79702	.0078125	QR/OP	PAY
154346	ROBERT L ZINN D/B/A ZINN PETROLEUM CO 1009 SAN JACINTO BLDG 911 WALKER HOUSTON TX 77002	.0237891	OR/OP	PAY	164150	DEAN C HAMILTON P O BOX 10348 MIDLAND TX 79702	.0071094	OR/OP	PAY
165796	R D PARTNERSHIP 1713 WESTHEIMER #6520 HOUSTON TX 77098	.0562500	WI	PAY	170675	L B L OIL CORP PO BOX 4822 TULSA OK 74104	.5256000	WI	PAY
172690	REPUBLICBANK 1ST NATL MIDLAND TRUSTEE TRUST 571 P O BOX 270 MIDLAND TX 79702	.0312500	RI	PAY	172691	REPUBLICBANK 1ST NATL MIDLAND TRUSTEE TRUST 572 P O BOX 270 MIDLAND TX 79702	.0312500	RI	PAY
172692	REPUBLICBANK 1ST NATL MIDLAND TRUSTEE TRUST 573 P O BOX 270 MIDLAND TX 79702	.0312500	RI	PAY	173963	R H LINDLEY BOX 4822 TULSA OK 74104	.0225000	WI	PAY
173964	R H LINDLEY 1RST FOR LINDLEY FAMILY TRUST BOX 4822 TULSA OK 74104	.0144000	OR/OP	PAY	238672	GEORGE A DONNELLY JR P O DRAWER 3488 MIDLAND TX 79702	.0562500	WI	PAY

The Permian Corporation Assumes No
Responsibility for the Accuracy Or
Completeness of This Information

LEASE NO	LEASE NAME	COUNTY	STATE
477466	ARMSTRONG	REEVES	TEX

ALT OWNER NO	** INTEREST OWNER *****	DECIMAL	KIND	STATUS	ALT OWNER NO	** INTEREST OWNER *****	DECIMAL	KIND	STATUS
467369	ED R KENNEDY JR P O DRAWER 432 MIDLAND TEXAS 79701	.0187500	WI	PAY	833446	THE WISER OIL COMPANY DEPARTMENT L 454 P PITTSBURGH PA 15204	.0237890	OR/OP	PAY
842441	STATE OF TEXAS GENERAL LAND OFFICE AUSTIN TX 78701	.0937500	RI	PAY	TOTAL 1.0000000				

*Eastland Oil Company
Box 3488
Midland, Texas 79720*

PROPERTY DESCRIPTION:

NE/4 of NE/4 of Section 22, Block 56, T-3, T&P Railway Company Survey,
in Reeves County, Texas;
LIMITED from the surface of the earth down to a depth of 460 feet below
sea level.

The Permian Corporation Assumes No
Responsibility For The Accuracy Or
Completeness Of The Information
Furnished Herein

[illegible]

MC # 82072

0.0

64

Handwritten: prepared by J. B. Jones

42

UNITED STATES POSTAL SERVICE

MIDLAND/ODESSA TX 79711/26/02

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

- Sender: Please print your name, address, and ZIP+4 in this box •

RECEIVED

DEC 02 2002

GENERAL LAND OFFICE
ENERGY RESOURCES

TEXAS GENERAL LAND OFFICE
P O BOX 12873
AUSTIN TX 78711-2873

03111

Shirley Chen Room 600 M7 082072



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mary Eschenberger
Sledge Bros oil co.
511 W OHIO Suite 620
MIDLAND TX 79707-4373

2. Article Number

(Transfer from service label)

7000052000228712 3722

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

T. Clinton

C. Date of Delivery

11-26-02

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Insured Mail☒ Return Receipt for Merchandise☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

**Texas General
Land Office**



**David Dewhurst
Commissioner**

November 20, 2002

CERTIFIED MAIL 70000520002287123722

SLEDGE BROS OIL CO
PO BOX 953
MIDLAND, TX 79702-0953

RE: Notice of underpayment on State Lease(s) MF082072

Dear Ms. Eschberger:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced lease operated by SLEDGE BROS OIL CO. Through this review, it was determined that \$1,575.81 has been underpaid to the State for the reporting period March 2001 through September 2002. This amount is comprised of \$1,010.81 in additional royalty, \$475.00 in penalty, and \$90.00 in interest, which has been computed through 12/14/2002, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

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

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

Mailing

Post Office Box 12873
• Austin, Texas
78711-2873

Street

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

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

SLEDGE BROS OIL CO

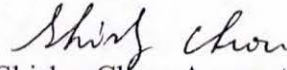
November 20, 2002

Page 2

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

If you have any questions, please call me at (512) 463-5408.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shirley Chou".

Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources Division

ATTACHMENT I
REVIEW SUMMARY

State Lease: MF082072

We have reviewed our records for the period of September 1998 through September 2002 to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that gas royalties were underpaid on Armstrong lease for the period of March 2001 through September 2002.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$0.00	\$0.00	\$0.00	\$0.00

Gas Summary

Royalty	Penalty	Interest	Total
\$1,010.81	\$475.00	\$90.00	\$1,575.81

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$1,010.81	\$475.00	\$90.00	\$1,575.81

(See attachment II for supporting calculations)

SLEDGE BROS OIL COMPANY
 STATE LEASE M-082072
 FIELD NAME- KEN REGAN (DELAWARE)
 LEASE NAME- ARMSTRONG
 REEVES COUNTY, TEXAS
 RRC OIL WELL #08-27254
 STATE'S ROYALTY DECIMAL .09375

ATTACHMENT II

AUDITOR: S CHOU
 FILE NAME: MF082072
 DATE: 11/20/02

PENALTY/
 INTEREST DATE:

12/14/02

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH/ YEAR	RRC VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ROYALTY DUE (4) X (.09375)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Mar-01	711	4.843	1.000	3,443.06	322.79	237.44	85.35	578	25.00	14.56	124.91
Apr-01	729	5.010	1.000	3,652.21	342.39	248.93	93.46	547	25.00	14.99	133.45
May-01	636	4.625	1.000	2,941.46	275.76	161.73	114.03	517	25.00	17.17	156.20
Jun-01	442	3.549	1.000	1,568.75	147.07	101.49	45.58	486	25.00	6.40	76.98
Jul-01	493	2.966	1.000	1,462.02	137.06	94.52	42.54	455	25.00	5.54	73.08
Aug-01	396	2.863	1.000	1,133.74	106.29	78.37	27.92	425	25.00	3.36	56.28
Sep-01	492	2.390	1.000	1,175.88	110.24	66.92	43.32	394	25.00	4.77	73.09
Oct-01	492	1.860	1.000	915.12	85.79	65.59	20.20	364	25.00	2.03	47.23
Nov-01	447	3.120	1.000	1,394.64	130.75	79.05	51.70	333	25.00	4.66	81.36
Dec-01	585	2.300	1.000	1,345.50	126.14	86.19	39.95	302	25.00	3.19	68.14
Jan-02	541	2.275	1.000	1,230.80	115.39	75.71	39.68	274	25.00	2.80	67.48
Feb-02	512	2.000	1.000	1,024.00	96.00	50.39	45.61	243	25.00	2.76	73.37
Mar-02	470	2.400	1.000	1,128.00	105.75	53.67	52.08	213	25.00	2.64	79.72
Apr-02	373	2.410	1.000	898.93	84.27	64.20	20.07	182	25.00	0.81	45.88
May-02	524	3.360	1.000	1,760.64	165.06	92.49	72.57	152	25.00	2.22	99.79
Jun-02	468	3.370	1.000	1,577.16	147.86	77.92	69.94	121	25.00	1.43	96.37
Jul-02	439	3.300	1.000	1,448.70	135.82	70.87	64.95	90	25.00	0.66	90.61
Aug-02	310	2.970	1.000	920.70	86.32	49.59	36.73	60	25.00	0.01	61.74
Sep-02	325	3.310	1.000	1,075.75	100.85	55.72	45.13	29	25.00	0.00	70.13
	9,385			\$30,097.06	\$2,821.60	\$1,810.79	\$1,010.81		\$475.00	\$90.00	\$1,575.81

COMMENTS: (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 08-27254.

(B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.

FOR 9/2001 THROUGH 9/2002 (EXCEPT 1/2002), THERE WERE NO GLO-2 REPORTS RECEIVED, THE PRICE WERE OBTAINED FROM THE HOUSTON SHIP CHANNEL SPOT PRICE.

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

ATTACHMENT III

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

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

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

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

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

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

(65)

082072

M.F.

Correspondence File

To

From

Dated

Billing dated 11-20-82

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Sledge Bros and Co.

P O BOX 953

MIDLAND TX 79702-0953

Article Number

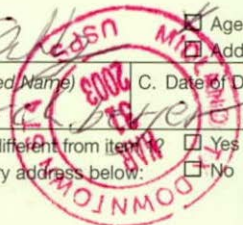
(Transfer from service label)

7002 0860 0007 9387 2007

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent
☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

Mary Esch

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

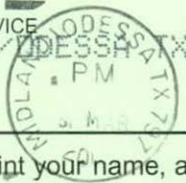
3. Service Type

- | | |
|--|--|
| ☒ Certified Mail | ☐ Express Mail |
| ☐ Registered | ☒ Return Receipt for Merchandise |
| ☐ Insured Mail | ☐ C.O.D. |

4. Restricted Delivery? (Extra Fee) ☐ Yes

UNITED STATES POSTAL SERVICE

MIDLAND



797

APR 31 2002

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

- Sender: Please print your name, address, and ZIP+4 in this box •

RECEIVED

APR 02

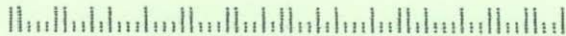
GENERAL OFFICE

TEXAS GENERAL LAND OFFICE
P O BOX 12873
AUSTIN TX 78711-2873

03111

Shidley chow Room 600 M7 082072

1A



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 25, 2003

CERTIFIED MAIL 7002 0860 0007 9387 2007

SECOND REQUEST

SLEDGE BROS OIL COMPANY
P O BOX 953
MIDLAND, TX 79702-0953

RE: Notice of non-payment on State Lease MF-082072

Dear Ms. Eschberger:

Enclosed is a copy of our letter to you dated November 20, 2002, requesting additional royalties due on the captioned lease. As of this date we have not received your payment or a reply to this letter.

Be advised that penalty and interest continue to accrue until payment is received. A revised schedule is enclosed showing updated penalty and interest. The amount now due is \$1,423.44, comprised of \$831.45 in additional royalty, \$475.00 in penalty and \$116.99 in interest. Penalty and interest have been computed in accordance with Section 52.131 of the Texas Natural Resources Code.

You are also hereby notified that if the amount now due is not received in this office by April 18, 2003, this lease will be forwarded to our legal division for appropriate action.

If you have any questions, please call me at (512) 463-5408.

Sincerely,

Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources Division

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

SLEDGE BROS OIL COMPANY
 STATE LEASE M-082072
 FIELD NAME- KEN REGAN (DELAWARE)
 LEASE NAME- ARMSTRONG
 REEVES COUNTY, TEXAS
 RRC OIL WELL #08-27254
 STATE'S ROYALTY DECIMAL .09375

ATTACHMENT II (REVISED ON 3/25/2003)

AUDITOR: S CHOU
 FILE NAME: MF082072
 DATE: 03/25/03

PENALTY/
 INTEREST DATE:

04/18/03

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH/ YEAR	RRC VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ROYALTY DUE (4) X (.09375)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Mar-01	711	4.840	1.000	3,441.24	322.62	237.44	85.18	703	25.00	18.03	128.21
Apr-01	729	5.010	1.000	3,652.21	342.39	248.93	93.46	672	25.00	18.84	137.30
May-01	636	4.620	1.000	2,938.32	275.47	161.73	113.74	642	25.00	21.80	160.54
Jun-01	442	3.550	1.000	1,569.10	147.10	101.49	45.61	611	25.00	8.28	78.89
Jul-01	493	2.970	1.000	1,464.21	137.27	94.52	42.75	580	25.00	7.32	75.07
Aug-01	396	2.860	1.000	1,132.56	106.18	78.37	27.81	550	25.00	4.49	57.30
Sep-01	492	2.120	1.000	1,043.04	97.79	66.92	30.87	519	25.00	4.67	60.54
Oct-01	492	2.040	1.000	1,003.68	94.10	65.59	28.51	489	25.00	4.03	57.54
Nov-01	447	2.560	1.000	1,144.32	107.28	79.05	28.23	458	25.00	3.70	56.93
Dec-01	585	2.120	1.000	1,240.20	116.27	86.19	30.08	427	25.00	3.64	58.72
Jan-02	541	2.280	1.000	1,233.48	115.64	75.71	39.93	399	25.00	4.46	69.39
Feb-02	512	1.570	1.000	803.84	75.36	50.39	24.97	368	25.00	2.54	52.51
Mar-02	470	1.910	1.000	897.70	84.16	53.67	30.49	338	25.00	2.80	58.29
Apr-02	373	2.880	1.000	1,074.24	100.71	64.20	36.51	307	25.00	2.98	64.49
May-02	524	2.810	1.000	1,472.44	138.04	92.49	45.55	277	25.00	3.26	73.81
Jun-02	468	2.550	1.000	1,193.40	111.88	77.92	33.96	246	25.00	2.09	61.05
Jul-02	439	2.830	1.000	1,242.37	116.47	70.87	45.60	215	25.00	2.34	72.94
Aug-02	310	2.420	1.000	750.20	70.33	49.59	20.74	185	25.00	0.86	46.60
Sep-02	325	2.730	1.000	887.25	83.18	55.72	27.46	154	25.00	0.86	53.32
Oct-02	369	3.640	1.000	1,343.16	125.92	66.98	58.94	124	25.00	1.26	85.20
Nov-02	402	4.080	1.000	1,640.16	153.77	76.82	76.95	93	25.00	0.86	102.81
Dec-02	265	4.050	1.000	1,073.25	100.62	95.40	5.22	62	25.00	0.01	30.23
Jan-03	202	4.760	1.000	961.52	90.14	87.05	3.09	34	25.00	0.00	28.09
	9,385			\$28,183.80	\$2,642.24	\$1,810.79	\$831.45		\$475.00	\$116.99	\$1,423.44

COMMENTS: (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 08-27254.

(B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.

FOR 9/2001 THROUGH 1/2003 (EXCEPT 1/2002), THERE WERE NO GLO-2 REPORTS RECEIVED, THE PRICE WERE OBTAINED FROM THE HOUSTON SHIP CHANNEL SPOT PRICE. RECEIVED THE PRICE FROM THE PURCHASER STATEMENTS FOR 9/2001 THROUGH 9/2002 FROM THE COMPANY.

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

**Texas General
Land Office**



**David Dewhurst
Commissioner**

November 20, 2002

CERTIFIED MAIL 70000520002287123722

SLEDGE BROS OIL CO
PO BOX 953
MIDLAND, TX 79702-0953

RE: Notice of underpayment on State Lease(s) MF082072

Dear Ms. Eschberger:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced lease operated by SLEDGE BROS OIL CO. Through this review, it was determined that \$1,575.81 has been underpaid to the State for the reporting period March 2001 through September 2002. This amount is comprised of \$1,010.81 in additional royalty, \$475.00 in penalty, and \$90.00 in interest, which has been computed through 12/14/2002, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

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

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

Mailing

Post Office Box 12873
Austin, Texas
78711-2873

Street

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

512.463.5001

1.800.998.4GLO

www.glo.state.tx.us

SLEDGE BROS OIL CO

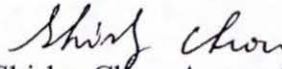
November 20, 2002

Page 2

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

If you have any questions, please call me at (512) 463-5408.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shirley Chou".

Shirley Chou, Accounts Examiner
Royalty Management
Energy Resources Division

ATTACHMENT I
REVIEW SUMMARY

State Lease: MF082072

We have reviewed our records for the period of September 1998 through September 2002 to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that gas royalties were underpaid on Armstrong lease for the period of March 2001 through September 2002.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$0.00	\$0.00	\$0.00	\$0.00

Gas Summary

Royalty	Penalty	Interest	Total
\$1,010.81	\$475.00	\$90.00	\$1,575.81

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$1,010.81	\$475.00	\$90.00	\$1,575.81

(See attachment II for supporting calculations)

SLEDGE BROS OIL COMPANY
 STATE LEASE M-082072
 FIELD NAME- KEN REGAN (DELAWARE)
 LEASE NAME- ARMSTRONG
 REEVES COUNTY, TEXAS
 RRC OIL WELL #08-27254
 STATE'S ROYALTY DECIMAL .09375

ATTACHMENT II

AUDITOR: S CHOU
 FILE NAME: MF082072
 DATE: 11/20/02

PENALTY/
 INTEREST DATE:

12/14/02

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH/ YEAR	RRC VOLUME (A)	PRICE (B)	BTU (B)	GROSS VALUE (1) X (2) X (3)	ROYALTY DUE (4) X (.09375)	ROYALTY PAID	ADDITIONAL ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Mar-01	711	4.843	1.000	3,443.06	322.79	237.44	85.35	578	25.00	14.56	124.91
Apr-01	729	5.010	1.000	3,652.21	342.39	248.93	93.46	547	25.00	14.99	133.45
May-01	636	4.625	1.000	2,941.46	275.76	161.73	114.03	517	25.00	17.17	156.20
Jun-01	442	3.549	1.000	1,568.75	147.07	101.49	45.58	486	25.00	6.40	76.98
Jul-01	493	2.966	1.000	1,462.02	137.06	94.52	42.54	455	25.00	5.54	73.08
Aug-01	396	2.863	1.000	1,133.74	106.29	78.37	27.92	425	25.00	3.36	56.28
Sep-01	492	2.390	1.000	1,175.88	110.24	66.92	43.32	394	25.00	4.77	73.09
Oct-01	492	1.860	1.000	915.12	85.79	65.59	20.20	364	25.00	2.03	47.23
Nov-01	447	3.120	1.000	1,394.64	130.75	79.05	51.70	333	25.00	4.66	81.36
Dec-01	585	2.300	1.000	1,345.50	126.14	86.19	39.95	302	25.00	3.19	68.14
Jan-02	541	2.275	1.000	1,230.80	115.39	75.71	39.68	274	25.00	2.80	67.48
Feb-02	512	2.000	1.000	1,024.00	96.00	50.39	45.61	243	25.00	2.76	73.37
Mar-02	470	2.400	1.000	1,128.00	105.75	53.67	52.08	213	25.00	2.64	79.72
Apr-02	373	2.410	1.000	898.93	84.27	64.20	20.07	182	25.00	0.81	45.88
May-02	524	3.360	1.000	1,760.64	165.06	92.49	72.57	152	25.00	2.22	99.79
Jun-02	468	3.370	1.000	1,577.16	147.86	77.92	69.94	121	25.00	1.43	96.37
Jul-02	439	3.300	1.000	1,448.70	135.82	70.87	64.95	90	25.00	0.66	90.61
Aug-02	310	2.970	1.000	920.70	86.32	49.59	36.73	60	25.00	0.01	61.74
Sep-02	325	3.310	1.000	1,075.75	100.85	55.72	45.13	29	25.00	0.00	70.13
	9,385			\$30,097.06	\$2,821.60	\$1,810.79	\$1,010.81		\$475.00	\$90.00	\$1,575.81

COMMENTS: (A) RRC VOLUME - REPRESENTS GAS DISPOSITIONS FROM RRC WELL ID# 08-27254.

(B) PRICE/BTU - REPRESENTS SALES PRICE AND BTU NOTED ON GLO-2 GAS REPORTS.

FOR 9/2001 THROUGH 9/2002 (EXCEPT 1/2002), THERE WERE NO GLO-2 REPORTS RECEIVED, THE PRICE WERE OBTAINED FROM THE HOUSTON SHIP CHANNEL SPOT PRICE.

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

File _____

Date _____
Jen _____ Commissioner
By _____

66

File No. 082072
second report

Date Filed: 3-25-03
Jerry E. Patterson, Commissioner
By Schon

June 16, 2003

FILE COPY

Plains Marketing LP
PO Box 4648
Houston, Texas 77210

Re: State Lease MF082072
Armstrong
01 112970

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

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

Sincerely,



Beverly Boyd, Lease Analyst
Mineral Leasing Division



MF082072

DIVISION ORDER

To: Plains Marketing, L.P.
P.O. Box 4648
Houston, TX 77210-4648

Property Name: ARMSTRONG
Operator: SLEDGE BROS OIL COMPANY
County and State: REEVES, TX
Production: OIL / CONDENSATE (GAS)

Date: 11/15/2002
Property Descr: SEE EXHIBIT 'A'
Effective 7 A.M.: 10/01/2002

Decimal Interest: 0.09375000
Type of Interest: RI
ROYALTY INTEREST

Owner Number

0062639

Property Number:

01 112970

Owner Name: COMMISSIONER GENERAL LD OFFICE
and Address: STATE OF TEXAS
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701

COMMISSIONER GENERAL LD OFFICE
STATE OF TEXAS
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701

[Correspondence Address]

[Remittance Address]

The undersigned severally and not jointly certifies the ownership of their decimal interest in production or proceeds as described above payable by Plains Marketing, L.P. (hereinafter called "Payor").

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

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to reimburse Payor any amount attributable to an interest to which the undersigned is not entitled. Unless otherwise required by law, Payor shall not be required to pay interest on payments withheld due to a title dispute or adverse claim.

Payments of less than \$25.00 may be accrued before disbursement until the total amount equals \$25.00 or more, or until December 31 of each year, whichever occurs first.

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

The undersigned will be paid in accordance with the division of interests set out above. As to oil and/or condensate, the Payor shall pay all parties at the price agreed to by the operator for oil and/or condensate to be sold pursuant to this division order. Payor shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. As to gas, the undersigned will be paid in accordance with the division of interest set forth herein. The Payor will pay all parties for their respective interest in the gas proceeds paid to Payor by the operator for disbursement at the price and upon the terms agreed to by the operator for the gas marketed by the operator. Payor is a disbursement service provider only and does not purchase the gas nor take title to the gas. The operator is responsible for marketing gas produced from the property described in the attached property description. Payor does not assume any obligations of the lessee or operator under any oil and gas lease, gas sales contract or other agreement to which Payor is not a party.

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

Special Clauses/Requirements: If applicable, see Exhibit 'A'.

Owner Social Security #
or Taxpayer ID #: [REDACTED]

Owner Daytime Telephone #:

Owner FAX #:

Email Address:

Owner BY:

Signature:

OWNER #: 0062639

TITLE:

Signature of two
Witnesses/Attest

RECEIVED
02 NOV 19 AM 11:53
ENERGY RESOURCES

FEDERAL LAW REQUIRES YOU TO FURNISH YOUR SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER.
FAILURE TO COMPLY WILL RESULT IN 30% TAX WITHHOLDING AND WILL NOT BE REFUNDABLE BY PAYOR.

30.01.11

EXHIBIT 'A'

PROPERTY NUMBER: 01 112970

OWNER: 0062639

OWNER	NAME/ADDRESS	SSN/TIN	INTEREST	TYPE	PAY ST	EFFECTIVE	CLAUSES	REQUIREMENTS
0062639	COMMISSIONER GENERAL LD OFFICE STATE OF TEXAS 1700 NORTH CONGRESS AVENUE AUSTIN, TX 78701	74-6000108	0.09375000	RI	3U	10/01/2002	N/A	N/A

LEGAL DESCRIPTION

PLEASE PROVIDE AN EXACT LEGAL DESCRIPTION IF AVAILABLE

11.13.03

File No. MF082072
Division Order
Date Filed: 6/16/03
Jerry E. Patterson, Commissioner
By [Signature]

Shell alleged that Cross was liable to it under the general warranty and subrogation clauses of the lease. Cross answered that he had a parol agreement with the original lessee that he was to receive all of the delay rentals except the 10 cents per acre required by Article 5368, and that Zweifel or his assigns should pay the State of Texas whatever additional amounts that might be required by law. He alleged also that by the language of the lease the parties meant that if any additional amounts had to be paid the State, the lessee or his assigns should pay the same, and that if the lease does not clearly so provide then the provisions thereof were ambiguous and should be explained by parol proof in order to show the true intentions of the parties.

The cause was tried before the court without a jury. The trial court found that prior to February 4, 1932, Shell believed Cross was entitled to receive the delay rentals in the sum of \$160 annually; that all times during the life of the lease Cross thought he was entitled to the delay rentals; and that prior to the decision in the Empire case there was doubt and uncertainty generally as to the meaning and effect of the Relinquishment Act and that one-half of the delay rentals were paid to Cross by mutual mistake. The trial court concluded that the lease provided clearly and without ambiguity for a total annual delay rental of \$160 on the 160 acres involved and that the State was entitled to receive one-half of such sum and Cross the remaining one-half; that the lease was unambiguous and not susceptible of the construction contended for by Cross and therefore the parol testimony presented by Cross for the purpose of explaining certain provisions of the lease was not admissible, and admissible was not sufficient to constitute a defense to Shell's cause of action.

Judgment was rendered for Shell in the sum of \$384. Cross appealed to the Court of Civil Appeals which affirmed the judgment of the trial court, 188 S.W.2d 373, upon motion for rehearing decided to submit the following questions to this court:

Was extrinsic evidence, under Cross's pleadings, admissible for the purpose of ascertaining the true intention of the original parties to the lease contract in respect to the amount of delay rentals to be paid and appropriated by Cross?

188 S.W.2d—247½

"II. If extrinsic evidence was admissible to arrive at such true intention of the original lessee and lessor, was same binding on appellee, the assignee of such lease, in the absence of any pleading on the part of appellee contending that it was an innocent purchaser without notice of such claimed agreement?"

"III. After the oil and gas lease became effective, in view of the rights of the State of Texas, could Cross and the assignee of the lease, the appellee, legally make an agreement purporting to reduce the amount of annual delay rentals below that fixed in the original lease?"

[1] It is our opinion that the trial court was correct in the conclusion that the lease is unambiguous. Such was impliedly the holding in *Navarro Oil Co. v. Cross*, supra. That case and this are each governed by *Greene v. Robison*, 117 Tex. 516, 8 S.W.2d 655, *Empire Gas & Fuel Co. v. State*, 121 Tex. 138, 47 S.W.2d 265, and *Lemar v. Garner*, 121 Tex. 502, 50 S.W.2d 769. Those cases have clearly defined the rights of both the State and the owner of the soil under the Relinquishment Act. It is thus settled that the Act authorizes the owner of the soil as agent of the State to sell or lease the oil or gas from the land, whereupon the State and the owner shall each be entitled to one-half of all the royalties, bonuses, rentals or other sums received under the sale or lease, provided that in no event shall the State receive less than ten cents per acre per year and $\frac{1}{16}$ of the oil or gas produced as royalty.

[2] The lease here involved must be interpreted in the light of the authorities mentioned. The provision in the instrument which designates Cross and wife as the "lessor" to whom the annual rentals should be paid must be limited by the further provision defining the respective rights of the parties in the event the lands are of mineral classification. In such case the State is the real lessor and the landowner is its agent. As so executed the State is entitled to one-half of the rentals for which it holds a lien, the lessee or his assigns is obligated to pay the same, and as a result thereof is subrogated to the rights of the State. Under such circumstances the owner of the soil is no more entitled to receive or retain all of the rentals than he is all of the $\frac{1}{16}$ royalty designated in the lease as payable to the "lessor". Consequently, any parol agreement to the effect that the land-

File No. 82072

(68)

Cross v. Shell Oil Co. Page 377

Date Filed: No Date

Jerry E. Patterson, Commissioner

By _____



Texas General Land Office

Reconciliation Billing

Jerry Patterson, Commissioner

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

FILE COPY

Sledge Bros Oil Co
PO Box 953
Midland, TX 79702-0953

Billing Date: 4/8/2014
Billing Due Date: 5/8/2014
Customer Number: C000035693

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
14I00353	MF086067	\$708.24	\$0.00	\$400.00	\$48.31	\$1,156.55
14I00354	MF082072	\$242.18	\$0.00	\$250.00	\$24.25	\$516.43
14I00355	MF067636	\$358.10	\$0.00	\$175.00	\$26.10	\$559.20
14I00356	MF043061	\$141.61	\$0.00	\$75.00	\$8.78	\$225.39
Total Due		\$1,450.13	\$0.00	\$900.00	\$107.44	\$2,457.57

Penalty and interest have been calculated thru 4/30/2014. Payment remitted after 4/30/2014 will result in additional penalty and interest charges.

Contact Info: Lynn Buentgen (512) 475-1457 or lynn.buentgen@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

Detach and return with payment

Reconciliation Billing

Sledge Bros Oil Co

Billing Date: 4/8/2014

Billing Due Date: 5/8/2014

Customer Number: C000035693

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
14I00353	MF086067	\$708.24	\$0.00	\$400.00	\$48.31	\$1,156.55
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14I00355	MF067636	\$358.10	\$0.00	\$175.00	\$26.10	\$559.20
14I00356	MF043061	\$141.61	\$0.00	\$75.00	\$8.78	\$225.39
Total Due		\$1,450.13	\$0.00	\$900.00	\$107.44	\$2,457.57
Amt. Paid						

Customer ID: C000035693

Invoice Number:

GLO Lease: MF082072

GLO Review: SLEDGE BROS. OIL CO.

Review Period: JANUARY 2011 THROUGH DEC 2012

Auditor/AE: LBUENTGE

Billing Date: 4/11/2014

P&I Calculation Date: 4/30/2014

Royalty Rate: 9.375%

Month / Year	RRC Number	(1) Gas Volume	(2) Tract Participation Rate	(3) Price	(4) BTU	(5) Gross Value	(6) Royalty Due	(7) Royalty Paid	(8) Additional Royalty Due	(9) Number of Days Late	(10) Interest Rate For Additional Royalty	(11) Penalty From Additional Royalty	(12) Interest From Additional Royalty	Revenue Due
						(1)x(2)x(3)x(4)	(5) * Royalty Rate							(8)+(11)+(12)
Jan-11	08-226843	211	1	4.10	1	\$865.10	\$81.10	\$69.64	\$11.46	1142	4.250000%	\$25.00	\$1.45	\$37.91
Feb-11	08-226843	114	1	4.30	1	\$490.20	\$45.96	\$40.28	\$5.68	1111	4.250000%	\$0.00	\$0.70	\$6.38
Mar-11	08-226843	62	1	3.77	1	\$233.74	\$21.91	\$19.65	\$2.26	1081	4.250000%	\$0.00	\$0.27	\$2.53
Apr-11	08-226843	155	1	4.27	1	\$661.85	\$62.05	\$54.19	\$7.86	1050	4.250000%	\$0.00	\$0.91	\$8.77
May-11	08-226843	155	1	4.33	1	\$671.15	\$62.92	\$54.59	\$8.33	1020	4.250000%	\$0.00	\$0.93	\$9.26
Jun-11	08-226843	342	1	4.28	1	\$1,463.76	\$137.23	\$121.95	\$15.28	989	4.250000%	\$25.00	\$1.65	\$41.93
Jul-11	08-226843	170	1	4.37	1	\$742.90	\$69.65	\$61.63	\$8.02	958	4.250000%	\$0.00	\$0.84	\$8.86
Aug-11	08-226843	82	1	4.38	1	\$359.16	\$33.67	\$30.29	\$3.38	928	4.250000%	\$0.00	\$0.34	\$3.72
Sep-11	08-226843	207	1	3.95	1	\$817.65	\$76.65	\$67.40	\$9.25	897	4.250000%	\$0.00	\$0.90	\$10.15
Oct-11	08-226843	36	1	3.73	1	\$134.28	\$12.59	\$10.95	\$1.64	867	4.250000%	\$0.00	\$0.15	\$1.79
Nov-11	08-226843	19	1	3.45	1	\$65.55	\$6.15	\$5.58	\$0.57	836	4.250000%	\$0.00	\$0.05	\$0.62
Dec-11	08-226843	36	1	3.28	1	\$118.08	\$11.07	\$9.68	-\$48.61	805	4.250000%	\$0.00	\$0.00	-\$48.61
Jan-12	08-226843	192	1	3.43901	1.023697	\$675.94	\$63.37	\$90.56	-\$27.19	776	4.250000%	\$0.00	\$0.00	-\$27.19
Feb-12	08-226843	187	1	3.67193	1.026316	\$704.72	\$66.07	\$0.00	\$66.07	745	4.250000%	\$25.00	\$5.28	\$96.35
Mar-12	08-226843	232	1	3.32613	1.016129	\$784.11	\$73.51	\$47.01	\$26.50	715	4.250000%	\$25.00	\$2.02	\$53.52
Apr-12	08-226843	185	1	2.11	1	\$390.35	\$36.60	\$0.00	\$36.60	684	4.250000%	\$25.00	\$2.66	\$64.26
May-12	08-226843	66	1	1.96	1	\$129.36	\$12.13	\$0.00	\$12.13	654	4.250000%	\$25.00	\$0.84	\$37.97
Jun-12	08-226843	53	1	2.44	1	\$129.32	\$12.12	\$0.00	\$12.12	623	4.250000%	\$25.00	\$0.80	\$37.92
Jul-12	08-226843	178	1	2.77	1	\$493.06	\$46.22	\$39.92	\$6.30	592	4.250000%	\$0.00	\$0.39	\$6.69
Aug-12	08-226843	145	1	3.12	1	\$452.40	\$42.41	\$36.58	\$5.83	562	4.250000%	\$0.00	\$0.34	\$6.17
Sep-12	08-226843	128	1	2.62	1	\$335.36	\$31.44	\$27.81	\$3.63	531	4.250000%	\$0.00	\$0.20	\$3.83
Oct-12	08-226843	69	1	2.97	1	\$204.93	\$19.21	\$0.00	\$19.21	501	4.250000%	\$25.00	\$0.99	\$45.20
Nov-12	08-226843	67	1	3.37	1	\$225.79	\$21.17	\$0.00	\$21.17	470	4.250000%	\$25.00	\$1.01	\$47.18
Dec-12	08-226843	100	1	3.70	1	\$370.00	\$34.69	\$0.00	\$34.69	439	4.250000%	\$25.00	\$1.53	\$61.22
TOTALS		3,191				\$11,518.75	\$1,079.89	\$837.71	\$242.18			\$250.00	\$24.25	\$516.43

COMMENTS:

VOLUMES REPORTED TO RRC WERE COMPARED TO SALES VOLUME REPORTED TO GLO. AS A RESULT OF THIS COMPARISON, IT HAS BEEN DETERMINED THAT THERE IS NO GAS PRODUCTION AND SALES VOLUME HAVE BEEN REPORTED TO GLO AND UNDER PAID TO GLO SINCE 4/2011.

ACCORDING TO OUR RECORDS, SLEDGE BROS. OIL CO. IS STILL THE CURRENT LESSEE AND IS RESPONSIBLE FOR PRIOR OBLIGATIONS IN ACCORDANCE WITH SECTION 52.026 OF THE TEXAS NATURAL RESOURCES CODE. AS THE CURRENT OPERATOR, WE ARE ADDRESSING THIS UNDERPAYMENT TO YOUR OFFICE FOR NECESSARY ACTION.

COLUMN (1) VOLUME: REPRESENTS THE GAS VOLUMES HAVE NOT BEEN REPORTED AND UNDER PAID TO GLO COMPARED TO THE VOLUME REPORTED TO THE RAILROAD COMMISSION FOR WELL # 08-226843

COLUMN (3) PRICE: TAKEN FROM NATURAL GAS MARKET PRICES BY TEXAS REGIONS IF GLO REPORT IS NOT AVAILABLE.

COLUMN (4) BTU: TAKEN FROM NATURAL GAS MARKET PRICES BY TEXAS REGIONS IF GLO REPORT IS NOT AVAILABLE.

COLUMN (11), (12): SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

CERTIFIED MAIL NUMBER: 7005 1820 0003 1756 7309 7231

ATTENTION: Mary Eschberger
mary.wtor@gmail.com

69

File No. UF 082072

Reconciliation Billing

Date Filed: 5/5/14

Jerry E. Patterson, Commissioner

By Nayda Ramirez

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postage

\$

Total

\$

Sent

Street

City,

Sledge Bros. Oil Co.
Attn: Ann E. Ritchie
P.O. Box 953
Midland, TX 79702

MF082072

Postmark
Here

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sledge Bros. Oil Co.
 Attn: Ann E. Ritchie
 P.O. Box 953
 Midland, TX 79702



9590 9402 1749 6074 7827 95

2. Article Number (Transfer from service label)

7016 2070 0000 7391 8847

COMPLETE THIS SECTION ON DELIVERY**A. Signature**

X

Mary Escobedo

☒ Agent

☐ Addressee

B. Received by (Printed Name)

Mary Escobedo

C. Date of Delivery

7-1-17

- D. Is delivery address different from item 1?** ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Mail

Mail Restricted Delivery

(0)

USPS TRACKING #



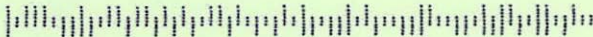
9590 9402 1749 6074 7827 95

**United States
Postal Service**

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

• Sender: Please print your name, address, and ZIP+4® in this box •

MF 082072
Dustin Brian Oslick
Texas General Land Office
P.O. Box 12873
Austin, TX 78711-2873





TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 16, 2017

Certified USPS # 7016 2070 0000 7391 8847

Sledge Bros. Oil Co.
Attn: Ann E. Ritchie
P.O. Box 953
Midland, TX 79702

Re: Termination of State Lease MF082072

API No. 42-389-10479 / RRC No. 08-226843 / Ken Regan (Delaware) Field / Armstrong
All of Section 22, Block 56, Township 3, T&P R.R. Co. Survey, Reeves County, Texas,
limited as to all formations and zones from the surface to a depth of 4,500' subsurface.

Dear Ann E. Ritchie,

The Texas General Land Office (GLO) has completed a review of the above captioned State Lease of which Sledge Bros. Oil Co. is the current listed operator. The review of our internal records, along with production records provided by the Texas Railroad Commission, indicate has been no production since June 2016 from the above captioned State Lease. The above referenced mineral files do not contain documentation of any additional shut-in royalty payments or reworking operations. As such, the GLO considers this State Lease terminated effective August 1, 2016.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of said State Leases will result in the mineral files being endorsed as terminated. You will receive no further communication from this office prior to endorsement.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office.

Please discontinue filing GLO production reports and immediately delete the GLO RRAC control record for this well. If there are royalties due, our Audit Division will notify you of the amount due.

Lastly, when the well has been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office.

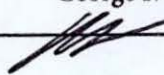
If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Best,

COPY

Dustin Brian Oslick
Mineral Leasing, Energy Resources
512-475-0593
Dustin.Oslick@glo.texas.gov

cc: 7S Oil and Gas, LLC
4310 S. Highway 349
Midland, TX 79706

File No. MF082072
- Reeves County
Termination Letter
Date Filed: 16 June 2017
George P. Bush, Commissioner
By  DBS

COPY