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MF086067

TERMINATION

DATE 01/01/2017
LEASING MJB
MAPS JK
GIS ML

Lease Type
RAL

Control

07-109210

Basefile

111098

County

REEVES

Survey

T & P Ry Co

Block

56

Block Name

Township

3-S

Section/Tract

12

Land Part

PT

Acres

Net: 160.000000 Gross: 160.000000

Depth Below

Depth Above

Depth Other

0

4050

Specified
Depths

Name

CRADDICK, TOM

Lease Date

6/1/1981

Primary Term

1 years

Bonus

\$8,000.00

Lease Royalty

0.12500000

Paid Up

NA

Leasing: JK

Maps: JK

GIS: ML

Scanlab: _____

F28305

CRADDICK, TOM

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6. Ltr. To " " " 11-19-81	"	"	Scanned	1W 11-22-2013
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10. Ltr to Getty Oil Co.	5-28-82		Scanned	PT 9-19-16
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C/F 5-12-82 Davis Oil Company

Mineral Classified Land
Lease Consideration Comparison

County

Area

N
REEVES

SW 1/4, SEC 12,
R1K 56, T-3, T&P

L. F.	Acres	Lease	Term	Total	B/Ac	Rental	Comparison
		Date		Bonus			
New	160	3-31-81	1yr	16000 ⁰⁰	100 ⁰⁰	—	1/8
24715	315	1-15-81	3yrs	22050 ⁰⁰	70 ⁰⁰	5 ⁰⁰	1/2 min 1/8
34096	160	6-30-80	5yrs	16000 ⁰⁰	100 ⁰⁰	1 ⁰⁰	1 min NE 5/64
FEE							
00063	80	10-2-79	3yrs	20088 ⁰⁰	251 ⁰⁰	5 ⁰⁰	1 1/2 " 1/4

11/1098

Remarks: Producing from Ken
REGAN (Del) Fld

Consideration

Recommended

Not Recommended

Jim H

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 1st day of

June _____, 1981, by and between _____
ATLANTIC RICHELIEU COMPANY, a Pennsylvania Corporation _____,
of P. O. Box 1610, Midland, Tx 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

of TOM CRADDICK
3108 Stanolind, Midland, Tx 79701
(Give Permanent Address)

hereinafter called Lessee, WITNESSETH:

1. The owner of the soil in the capacities aforesaid, for and in consideration of Eight Thousand and no/100

Dollars (\$8,000.00), 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:

SW/4 Section 12, Block 56, T-3, T&P Ry Co. Survey, as to all depths and horizons from the surface down to 4,050' below the surface of the ground.

containing 160 acres, more or less.

2. Subject to the other provisions herein contained, this lease shall be for a term of ~~five (5) 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 hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,

One-fourth (1/4) part of the gross

*NOTE: The total royalty payable under the lease should be inserted in paragraphs 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) _____

One-Fourth (1/4) 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,

One-Fourth (1/4) 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, One-fourth (1/4) 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 _____~~

~~_____ Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the sum of _____ Dollars~~

~~(\$ _____), 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.

31. In addition to the terms and provisions contained in this lease, the following provisions are deemed to be incorporated in said lease:

- a. On or before six (6) months from the date of this lease, Tom Craddick binds and commits himself to the drilling of a test well at a legal location of his selection on the land covered hereby and to drill same to a depth sufficient to adequately test the Delaware-Bell Canyon formation encountered at a depth of approximately 4,000';
- b. In the event the above well is completed as a well capable of producing oil and/or gas in paying quantities, Tom Craddick shall conduct a continuous development program on the leased premises with no more than 90 days between completion of one well and the commencement of the next well, with one well to be drilled on each proration unit established by the Texas Railroad Commission. In the absence of such field rules, a proration unit shall be deemed to consist of 40 acres for oil wells and 160 acres for gas wells. Upon the completion of said drilling program, Tom Craddick shall release to Atlantic Richfield Company all undrilled proration units;
- c. This lease is executed by the Owner of the Soil without warranty of title of any kind.

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

ATTEST:

ATLANTIC RICHFIELD COMPANY,
Individually and as Agent for the
State of Texas

Muise L. Mooney
Assistant Secretary

by J. L. Wilson
Vice-President

STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared Vice-President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said ATLANTIC RICHFIELD COMPANY, a Pennsylvania corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of June, 1981.

Commission expires:
DEBORAH WILSON
Notary Public, State of Texas
My Commission Expires: 12-11-84

Deborah Wilson
Notary Public

Filed for record on the 30th day of June, A.D. 1981 at 10:30 A.M. Duly recorded on the 8th day of July, A.D. 1981 at 4:00 P.M.

By s/ Billie JO Freeman, Deputy

9

CATHERINE ASHLEY, County Clerk,
Reeves County, Texas.

THE STATE OF TEXAS

ty 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 OIL AND GAS LEASE FROM ATLANTIC
RICHFIELD COMPANY TO TOM CRADDICK,

as the same appears of record in my office in book 406 page 198, Deed Records.

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

this 9th day of July 1981

CATHERINE ASHLEY Clerk,

By Billie Jo Freeman Deputy.
(Billie Jo Freeman)

M. 86067

Lease

File Dated 7-18-81

Bob Armstrong, (Commissioner)

RECEIVED AS STATED

\$8000.00

Date 5-16-81

Reg No 120863

GENERAL LAND OFFICE

RECEIVED AS STATED

\$5.00

Date 5-16-81

Reg No. 120862

GENERAL LAND OFFICE

May 14, 1981
3108 Stanolind
Midland, Texas 79701 ✓

Commissioner of the General Land Office
Austin, Texas 78701

X- 5.00 120862

Attention: Ms. Barbara Epstein, Attorney
Oil & Gas Division
Legal Department

X- 8,000.00 120863

Gentlemen:

Re: SE/4 Section 12, Block 56,
T-3, T&P Ry Co. Survey
Reeves County, Texas

Enclosed please find a certified copy of Oil and Gas Lease affecting the above captioned tract along with check in the amount of \$8,000.00 for the State of Texas portion of the Lease Bonus plus a check for \$5.00 for the fee.

If you have any questions, or need any additional information, please let me hear from you.

Very truly yours,

Tom Craddick
Tom Craddick ✓

jb

Enclosures

141

N

(2)

M. F. 86067

CONFIDENTIAL FILE

FR: Don Craddock

Dated 5-16-81

2025

August 17, 1981

TOM CRADDICK
3108 Stanolind Avenue
Midland, TX 79701

RE: Oil and Gas Lease
M-86067: SW/4 Sec. 12, Blk. 56, T-3
T&P Ry. Co. Survey, down to 4050'
below the surface of the ground
Reeves County, Texas

Gentlemen:

The certified copy of Oil and Gas Lease, affecting the above captioned tract of land, has been approved and filed in our records under M-86067, to which mineral file number you may refer to in all future correspondence.

Your remittances of \$8,000.00 and \$5.00 have been applied as the state's portion of the cash bonus and filing fees 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) 475-4246

BE/ev

Enclosure

(5)

M. F. 86067

COMMUNICATIONS FILE

To Don Craddock

Dated 8-17-81

CORRECTED

Assignment of Oil and Gas Lease

WHEREAS, on the 1st day of June 19 81, a certain oil and gas mining lease was made and entered into by and between ATLANTIC RICHFIELD COMPANY, A Pennsylvania Corporation -----, Lessor and TOM CRADDICK-----, Lessee covering the following described land in the County of REEVES and State of Texas, to-wit:

SW/4 Section 12, Block 56, T-3, T&P Ry. Co. Survey, as to all depths and horizons from the surface down to 4,050' below the surface of the ground, containing 160 acres, more or less.

86067

Said lease being recorded in the office of the County Clerk in and for said County in book 406 page 198, and

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

Now, Therefore, for and in consideration of One Dollar (and other good and valuable considerations), the receipt of which is hereby acknowledged, the undersigned, the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder in so far as it covers the all of the above described property,

together with all personal property used or obtained in connection therewith to THE EASTLAND OIL COMPANY----- and its heirs, successors and assigns.

And for the same consideration, the undersigned for himself and his heirs, successors and representatives, does covenant with the said assignee its heirs, successors, or assigns, that TOM CRADDICK is the lawful owner of the said lease and rights and interests thereunder and of the personal property thereon or used in connection therewith; that the undersigned has good right and authority to sell and convey the same, and that said rights, interest and property are free and clear from all liens and incumbrances, and that all rentals and royalties due and payable thereunder have been duly paid and that the undersigned will warrant and defend the same against the lawful claims and demands of all persons whomsoever, claiming to claim the same, or any part thereof, by through or under, but not otherwise.

In Witness Whereof, The undersigned owner and assignor has signed this instrument this 27th day of October

19 81

Tom Craddick

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF Midland

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 29 day of October A. D. 19 81

Joyce Barthelmey Joyce Barthelmey
Notary Public in and for Midland County, Texas

WIFE'S SEPARATE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared , wife of , known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

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

(L.S.)

Notary Public in and for County, Texas

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF

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

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

(L.S.)

Notary Public in and for County, Texas

Filed for record on the 30th day of Oct. A.D. 1981 at 10:30A.M.
Duly recorded on the 2nd day of Nov. A.D. 1981 at 4:00P. M.
BY *Billie Jo Freeman* DEPUTY CATHERINE ASHLEY, COUNTY CLERK,
REEVES COUNTY, TEXAS.

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

FOR SALE BY STAFFORD-LOWDON CO. FORT WORTH 94633

(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 RECORDED ASSIGNMENT OF OIL AND
GAS LEASE FROM TOM CRADDICK TO THE EASTLAND OIL COMPANY.

as the same appears of record in my office in book 411 page 693, Deed Records.

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

this 13th day of November 19 81.

CATHERINE ASHLEY Clerk,

By *Billie Jo Freeman* Deputy.
(Billie JO Freeman)

(4)
M. 84067
Correction Assignment
File Dated 11-18-81
Boo Armstrong, Commissioner
ES.

RECEIVED AS STATED
\$10.00
Date 11-18-81
Reg No. 32547

GENERAL LAND OFFICE

11.18.81

Midland, Tex ✓

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 7426

DATE	INVOICE NO.	ITEM	TOTAL	DISCOUNTS	BALANCE
11/16/81	171	For Filing Fee - Arco State Lease		X 32547	10.00



THE EASTLAND OIL COMPANY

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

November 16, 1981

Bob Armstrong
Commissioner of General Land Office
Austin, Texas 78701

Gentlemen:

We are enclosing for filing a Certified True Copy of Corrected Assignment of Oil and Gas Lease from Tom Craddick, Assignor, to The Eastland Oil Company, Assignee.

Also enclosed is our check in the amount of \$10.00 to cover the filing fee.

Very truly yours,

THE EASTLAND OIL COMPANY

E. J. Hogan

EJH/lc

Enclosures

X-10.00

32547

171

11.10.87

M. F. 86067
CORRESPONDENCE FILE
To: The Eastland O.I.G.
Dated 11-18-81
S.S.

5

November 19, 1981

The Eastland Oil Company
PO Drawer 3488
560 One Marienfeld Place
Midland, Texas 79702

Attn: E. J. Hogan

Re: Corrected Assignment of Oil and Gas Lease
M-86067
Reeves County, Texas

Gentlemen:

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

Your \$10.00 remittance has been applied as the filing fee due thereon.

Sincerely yours,

Bob Armstrong

By: *[Signature]*
~~Barbara~~ham, Assistant
Oil and Gas Division
Legal Department
512/475-4246

DI/es

6

N. F. 86067

CORRESPONDENCE FILE

To: The Eastland Oil Co.

Dated 11-19-81

25.

THIS APPLICATION MUST BE FILED IN DUPLICATE IN THE APPROPRIATE DISTRICT OFFICE.

135419 FORM W-1 1/1/81

API Well No. 42 **389-31223** RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

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

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): Arco State

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

5. Location (Sec., Blk., Survey): Sec. 12, Blk. 56, T-3, T&P Ry Co.

6. This well is to be located 8 miles South Direction from Orla

7. RRC District: No

8. County: Reeves (N)

9. Well Number: 1

10. Number of Contiguous Acres in Lease or Unitized Tract: 160

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

12. Total Depth: 3500'

01 14 1981

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 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 completed or proposed 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?
48754 500 Ken Regan (Delaware)	3450	None	330-660	40	40	No	None	Regular 1 ☒ Rule 372 ☐	Oil	0
C: 2-12-82								Regular 1 ☐ Rule 372 ☐		
AKF 243 MCFD								Regular 1 ☐ Rule 372 ☐		
OH - 3255 - 3292								Regular 1 ☐ Rule 372 ☐		
24. PERPENDICULAR LOCATION FROM TWO DESIGNATED: A. Lease Lines 660' FSL & 1980' FWL, Arco State Lease B. Survey Lines 660' FSL & 1980' FWL, Sec. 12	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.	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.								
27. Is this a pooled unit? YES ☐ certified plat, & list of pooled zones NO ☒ 28. Substandard Acreage YES ☐ (Attach W-1A) 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: Travis Reed
Title: Production Foreman
Date: September 11, 1981
Telephone: Area Code 915 683-6293

REMARKS: Field rules specify a minimum of 220' surface casing.

No H₂S zones penetrated.

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.



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

10-8-81

SCALE OF



M-86067

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISIONAPI Well No. 42
Instruction (7a & b) on back side.☐ Directional Well
☐ Sidetrack
☐ Amended Permit (Explain in Remarks)RRC Permit Number, if previously assigned.
No

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)

Arco State

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

9. Well Number

1

2. Address (Including City and Zip Code)

P. O. Drawer 3488
Midland, Texas 79702

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

Sec. 12, Blk. 56, T-3, T&P Ry Co.

10. Number of Contiguous Acres in Lease or Unitized Tract

160

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 8 miles South

Direction from Orla

Nearest Post Office or Town.

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

660'

12. Total Depth

3500'

EACH PROPOSED COMPLETION

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

13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R. R. C. 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 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)	3450	None	330-660	40	40	No	None	Regular 1 ☒ Rule 37 2 ☐	Oil	0 0
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		

PERPENDICULAR LOCATION FROM TWO DESIGNATED:

A. Lease Lines 660' FSL & 1980' FWL, Arco State Lease

B. Survey Lines 660' FSL & 1980' FWL, Sec. 12

27. Is this a pooled unit? YES ☐ NO ☒ (Attach P-12, certified plat, & list of pooled zones)28. Substandard Acreage YES ☐ NO ☒ (Attach W-1A)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.

REMARKS: Field rules specify a minimum of 220' surface casing.

No H₂S zones penetrated.

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

Signature

Production Foreman

Travis Reed

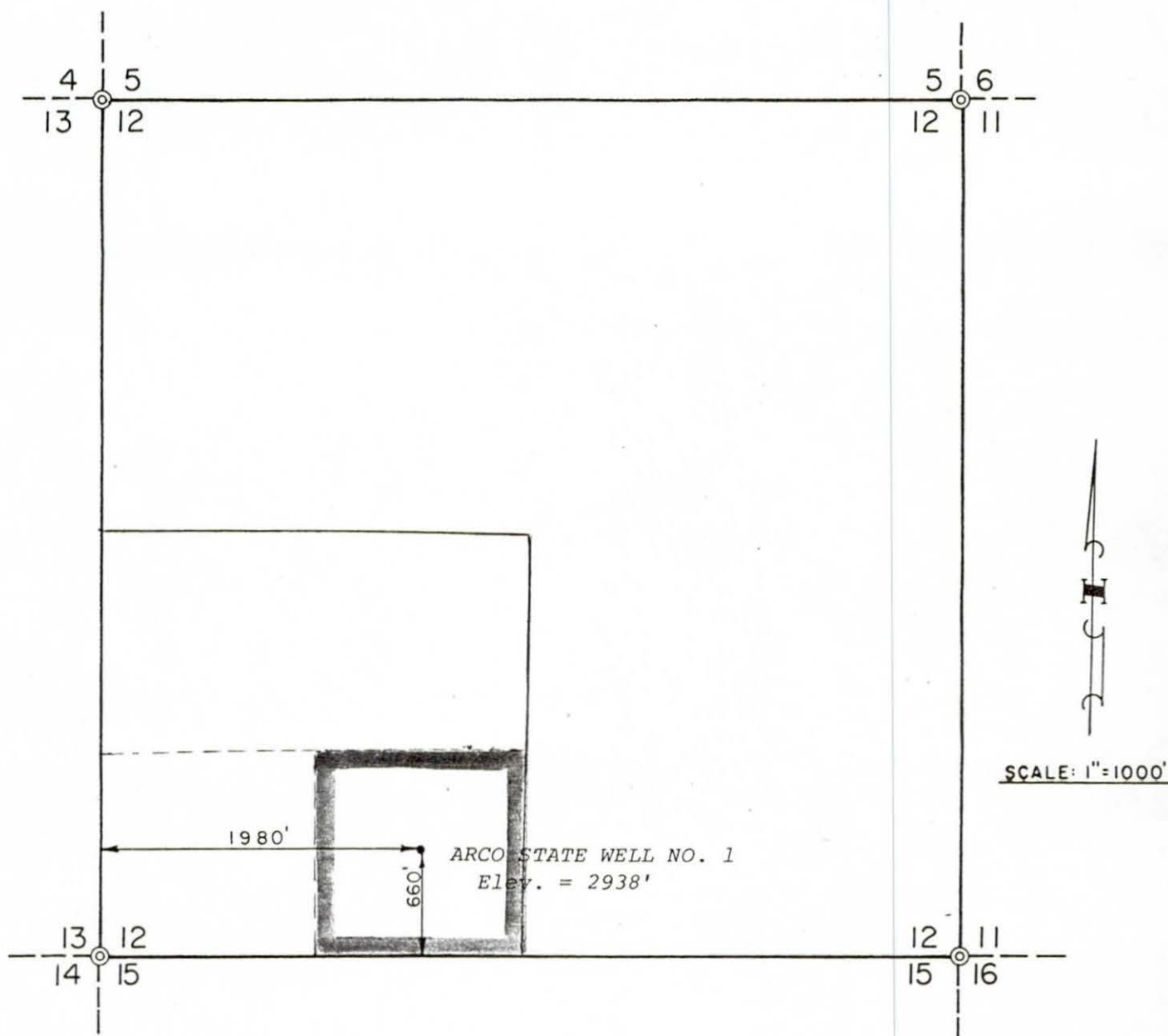
Title

September 11, 1981

Date

Telephone: Area Code 915 683-6293

WELL LOCATION FOR
THE EASTLAND OIL COMPANY
ARCO STATE WELL NO. 1
660' FROM SOUTH LINE AND 1980' FROM WEST LINE OF
SECTION 12, BLOCK 56, T-3, T & P RY. CO. 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, ARCO STATE WELL NO. 1, 660 feet from the
south line and 1980 feet from the west line of Section 12, Block 56,
T-3, T & P Ry. Co. Survey, Reeves County, Texas,

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

Dated: September 2, 1981

ESMOND - HANER, INC.
ENGINEERS • PLANNERS • SURVEYORS

By:

Gary N. Haner
Gary N. Haner
Registered Public Surveyor



F I LROAD COMMISSION OF TE AS
OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK
ON REGULAR LOCATION

MIT NUMBER 135419	DATE OF PERMIT 10/05/81	DISTRICT 08
NUMBER 42 389 31223	FORM W-1 (dated) 9/11/81	COUNTY REEVES
TYPE OF OPERATION DRILL		ACRES 160
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
WELL NAME ARCO STATE		WELL NUMBER 1
LOCATION 8 MILES S FROM ORLA		TOTAL DEPTH 3,500
SECTION, BLOCK and/or SURVEY SEC 12, BLK 56, T-3, T&P RY CO		
ANCE -- LEASE LINES FSL & 1980 FWL	-- SURVEY LINES 660 FSL & 1980 FWL	-- NEAREST WELL ON LEASE NONE

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



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
Austin, Texas 78701

Re: Eastland - Arco-State #1
SE/4 of SW/4 Section 12,
Block 56, T-3, T&P Ry. Co.
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 Oil and Gas Lease dated June 1, 1981, by Atlantic Richfield Company, as Lessor, and Tom Craddick, as Lessee.

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, Arco-State Well No. 1, and;
- (3) Railroad Commission of Texas Permit to Drill, Deepen, or Plug Back.

We will submit additional forms as they are filed.

Very truly yours,

THE EASTLAND OIL COMPANY


E. J. Hogan

EJH/sw

Enclosures

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 1 SPUD DATE 10/31/81 DRILLING DEPTH 1113'

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE November 17, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 2 SPUD DATE 10/31/81 DRILLING DEPTH 3034'

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE December 1, 1981

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 3 SPUD DATE 10/31/81 DRILLING DEPTH 1369'

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS: They are going to move cable tool rig from H & M #4 and complete well.

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE January 11, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 4 SPUD DATE 10/31/81 DRILLING DEPTH 1625'

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE January 20, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Del-ware WILDCAT COUNTY Reeves

REPORT NO. 5 SPUD DATE 10/31/81 DRILLING DEPTH 2925' in salt

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE February 4, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 6 SPUD DATE 10/31/81 DRILLING DEPTH 3320'

COMPLETION DATE TOTAL DEPTH

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE February 10, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco-State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 7 SPUD DATE 10/31/81 DRILLING DEPTH

COMPLETION DATE TOTAL DEPTH Set casing @ 3292'

PERFS 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS D&A

REMARKS:

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE February 24, 1982

WELL STATUS REPORT

OPERATOR The Eastland Oil Co.

STATE LEASE NO. M-86067 FEE R.A.L. xx FREE ROYALTY

OFFSET, APPROX. FT. FROM STATE LEASE

LEASE Arco State WELL NO. 1

FIELD NAME Ken Regan/Delaware WILDCAT COUNTY Reeves

REPORT NO. 8 SPUD DATE 10/30/81 DRILLING DEPTH

COMPLETION DATE 2/12/82 TOTAL DEPTH 3292'

PERFS Open Hole (3255 to 3292') 1ST COMPLETION: YES NO

POTENTIAL/TEST: OIL GAS AOF 243 MCF/Day D&A

REMARKS: Top of pay 3276'--Gas produced during test 94.6 MCF

BA/jmh/gs

2-25-75

W. A. White

INSPECTOR

DATE April 8, 1982

② 86067

M. F.

APPLICATION TO DRILL

FILED APR 15 1982

BOB ARMSTRONG,

BY: R. V. PHIPPS

Exploration and Development

Lease Status Report

DO NOT DESTROY

DATE

NAME

TO: Mineral Acctg. 4-15-82 PhelpsM.F. No. 86067Lease SW/4 Sec 12, Blk 56 T-2County Runnels T&POperator Eastland Oil Co.

Effective Date

☐ P & A (Last Well on Lease)☒ First Producing Well on Lease 2-12-82☐ Commingle Production☐ Unit & Pooling Agreements☐ Amendments to Units☐ Other: Note BelowB2M
4-15-82

File No. 86067 (8)
Lease Status Report

Date Filed: 4.15.1982

Jerry E. Patterson, Commissioner

By _____

May 17, 1982

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

ATTENTION: Accounting Manager

RE: State Lease M-86067
Arco State Lease
Ken Regan (Delaware) Field
Reeves County, Texas

Gentlemen:

This will acknowledge receipt of your \$600.00 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
Encl.

9

M. F. 86067
CORRESPONDENCE FILE
TO
Coatland Oil
FROM
DATED 5/17/82



General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

May 28, 1982

Getty Oil Company
P. O. Box 3000
Tulsa Oklahoma 74102

Attention: Mr. J. A. Morris

RE: Corporate Qualification File

Dear Mr. Morris:

We acknowledge receipt of four letters written by you on May 14, 1982, relating to the designation of J. A. Morris, C. O. Powell, John Lieftinck, M. E. Robinson, G. L. Shafer and Harry F. Lear as agents for Getty Oil Company, and pertaining to the designation of W. A. Chilton as agent for Getty Reserve Oil, Inc., a wholly owned subsidiary of Getty Oil Company.

These four letters of designation have been filed in the general files of this office and will be recognized until amended by your organization.

Yours very truly,

Bob Armstrong

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

LG/mow

M. P. 86067

CORRESPONDENCE FILE

To Getty Oil Co.

From

Dated 5-28-82

M-86061
SHUT-IN AFFIDAVIT

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

Affidavit Auditor Initial: DGD Date: 5-25-86
Comments:

Exploration & De- RVP 5-26-86
velopment
Comments:

Legal-Energy LS 5-27-86
Resources
Comments:

Affidavit Auditor _____
Comments:

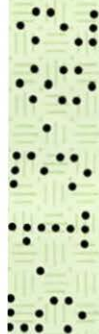
DETACH BEFORE DEPOSITING
THE EASTLAND OIL COMPANY ✓

Midland ✓

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

No 8869

DATE	INVOICE NO.	ITEM	TOTAL	DISCOUNTS	BALANCE
5-10-82		Shut In Gas Royalty: 6-1-82			
	CREDIT:	108 ARCO STATE LEASE			\$600.00
			102303		
		Rec't returned in enclosed Envelope 5-14-82.			



SHUT-IN-GAS ROYALTY
RENTAL PAYMENT
 XXXXXXX

CHECK NO.

8869

DATE

May 10, 1982

THE EASTLAND OIL COMPANY
 Austin, Texas 78701

has this day tendered to COMMISSIONER OF GENERAL LAND OFFICE

the sum of \$ 600.00

- - - - SIX HUNDRED AND NO/100- - - - - Dollars, to be deposited for the credit of persons named below
 in the amounts stated, in payment of ~~Shut-In-Gas Royalty~~ and gas lease of lands in the state of ~~Texas~~
 /XXXXXXXXXXXXX for the period from June 1, 1982 to June 1 1983

covering land described as:

SW/4 of Section 12, Block 56, TWP 3, T&P RR Co. Survey,
 Reeves County, Texas

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
108	COMMISSIONER OF GENERAL LAND OFFICE	160	REEVES	\$600.00

102303

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

PRINTED IN THE U.S.A.

SHUT-IN GAS WELL AFFIDAVIT

GENERAL LAND OFFICE LEASE NUMBER M- 86067

Operator THE EASTLAND OIL COMPANY

Lease Name Arco State Field Reaves, North (3200')

Description of Lease:

Area _____ Tract _____

Part SW/4 Section 12 Block 56, TWP 3

Grantee T&P RR Co. Survey Acres 160 County Reeves, Texas

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

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 243
 Barrels Liquid None Date Shut-in February 17, 19 82
 Well # _____ Number Gas Zones Completed _____ Potential MCF/day _____
 Barrels Liquid _____ Date Shut-in _____, 19 _____

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? Yes
 If not, explain under Remarks.
2. Name of nearest purchaser Valero Transmission Company
3. Distance to nearest Gas Pipe Line 2000' Price per MCF being offered \$2.63
4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No
5. Is there a well that is draining this lease, but further than 1000'? No
 If Yes on 4 and/or 5, furnish: Operator _____
 Lease _____ Date of first production _____

Remarks:

A compressor capable of 1100 psi compression will be required to sell gas thru Valero Transmission line.

V-88/82
6-4-82

\$600.00
Rec'd 5-13-82
Reg. # 102303

I certify that this statement is true and correct.

G.L.O. use only

George D. Neal

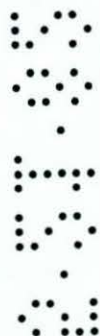
By: George D. Neal - Title Vice-President-Prod.

Sworn and subscribed to before me, the undersigned authority, on this 19th day of May, 19 82

Willie L. Crockett WILLIE L. CROCKETT
 Notary Public in and for

Midland County, State of Texas

Receiving Stamp



M.F. No. _____
Affidavit and

Shut-in Gas Royalty Payment

For _____ 19__ / _____ 19__

Commissioner

Filed by _____
Clerk

11
M-86067
S.I. - 6-1-82 → 6-1-83
D61

G.L.O. use only:

M- _____

Has lease been amended? _____

Electric or Radio Active Logs filed? _____

Potential Test (RRC Form GWT-1 received? _____

Primary Term Expired _____, 19__

Acres _____ Rental \$ _____ Twice Rental \$ _____

Checked by _____ Audited by _____

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

MINIMUM RENTAL PAYMENT

CHECK NO.

8870

DATE

May 10, 1982

THE EASTLAND OIL COMPANY

Austin, Texas 78701

has this day tendered to COMMISSIONER OF GENERAL LAND OFFICE

the sum of \$ 16000

- - - - - SIXTEEN 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 June 1, 1982 to June 1, 1983
covering land described as:

SW/4 of Section 12, Block 56, TWP 3, T&P RR Co. Survey,
Reeves County, Texas

M-86067

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
108	COMMISSIONER OF GENERAL LAND OFFICE	160	Reeves	\$16.00

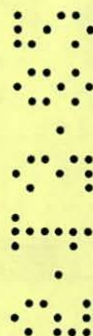
102302

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

(12) M 86067
Rental Payment
5-13-82



Garry Mauro
Commissioner
General Land Office



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

April 11, 1983

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

RE: State Lease M-86067
Arco State Lease
Reaves, N. (3200) Field
Reeves County, Texas

Gentlemen:

Our records indicate production was secured from the subject lease during January, 1983.

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.

Please file the necessary Gas Reports (Form MA-2) and corresponding purchase statements from the date of first production to date and monthly thereafter.

Sincerely yours,

Billy Lancaster, Administrative Supervisor
Resource Accounting
Telephone No. 512-475-2858
Enclosure
TB/ml

M. F. 86067

CORRESPONDENCE FILE

To Eastland Oil

From

Dated 4-11-83

(13)

WELL/LEASE STATUS REPORT INFORMATION

MFN 86062

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

	INITIAL	DATE
1. Lillie Gamble	<u>LG</u>	<u>4/6/83</u>
2. Gas Auditor TB	<u>TB</u>	<u>4-11-83</u>
3. Oil Auditor SS	<u>SS</u>	<u>4-11-83</u>
4. LaVerne Montano	<u> </u>	<u> </u>

REMARKS:

see for all reports
4-11-83 TB

WELL/LEASE STATUS REPORT INFORMATION

La Verne Montana
TO *Silly Lancaster* FROM *D. F. Underwood*
DATE ACTION INITIATED *4-15-82* DATE ACTION COMPLETED *3-30-83*
ORIGINATING SOURCE *Bob Phipps* DATA SOURCE *RKC Fische*
NAME OF OPERATOR *The Eastland Oil Co.* OPERATOR NO. _____
RRC DISTRICT *08* FIELD *Reagan (3290)* FIELD CODE _____
LEASE *Arco State* LEASE NO. OR WELL ID NO. *0983 43*
OIL WELL ☐ GAS WELL ☒ WELL NO. *1* COUNTY *Reeves*
COMPLETION DATE *2-12-82* DEPTH *3292*
POTENTIAL *243 MCF/D* G.L.O. MINERAL FILE NO. *86067*
DRILLING PERMIT NO. *135419*
OTHER INFORMATION _____

REPLY

DATE OF INITIAL PRODUCTION *1/83*
OTHER INFORMATION _____

Not found 2/82 - 0-9-82
" " 3/82 - 0-10/82

No Prod - 6/82
7/82

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

Posted

GAS PRODUCTION LEDGER

RAILROAD COMMISSION OF TEXAS

TYPE FIELD	WELL NUMBER	SEC IDENT NUMBER	GAS - M.C.F.				ONLINE STATUS	GATHERER	CONDUITS - BARRELS				
			ALLOWABLE	PRODUCTION	CONTR PRODUCTION	CHARTERED PRODUCTION			UNIT	LEASE PRODUCTION	PLANT PRODUCTION	STATUS	GATHERER
NP R.O.C. (ELLEN.) HNG OIL COMPANY CAPRITO 82 DEL 78 BHP 3039 MOBIL PRODUCING TX. & N.M. INC. CAPRITO "100" COMPLETION DATE 8/21/73 POTENTIAL (G-1) 9800 PERF 16158-16624 TD 16720 WHP 900 DEL 120 BHP 5616	74050 541494 2-L	498 /CONTINUED/ /CONTINUED/ 079287	1 1 1 1 1 1	3612 3612 3543 3031 -0- 4401 3720 3720	3612 3612 3543 3031 2508 2508 1893 2564 2692	2508 2508 1156 1028	9-1 -0-	NATGR					PERMI
NP R.O.C. (MONTOLA) BTA OIL PRODUCERS 708 JVS PYOTE "3-20" COMPLETION DATE 3/11/72 POTENTIAL (G-1) 24000 PERF 13727-13840 TD 16400 WHP 6151 X DEL 2400 BHP 1300 7108 JV-S WARD COMPLETION DATE 7/27/79 POTENTIAL (G-1) 11771 PERF 13616-13856 TD 16605 DEL 375 BHP 2000 MOBIL PRODUCING TX. & N.M. INC. WATSON, L. A. -B- COMPLETION DATE 4/28/76 POTENTIAL (G-1) 3000 PERF 13910-14177 TD 17000 WHP 1030 X DEL 313 BHP 4688	74050 041860 3 U 572550 1 L	830 052596 066495	8 9 10 11 12 1 8 9 10 11 12 1	43578 -0- -0- 9425 10295 13761 9703 -0- -0- 9387 10254 13361	27143 25704 20903 1397 1270 41357 6177 6319 6276 6617 6807 6983	16435 25704 20903 8028 9025 27596 3526 6319 6276 2770 3447 6378	 221610 106396 -0-	 INTRT MOBIF	 <				

OIL AND GAS DIVISION

DISTRICT 08

JANUARY 1983

PAGE 335

File No.

14-86067
Wall Status Report

Date Filed: 4.13.1983

Jerry E. Patterson, Commissioner

By

Garry Mauro
Commissioner
General Land Office



May 10, 1983

SECOND REQUEST

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

RE: State Lease M-86067
Arco State Lease
Reaves, N. (3200) Field
Reeves County, Texas
Gentlemen:

Enclosed is a copy of our letter to you dated April 11, 1983 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,

Paul Adkins, Unit Supervisor
Resource Accounting
Telephone No. 512-475-2838
Enclosure
TB/ml

(15)

M. F. 86067

CORRESPONDENCE FILE

To

Eastland Oil

From

Dated 5-10-83

RENTAL PAYMENT

CHECK NO.

3364

DATE

May 11, 1983

THE EASTLAND OIL COMPANY
Austin, Texas 78701

has this day tendered to COMMISSIONER OF GENERAL LAND OFFICE
the sum of \$ 16.00

-- SIXTEEN AND NO/100-- - - - - Dollars, to be deposited for the credit of persons named below
in the amounts stated, in payment of ~~DEBIT~~ ^{Minimum} RENTAL under oil and gas lease of lands in the state of Texas
for the period from June 1, 19 83 to June 1, 19 84
covering land described as:

SW/4 of Section 12, Block 56, TWP 3, T&P RR Co. Survey,
Reeves County, Texas

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
108	COMMISSIONER OF GENERAL LAND OFFICE	160	REEVES	\$16.00

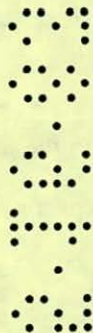
118583

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

(16) M-86067
Rental Payment
5-16-83



118283

ASSIGNMENT

For value received, THE EASTLAND OIL COMPANY and TOM CRADDICK hereby assign and convey unto the following the respective percentage interests indicated, the mailing address of each Assignee being shown:

George A. Donnelly, Jr. ----- 25.0%
P. O. Drawer 3488
Midland, TX 79702

Jim E. Bagwell ----- 5.0%
911 Venture
Midland, TX 79701

William R. Laws ----- 17.5%
#2 Pine Creek Lane
Houston, TX 77055

Peggy D. McConnell ----- 12.5%
c/o Douglas Sanford
Sproles, Woodard, Laverty & Ray
1500 Ft. Worth National Bank
Ft. Worth, TX 76101

John D. Platt ----- 5.0%
Geosource, Inc.
2700 Post Oak Blvd., Suite 2000
Houston, TX 77056

R. D. Partnership ----- 12.5%
1713 Westheimer, No. 6520
Houston, TX 77098

Dan L. Raffensperger ----- 12.5%
12 Meadowbrook Lane
Elizabethtown, PA 17022

Dan Walker ----- 10.0%
304 Entex Building
Houston, TX 77002

in all interest of the original lessee in oil and gas lease dated June 1, 1981, recorded in Volume 406, page 198, Deed Records of Reeves County, Texas, from Atlantic Richfield Company, individually and as Agent for the State of Texas, as lessor, to Tom Craddick, as lessee, said lease covering horizons to a depth of 4050 feet beneath the surface of the following land in Reeves County, Texas:

SW/4 of Section 12, Block 56, Township 3,
T&P Railway Company Survey,

each Assignee to acquire a like interest in the personal property used or obtained in connection therewith, but the interest of each Assignee being subject to the provisions of a Gas Purchase Agreement dated August 17, 1982, between the undersigned and United Texas Transmission Company, and to an Operating Agreement dated October 31, 1981, designating The Eastland Oil Company as Operator.

Tom Craddick joins in the execution of this assignment for the purpose of disclaiming all interest in the oil and gas leasehold estate in the above land and for the purpose of ratifying that certain lease assignment dated October 27, 1981, recorded in Volume 411, page 693, Deed Records of Reeves County, Texas, executed by him in favor of The Eastland Oil Company, which assignment failed to include the name of Tom Craddick in the acknowledgment attached thereto.

DATED this 15th day of March, 1983.

THE EASTLAND OIL COMPANY

By Richard Donnelly
Vice President
Tom Craddick
Tom Craddick

THE STATE OF TEXAS)
COUNTY OF MIDLAND)

This instrument was acknowledged before me on the 15th day of March, 1983, by Richard Donnelly, Vice-President of THE EASTLAND OIL COMPANY, a Texas corporation, on behalf of said corporation.



Carol B. Dillon
Notary Public, State of Texas
Notary's Name, Printed: Carol B. Dillon
My Commission Expires: 4/21/86

THE STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on the 24 day of ~~March~~ August, 1983, by TOM CRADDICK.



Sandra Kay Paxton
Notary Public, State of Texas
Notary's Name, Printed: Sandra Kay Paxton
My Commission Expires: 9/16/86

005010

1983 MAR 30 11:00 PM
LITTON 100 1700

5.00 *chg*

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

'COMPARED'

002610

FILED FOR RECORD

1983 AUG 29 AM 9:44

CATHERINE ASHLEY
COUNTY CLERK, REEVES COUNTY, TX
BY: *Quenter* 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 15th
day of March A. D. 19 83 with its certificate of authentication was
filed for record in my office the 29th day of August A. D. 1983
at 9:44 o'clock A. M. and duly recorded the 29th 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 818

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 10-6-83
Reg. No. 11147

RECEIVED AS STATED
\$10.00

M 86067
Amgman
File dated 10-6-83
Garry Mauro, Commissioner

(7)

THE EASTLAND OIL COMPANY ✓ MIDLAND, TEXAS 79702

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

10/03/83

RECORDING FEE - ARCO STATE #1 - YOUR LEASE 86067 \$ 10.00

171

CHECK NO. 4599

TOTAL AMOUNT

~~X~~ \$ 10.00

11147

PLEASE DETACH STUB BEFORE DEPOSITING CHECK



THE EASTLAND OIL COMPANY

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

October 3, 1983

The General Land Office
Attention: Oil and Gas Division
1700 North Congress
Austin, TX 78701

Re: The Eastland Oil Company - Arco State #1
Your Lease #86067
Reeves, County

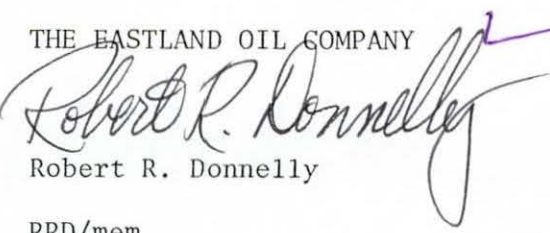
Gentlemen:

Enclosed for your approval is an assignment of interest covering the captioned lease. This lease has been recorded in Reeves County.

Also enclosed is a check for \$10.00 covering the recording fee.

Yours truly,

THE EASTLAND OIL COMPANY


Robert R. Donnelly

RRD/mem

X-10⁰⁰ **11147**

171

M. E. 86067

CORRESPONDENCE FILE

To McEastland Oil Co.
FROM

Dated 10-3-83

10-3-83



October 25, 1983

The Eastland Oil Company
P.O. Drawer 3488
560 One Marienfeld Pl.
Midland, Texas 79702

Attn: Robert R. Donnelly

Re: Assignment of Relinquishment Act Lease
M-86067
Reeves County, Texas

Gentlemen:

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

Your remittance of \$10.00 has been applied as the required filing fee.

Sincerely,

Garry Mauro

By:
Diana Dickson, Assistant
Oil and Gas Division
Legal Department
512 475-4246

/dd

(19)

M. P. 86067

CORRESPONDENCE FILE

To 2nd Eastland Oil Co.
~~From~~

Dated 10-25-83

API Well No. 42
Instruction (7a & b) on back side.RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION☐ Directional
Well
☐ Sidetrack☐ Amended
Permit (Explain
in Remarks)RRC Permit Number, if previously
assigned.

No

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

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

7. RRC District

8

8. County

Reeves

1. Operator

The Eastland Oil Company

4a. Lease Name (32 Spaces Maximum)

Arco State

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

9. Well Number

1

2. Address (Including City and Zip Code)

P. O. Drawer 3488
Midland, Texas 79702

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

Sec. 12, Blk. 56, T-3, T&P Ry Co.

10. Number of Contiguous Acres in
Lease or Unitized Tract

160

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

660'

12. Total Depth

3500'

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

YES ☒ NO ☐ (Instruction (2) on back side.)

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
DepthAll 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 acre-
age presently
assigned to
another well
in same res.
on same
lease? Yes or
No. If yes
explain in
remarks.Distance and
Direction from
proposed loca-
tion to nearest
drilling com-
pleted or ap-
plied for well
in same res.
on same lease
(ft.)Is this a
1. Regular
or
2. Rule 37
Exc. Loca-
tion? Check
the appro-
priate 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)

3450

None

330-660

40

40

No

None

Regular 1 ☒
Rule 37 2 ☐

Oil

0

0

PERPENDICULAR LOCATION FROM TWO DESIGNATED:

A. Lease Lines 660' FSL & 1980' FWL, Arco State Lease

B. Survey Lines 660' FSL & 1980' FWL, Sec. 12

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? 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 ☒

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing
to protect all fresh water sands. Where Commission rules do not specify surface casing require-
ments, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain
the depth to which fresh water sands must be protected.REMARKS: Field rules specify a minimum of 220' surface
casing.No H₂S zones penetrated.

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

Production Foreman

Travis Reed

Title

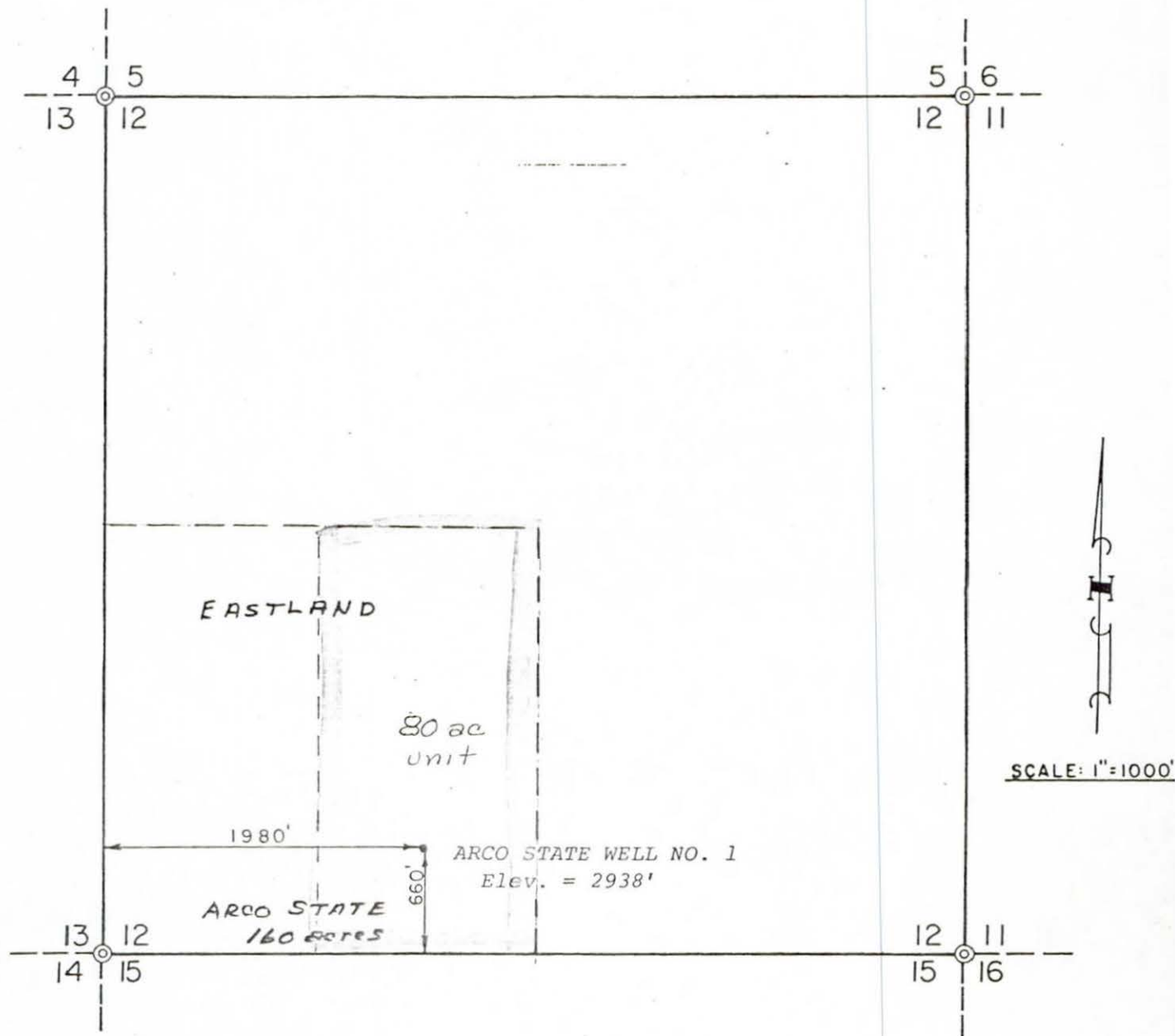
September 11, 1981

Date

Telephone: Area Code 915 683-6293

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

WELL LOCATION FOR
THE EASTLAND OIL CO. INC.
ARCO STATE WELL NO. 1
660' FROM SOUTH LINE AND 1980' FROM WEST LINE OF
SECTION 12, BLOCK 56, T-3, T & P RY CO. 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, ARCO STATE WELL NO. 1, 660 feet from the
south line and 1980 feet from the west line of Section 12, Block 56,
T-3, T & P Ry. Co. Survey, Reeves County, Texas,

20

M.F.

86067

APPLICATION TO DRILL

WELL # 1
JAN 19 1984

FILED

19

GARRY MAURO, COMMISSIONER

BY: cm

M-86067

API No. Available 42 389 31223

7. RRC District

8

8 RRC Identification Number

GAS WELL BACK PRESSURE TEST COMPLETION OR RECOMPLETION REPORT AND LOG

1. FIELD NAME (as per RRC Records or Wildcat)		2. LEASE NAME		9. Well Number	
Ken Regan (Delaware)		ARCO-STATE		1	
3. OPERATOR				10. County	
THE EASTLAND OIL COMPANY				REEVES	
4. ADDRESS				11. Purpose of Test	
P.O. DRAWER 3488 MIDLAND, TEXAS 79702				Initial Potential ☒	
5. LOCATION (Section, Block, and Survey)		5b. Distance and Direction from nearest town in this county.		Relest ☐	
Sec. 12, Blk. 56, T-3, T&P Ry Co.		8 miles South from Orla		Recloss ☐	
6. If Operator has changed within last 60 days - Give former Operator.		12. If Workover or Reclass, give former Field (with Reservoir) & Gas ID or Oil Lease #.		14. Completion or Recompletion Date	
No		FIELD & RESERVOIR		2-17-82	
13. Pipe Line Connection		GAS ID or OIL LEASE #		16. Type of Electric or other Log Run.	
None				GR - Density	
15. List of Offset Operators Notified and Date of Notification				Any Condensate on hand at time of Workover or Recompletion?	
Sledge Oil & Gas-Kermit, Tex. 2-15-82				☐ Yes ☒ No	

Section I

GAS MEASUREMENT DATA

Date of Test		Gas Measurement Method (Check One)						Gas produced during test		
03/02/82		Orifice Meter ☐	Positive Choke ☐	Orifice Vent Meter ☐	Pitot Tube ☐	Critical-flow Prover ☒		94.6 MCF		
Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tt}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY
1	2"	1 / 16	.0848	1181.2		74	.9868	1.0197	1.084	109
2	2"	3 / 32	.1867	848.2		72	.9887	1.0197	1.061	169
3	2"	1 / 08	.3506	560.2		60	1.0000	1.0197	1.045	209
4	2"	3 / 16	.8052	281.2		60	1.0000	1.0197	1.018	235

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio CF/Bbl	Gravity of Mixture G _{mix}	Avg. Shut-In Temp. °F	Bottom Hole Temp. °F
.5770	NONE PROD.	Dep. API		79.5	3272 (Depth)

$$D_{eff}^{8/3} = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{GL}} = \frac{1118 \times (D_{eff})^{8/3}}{C}$$

Run No.	Time of Run Min.	Choke Size	Wellhead Press P _w PSIA	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-In			1528.2	69					
1	240	1 / 16	1181.2	71					
2	240	3 / 32	848.2	71					
3	180	1 / 08	560.2	61					
4	135	3 / 16	281.2	60					
Run No.	F	K	S = 1/2	E _{ks}	P _i and P _s	P _i ² and P _s ²	P _i ² - P _s ²	Angle of Slope	
Shut-In					1665.2	2773		θ = 45	
1	RECORDED WITH AN AMERADA				1277.2	1631	1142	n = 1.000	
2	RPG-3 TYPE INSTRUMENT				914.2	836	1937	Absolute Oper. Flow	
3	NO. 41382 (0-3000 PSI RANGE)				602.2	363	2410	243 MCF/DAY	
4					301.2	91	2682		

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 92 feet at a measured depth of 1375 feet.

S/ Neil Tinsley

Amigo Drilling Company

Signature of Authorized Representative

Name of Company Conducting Survey

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

S/ Jimmie D. Buys and G. D. White

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.

James D. Buys

SECTION III

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

17. Type of Completion:

New Well ☒ Deepening ☐ Plug Back ☐ Other ☐15. Permit to Drill,
Plug Back or
Deepen

DATE

10-5-81

PERMIT

135419

CASE N

19. Notice of Intention to Drill this Well was filed in Name of

The Eastland Oil Company

20. Number of Producing Wells on this Lease in
This Field (Reservoir) including this Well

1

21. Total Number of Acres
in this Lease.

160

22. Date Plug Back, Deepening,
Work Over or Drilling
Operations:

Commenced

10-30-81

Completed

2-12-82

23. Distance to Nearest Well,
Same Lease & ReservoirSalt Water Disposal
Permit

PERMIT N

Other

PERMIT N

24. Location of Well, Relative to Nearest Lease Boundaries
of Lease on which this Well is Located

660 Feet From South

Line And

1980

Feet From

West Line of the ARCO STATE

Lease

25. Elevation (DF, RKB, RT, GR, ETC)

2938' GR, 1940' DF

26. Was Directional Survey Made Other
Than Inclination (Form W-12)?☐ Yes☒ No

27. Top of Pay

3276

28. Total Depth

3292

29. P. B. Depth

—

30. Surface Casing
Determined by:

Field

Rules: ☒

Recommendation of T.D.W.R.

☐ Dt. of Ltr.

Railroad Commission (Special)

☐ Dt. of Ltr.31. Is Well Multiple Completion?
Yes ☐ No ☐32. If Multiple Completion List All Reservoir Names (Completion in this Well) and Oil Lease
or Gas ID No.

FIELD & RESERVOIR

GAS ID or
OIL LEASE #Oil - O
Gas - GWELL
#33. Intervals | Rotary | Col
Drilled | Tools | To
by: | 0-13
1369 3234. Name of Drilling Contractor
Amigo Drlg. Corp.
Hopi Drlg. Co.35. Is Cementing Affidav.
Attached?☒ Yes☐ No

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

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY V. cu. ft.
8-5/8	23	1369	No	400 sx Lite	12-1/4	Circulated	1052
				200 C-2%CaCl ₂			
4-1/2	9.5	3255	No	250 sx Hal.	6-1/4	1300' est.	315
				50-50 Poz 2%			
				gel			

37. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen
	None			

38. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2" EUE	3249	No	3255	3292 (open hole)
			From	To
			From	To
			From	To

39. Producing Interval (this completion) indicate Depth of Perforation or Open Hole

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

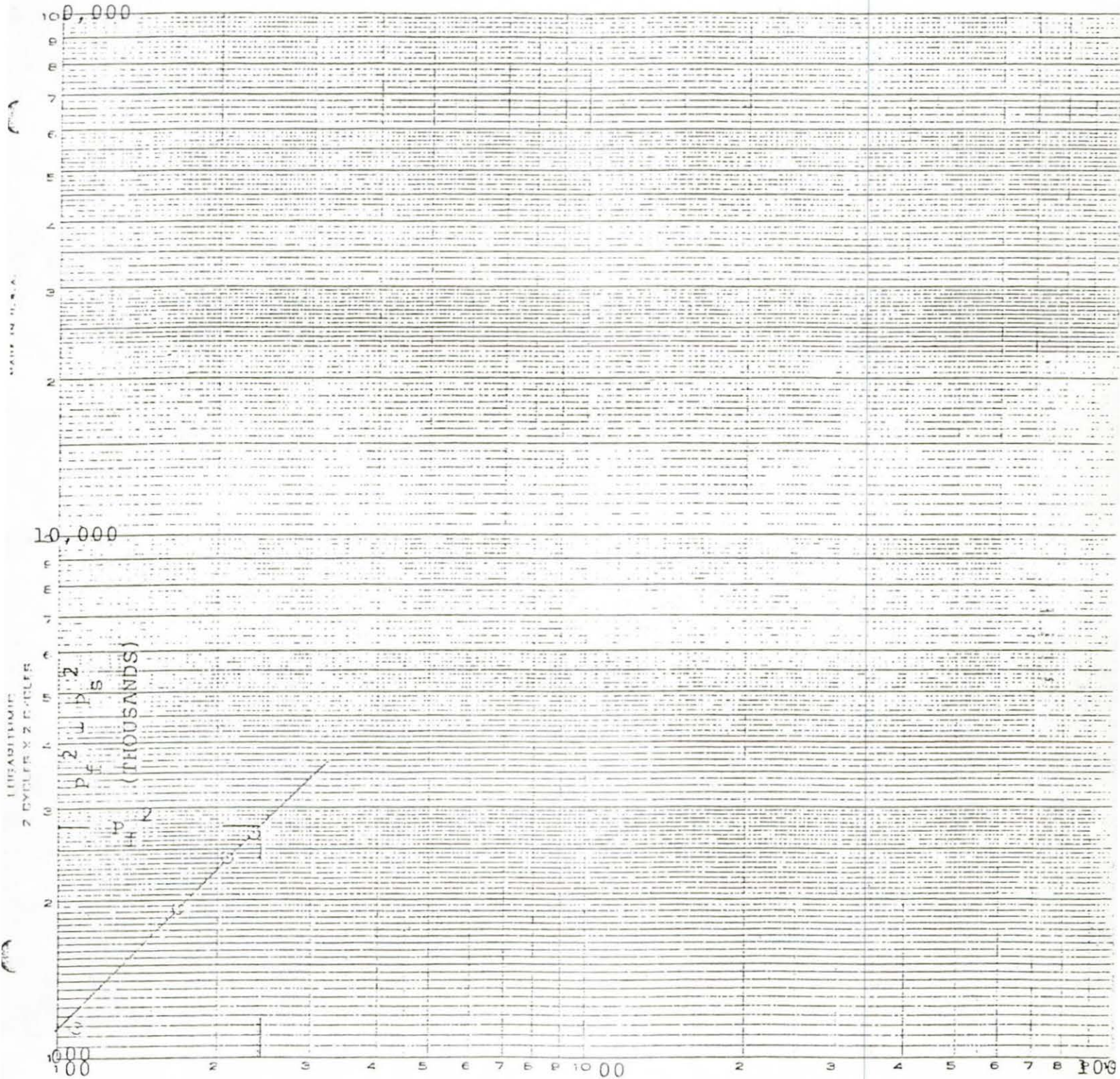
Depth Interval	Amount and Kind of Material Used
None	

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

Formations	Depth	Formations	Depth
Top salt	2705'	Sand	3253'
Base salt	3015'		
Black Shale	3200'		

REMARKS

COMP. : THE EASTLAND OIL CO ANY
 LEASE : ARCO-STATE
 WELL NO. : 1
 FIELD :
 COUNTY : REEVES
 DATE : 03/02/82



$\theta = 45$
 $N = 1.000$
 ABSOLUTE OPEN FLOW 243 MCF/DAY

PA'LRoad COMMISSION OF TEXAS
OIL AND GAS DIVISION

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

CEMENTING REPORT

261095

*1. Field Name (as per RRC Records or Wildcat) Ken Regan (Delaware)	*2. RRC District 8
*3. Operator EASTLAND OIL COMPANY	*4. County Reeves
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State	*6. Well Number #1
*7. Location (Section, Block, and Survey) Sec. 12, Blk. 56, T-3, T&P PR. 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			2/10/82			
*9. (a) Size of Drill Bit (inches)			6-1/4			
(b) Estimated % Wash or Hole Enlargement Used in Calculations.						
*10. Size of Casing (inches O.D.)			4-1/2			
*11. Top of Liner (if liner used) (ft.)						
*12. Setting Depth of Casing (ft.)			3255			
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						
(c) In Third Slurry						
14. Sacks of Cement Used: (a) In First (Lead) or Only Slurry			250			
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Sacks of Cement Used			250			
15. Slurry Volume per Sack of Cement (cu.ft./sack): (a) In First (Lead) or Only Slurry			1.26			
(b) In Second Slurry						
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu. ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry			315			
(b) In Second Slurry						
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)			315			
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)			3070			
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) 250 sks, Class-H, 50/50 Poz, 2% Gel

CEMENTING COMPANY

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

Signature of Cementer or Authorized Representative

Jimme D. Buys-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

Date 2/10/82

Date

*27. Remarks:

*OPERATOR

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data 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 915 683-8293

Area Code

March 12, 1982

*Date

INSTRUCTIONS

- A. This form shall be filed by the operator in the RRC District Office with:
 - (1) Each copy of an initial Form G-1 or W-2 if a cementing report is required by Statewide or Special Rules, or if exception is needed to cementing requirements in Statewide or Special Rules;
 - (2) Each copy of Form W-3;
 - (3) Each copy of Form W-4 if a multiple parallel casing completion.
- B. At least an original and one copy of this form shall be filed for each cementing company used on a well.
- C. The cementing of different casing strings on a well by one cementing company may be consolidated on one form (to be filed in duplicate)
- 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).
- If setting FULL AMOUNT OF SURFACE CASING:
 - A. Depth to protect fresh water determined by:
 - (1) Field Rule
 - (2) Texas Water Development Board, if no Field Rule
 - B. Set surface casing below depth to be protected and cement from casing shoe to ground surface.
- IF SETTING ANYTHING OTHER THAN THE FULL AMOUNT OF SURFACE CASING, PERMISSION SHALL BE OBTAINED FROM THE RAILROAD COMMISSION.
- 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.
- 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.
- 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
- 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 plug is placed.
 - C. A 10 foot cement plug is required to be placed in the top of the well

WILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

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

260542

CEMENTING REPORT

*1. Field Name (as per RRC Records or Wildcat) KEN REGAN (DELAWARE)		*2. RRC District 8	
*3. Operator EASTLAND OIL COMPANY		*4. County Reeves	
*5. Lease Name(s) and RRC Lease Number(s) or I. D. Number(s) Arco State		*6. Well Number #1	
*7. Location (Section, Block, and Survey) Sec. 12, Blk. 56, T-3, T & P RR			

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
8. Cementing Date	11/17/81					
*9. (a) Size of Drill Bit (inches)	12-1/4					
(b) Estimated % Wash or Hole Enlargement Used in Calculations.	50					
*10. Size of Casing (inches O.D.)	8-5/8					
*11. Top of Liner (if liner used) (ft.)	None					
*12. Setting Depth of Casing (ft.)	1369					
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	400					
(b) In Second Slurry	200					
(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	1.32					
(c) In Third Slurry						
16. Volume of Slurry Pumped: (cu.ft.) (Item 14 x Item 15) (a) In First (Lead) or Only Slurry	700					
(b) In Second Slurry	264					
(c) In Third Slurry						
(d) Total Slurry Volume Pumped (cu.ft.)	1052					
17. Calculated Annular Height of Cement Slurry behind Pipe (ft.)	2549					
18. Was cement circulated to ground surface (or bottom of cellar) outside casing? (Yes or No)	Yes					

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:

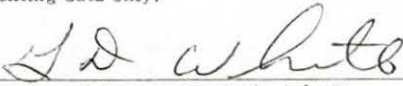
A) 400 sks, Halliburton Light-Neat

B) 200 sks, Class-C, 2% Calcium Chloride

*27. Remarks:

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

G. D. White-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

915

943-2721

Telephone

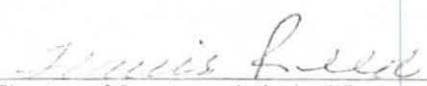
Area Code

11/17/81

Date

*OPERATOR

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


*Signature of Operator or Authorized Representative

Travis Reed, Production Foreman

*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

*City, State

7979702

Zip Code

915

683-6293

*Telephone

Area Code

November 30, 1981

*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 in top of the well.

Form W-12
(1-1-71)

6. RRC District	8
7. RRC Lease Number. (Oil completions only)	
8. Well Number	#1
9. RRC Identification Number (Gas completions only)	
10. County	Reeves

1. FIELD NAME (as per RRC Records or Wildcat)	2. LEASE NAME
Ken Regan (Delaware)	Arco State
3. OPERATOR	
The Eastland Oil Company	
4. ADDRESS	
P. O. Drawer 3488 Midland, Texas 79702	
5. LOCATION (Section, Block, and Survey)	
Sec. 12, Block 56, T-3, T&P RR. Co.	

[illegible]

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 1375 feet = 92.252 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 660 feet.

21. Minimum distance to lease line as prescribed by field rules 330 feet.

22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? no

(If the answer to the above question is "yes", attach written explanation of the circumstances.)

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Signature of Authorized Representative
Neil Tinsley
Name of Person and Title (type or print)
Amigo Drilling Corp.
Name of Company
Telephone: 915 333-9534 or 381-0758
Area Code

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) ~~by~~ the item numbers on this form.

asterisks (*) to the item numbers on this form.

George D. Neal
Signature of Authorized Representative

George D. Neal Vice-President-Production
Name of Person and Title (type or print)

The Eastland Oil Company
Operator

Telephone: 915 683-6293
Area Code

Approved By: _____ Title: _____ Date: _____

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

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-5-71)

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the The Eastland Oil Company,
OPERATOR
ARCO-STATE Lease, No. 1; that such well is
LEASE WELL
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 _____
80 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 3-12-82

Signature *George D. Deal*

Telephone 915
AREA CODE

603-6293

Title Vice President-Production

RAILROAD COMMISSION OF TEXAS

GAS ID. NO. EXPANDED TO / 0

NOTE: DAILY PRODUCING
RATE REQUIRED ON EACH
PRODUCING WELL.

FORM G-10

(Eff. 12/31/75)

OIL AND GAS DIVISION

DISTRICT 08

(AS OF 09/24/82)

SEND BOTH RRC COPIES TO:

RAILROAD COMMISSION

P. O. BOX 2110

MIDLAND

TX 79702

Operator

Address

9725 Test Period

OCTOBER, NOVEMBER, DECEMBER

Due Date

01/01/83

Effective Date

Page 1

02/01/83

GAS WELL STATUS REPORT

* FIELD NAME LEASE NAME		RRC IDENT. NO. WELL NUMBER	DATE MO/YR	POTENTIAL BHP	SHUT IN @ (DATE REQUIRED)	EXCEPTION SWR 148 (EXPIRATION DATE)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED
REAVES, N. (3200)		AS 098343	12/	ESSURE POTE MCF/DAY	4-18-82	(well shut-in No pipe line connected)			
ARCO-STATE		1		PRESS. BHP PSIA	1535				
				ESSURE POTE MCF/DAY					
				PRESS. BHP PSIA	SIWH PSIA				
				ESSURE POTE MCF/DAY					
				PRESS. BHP PSIA	SIWH PSIA				
				ESSURE POTE MCF/DAY					
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				ESSURE POTE MCF/DAY					

File

GAS WELL CLASSIFICATION REPORT

1. FIELD NAME (as per RRC Records) Ken Regan (Delaware)	2. LEASE NAME ARCO State	7. RRC District 8
3. OPERATOR The Eastland Oil Company		8. RRC Identification Number
4. ADDRESS P. O. Drawer 3488, Midland, Texas 79702		9. Well Number 1
5. LOCATION (Section, Block, and Survey) Sec. 12, Blk. 56, T-3, T&P Ry. Co.		10. County Reeves
6. Pipeline Connection or Use of Gas None - shut-in		11. Utilized for Potential Gas Sales
		12. Acres Allocated to this Well 80

Section I		PRODUCTION TEST AT RATE ELECTED BY OPERATOR		(Data on 24-hour basis)
A. Gas Volume	235	(MCF)	E. Casing Pressure	Packer (PSI)
B. Oil or Condensate Volume	None	(BBLs.)	F. Color of Liquid	None
C. Gas/Liquid-Hydrocarbon Ratio	---	(CF/BBL.)	G. Gravity of Liquid	--- *API
D. Flowing Tubing Pressure	280	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	0.5770

Section II		POTENTIAL TEST DATA	
A. Absolute Open Flow	243	(MCF/DAY)	C. Shut-In Wellhead Pressure 1543 (PSI)
B. Date of Test	3-2-82		D. Length of Time Well Shut-In Prior to Test 114 hrs.

Section III		A.S.T.M. DISTILLATION OF LIQUID SAMPLE	
Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.			
DATE LIQUID SAMPLE OBTAINED:			

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	<u>No Condensate Produced</u>
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

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
SIGNATURE George D. Neal

3-30-82
DATE

Vice President - Production
TITLE
AREA CODE AND TELEPHONE NUMBER **915** **683-6293**

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

[PRINTED FORM]

[DISTRICT 8]

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

[X] RETEST

Test Period January, 1983

Due Date Initial test

*	FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	DATE TESTED Mo/Day/Yr	PRODUCING WELLS				PRESSURE PSIA#	POTENTIAL BHP	SHUT IN @ (Date Required)	N EXCEP SWR (Expir Dat
				DAILY PRODUCING RATE							
				GAS	CONDEN- SATE	WATER GAS/COND.					
Reaves, N. (3200) ARCO-STATE	098343	1-12-83	390 MCF	2.2 BBLS	5 BBLS	1527 SIWH	243 MCF/DAY				
			Q 577 Spec.Grav.	33.5 Grav. ° API	177 MCF/Bbl	1020 Flowing	1665 PSIA		SIWH	PSIA	
(Connected to United Texas Transmission Company 1-10-83)			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	
			MCF	* BBLS	BBLS	SIWH	MCF/DAY				
			* Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA		SIWH	PSIA	

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

@ Wells with an exception to SWR 14(B)(2) must insert the date (MO/Yr) the well was last produced or utilized.
 # Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in
 the West Panhandle, West Panhandle (Red Cove), and Texas-Hugoton Fields.

* X ADDITIONAL SPECIAL TEST REQUIREMENT

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

Vice President - Product

Title

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

[PRINTED FORM]

[DISTRICT 8]

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

[] RETEST

Test Period Initial Test

Due Date 4-10-82

*	FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	PRODUCING WELLS					SHUT IN (Date Required)	EXCEP SWR 1 (Expir Dat	
			DATE TESTED Mo/Day/Yr	DAILY PRODUCING RATE		PRESSURE PSIA#	POTENTIAL BHP			
		GAS		CONDEN- SATE	WATER GAS/COND.					
	Ken Regan (Delaware) ARCO State	098343	4-5-82	230 MCF	0 BBLS	0 BBLS	1528 SIWH	243 MCF/DAY		
		1		Q.5770 Spec.Grav.	--- Grav. ° API	--- MCF/Bbl	280 Flowing	1665 PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA
				MCF	* BBLS	BBLS	SIWH	MCF/DAY		
				Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing	PSIA	SIWH	PSIA

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

@ Wells with an exception to SWR 14 (B) (2) must insert the date (MO/Yr) the well was last produced or utilized.
 # Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in
 the West Panhandle, West Panhandle (Red Cave), and Texas-Hugoton Fields.

X ADDITIONAL SPECIAL TEST REQUIREMENT

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 I. [Signature]
 Vice President - Production
 Title

Due Date 07/01/83

[illegible]

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION
WELL CLASSIFICATION SECTION**NGPA** SUPPLEMENTAL APPLICATION
(See NGPA Determination Procedures)

Docket No. F-

APPLICANT INFORMATION (As filed with the Commission)			
1. Applicant The Eastland Oil Company		Operator No. 239725	2. Address P. O. Drawer 3488 Midland, Texas
		Zip Code 79702	
3. District No. 8	4. ☐ Lease & Well No. or ☒ ID No. (oil well) (Check one) (gas well) -098343		5. Field and/or Reservoir Name Reaves, N. (3200)
WELL CATEGORY INFORMATION AND SUPPORTING DOCUMENTS			
Mark appropriate blocks for categor(y)(ies) sought. Copies of all documents indicated must be attached.			
☐ 1. New Gas under § 102 (c) (1) (B) (2.5 mile or 1000 ft. interval) ☐ a. FERC Form 121 (completed) ☐ b. All G-1's or W-2's on subject well ☐ c. FERC oath (See § 274.202(c)(1)(v) or (2)(vi) of FERC regulations for content) ☐ d. Map or Plat described in RRC rule 051.02.03.003(b)(1) ☐ e. Directional survey, if previously required by RRC			
☐ 2. New Onshore Reservoir under § 102(c)(1)(C) ☐ a. FERC Form 121 (completed) ☐ b. All G-1's or W-2's on subject well ☐ c. P-7 and accompanying plat, if filed ☐ d. Order or notice of commission new reservoir/field determination ☐ e. Complete well log for this well ☐ f. Reasonably available geological data required by FERC (See § 274.202(d)(1)(ii) of FERC regulations) ☐ g. FERC oath (See §§ 274.202(d)(1)(v) and (d)(2) of FERC regulations for content) ☐ h. Directional survey, if previously required by RRC			
☒ 3. New Onshore Production Well under § 103 ☒ a. FERC Form 121 (completed) ☒ b. W-1 and accompanying plat on subject well ☒ c. Current G-1 or W-2 on subject well ☒ d. Commission notice of spacing and density requirements applicable at commencement of surface drilling ☐ e. Rule 37 or 38 order permitting second well on unit when the first well was commenced prior to 2/19/77 and was commercially produced. If first well commenced after 2/19/77, check here. ☐ ☒ f. FERC oath (See § 274.204(d) of FERC regulations for content)			
☐ 4. Deep High Cost Gas under § 107 ☐ a. FERC Form 121 (completed) ☐ b. All G-1's or W-2's ☐ c. Complete well log or depth report described in RRC rule 051.02.03.003(d) ☐ d. FERC oath (See § 274.205(e) of FERC regulations for content) ☐ e. Directional Survey, if previously required by RRC			
☐ 5. Stripper Well Gas under § 108 ☐ a. FERC Form 121 (completed) ☐ b. Total production information for this well described in RRC rule 051.02.04.003(e) and identification of production period ☐ c. FERC statement on non-production days and 24 month lease inventory (See § 274.206 of FERC regulations) ☐ d. FERC oath (See § 274.206(a)(8) of FERC regulations)			

(SEE REVERSE SIDE)

SERVICE LIST

(NAME AND COMPLETE ADDRESS - - use additional sheet if needed)

The following persons must be served at the time of application with a copy of this form and the FERC 121.

☒ Non-Operators (as defined in rule 051.02.03.001) (all applicants)☐ (None)

See attached sheet

☐ Operator (if applicant is a non-operator)☐ (N/A)☒ Purchaser(s)☐ (None)

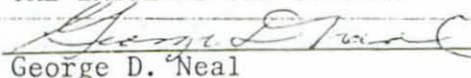
United Texas Transmission Company
P. O. Box 1478
Houston, Texas 77001

☒ If State or School Land Mineral Interests are involved - General Land Office, State of Texas,
Stephen F. Austin Bldg., Austin, Texas 78711, Attention: John Staleski, Room 849☐ (N/A)

WAIVER OF PROPOSAL FOR DECISION

An applicant desiring to expedite the determination procedure may waive a proposal for decision. If an intervention in opposition is filed, the waiver will be deemed withdrawn unless renewed. During or after a hearing any party may agree to waive a proposal. Pursuant to TEX. REV. STAT. ANN. art. 6252 - 13a, § 15, the undersigned waive(s) a proposal for decision.

THE EASTLAND OIL COMPANY



George D. Neal

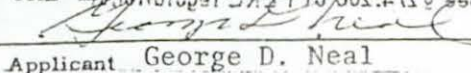
APPLICANT

RENEWAL BY APPLICANT

CERTIFICATE

I declare under penalties prescribed in section 91.143, TEX. NAT. RES. CODE ANN., that I am authorized to make this application, that it was prepared by me or under my supervision and direction, that any documents or summations thereof from my files permitted in lieu of copies from Commission files are true and correct copies or summations of the documents originally required to be filed with the Commission, that I have served a copy of the F-1 and FERC form 121 on the parties required by Commission rules as shown elsewhere on this form, and that these statements are true, correct, and complete to the best of my information, knowledge and belief.

THE EASTLAND OIL COMPANY



Applicant George D. Neal

Vice Pres.-Prod.

Title

1-19-83

Date

(915) 683-6293

A/C Phone Number

DOCKET NUMBER MUST APPEAR ON ALL CORRESPONDENCE AFTER INITIAL APPLICATION

ilroad Commission of Texas For 3-1
LIST OF NON-OPERATORS

ARCO STATE #1

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

Jim E. Bagwell
911 Ventura
Midland, Texas 79701

William R. Laws
#2 Pine Creek Lane
Houston, Texas 77055

Peggy D. McConnell
c/o Douglas Sanford
503 Ridglea Bank Bldg.
Ft. Worth, Texas 76116

John D. Platt
Geosource, Inc.
2700 Post Oak Blvd., Suite 2000
Houston, Texas 77056

R. D. Partnership
1713 Westheimer, No. 6520
Houston, Texas 77098

Dan H. Raffensperger
12 Meadowbrook Lane
Elizabethtown, PA 17022

Dan Walker
304 Entex Building
Houston, Texas 77002

U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)
(Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

<u>Section of NGPA</u>	<u>Category Code</u>	<u>Description</u>
102	1	New OCS Lease
102	2	New onshore well (2.5 mile test)
102	3	New onshore well (1,000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS Lease
103	—	New onshore production well
107	—	High cost natural gas
108	—	Stripper well

Other Purchasers/Contracts:

<u>Contract Date</u> (Mo. Day Yr.)	<u>Purchaser</u>	<u>Buyer Code</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Remarks:

One purchaser only.

1.0 API well number: (If not available, leave blank. 14 digits.)	<u>42 389 31223</u>												
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	<u>103</u> Section of NGPA		<u>---</u> Category Code										
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	<u>3292</u> feet												
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	<u>The Eastland Oil Company</u> Name		<u>---</u> Seller Code										
	<u>P. O. Drawer 3488</u> Street												
	<u>Midland</u> City	<u>Texas</u> State	<u>79702</u> Zip Code										
5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.)	<u>Reaves, N. (3200)</u> Field Name		<u>Texas</u> State										
(b) For OCS wells:	<u>---</u> Area Name		<u>---</u> Block Number										
	Date of Lease: Mo. Day Yr.		<u>---</u> OCS Lease Number										
(c) Name and identification number of this well: (35 letters and digits maximum.)	<u>ARCO State No. 1</u>												
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)	<u>Delaware</u>												
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	<u>United Texas Transmission Company</u> Name		<u>---</u> Buyer Code										
(b) Date of the contract:	<u>01 8 1 7 8 2</u> Mo. Day Yr.												
(c) Estimated annual production:	<u>100</u> MMcf.												
	(a) Base Price (\$/MMBTU)	(b) Tax	(c) All Other Prices [Indicate (+) or (-).]	(d) Total of (a), (b) and (c)									
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	<u>2.7 2 2</u>	<u>0.2 0 4</u>	<u>---</u>	<u>2.9 2 6</u>									
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	<u>2.7 2 2</u>	<u>0.2 0 4</u>	<u>---</u>	<u>2.9 2 6</u>									
9.0 Person responsible for this application:	<table border="1"> <tr> <td>Agency Use Only</td> <td><u>George D. Neal</u> Name</td> <td><u>Vice Pres. - Prod.</u> Title</td> </tr> <tr> <td>Date Received by Juris. Agency</td> <td colspan="2"><u>George D. Neal</u> Signature</td> </tr> <tr> <td>Date Received by FERC</td> <td><u>January 11, 1983</u> Date Application is Completed</td> <td><u>915-683-6293</u> Phone Number</td> </tr> </table>				Agency Use Only	<u>George D. Neal</u> Name	<u>Vice Pres. - Prod.</u> Title	Date Received by Juris. Agency	<u>George D. Neal</u> Signature		Date Received by FERC	<u>January 11, 1983</u> Date Application is Completed	<u>915-683-6293</u> Phone Number
Agency Use Only	<u>George D. Neal</u> Name	<u>Vice Pres. - Prod.</u> Title											
Date Received by Juris. Agency	<u>George D. Neal</u> Signature												
Date Received by FERC	<u>January 11, 1983</u> Date Application is Completed	<u>915-683-6293</u> Phone Number											

**KEN REGAN FIELD
(Delaware)
Reeves County, Texas**

Special Order No. 8-49,679, Combining the Ken Regan (Delaware) and Allar-Marks (Delaware Sand) Fields and Adopting Operating Rules for the Ken Regan (Delaware) Field, Reeves County, Texas, Effective September 1, 1962, as Amended by Order Effective October 26, 1975.

WHEREAS, After due notice, the Railroad Commission of Texas held a hearing on July 25, 1962, on the application of Ford Chapman to consider the combination of the Ken Regan (Delaware) and Allar-Marks (Delaware Sand) Fields and to consider also the adoption of rules and regulations for the resulting field should the above set out combination be found feasible; and

WHEREAS, From evidence adduced at said hearing, the Commission is of the opinion and finds that the Delaware producing reservoir underlying the Ken Regan (Delaware) and Allar-Marks (Delaware Sand) Fields is a single, continuous reservoir throughout said fields; that said continuous reservoir should be recognized and designated as a single field; and that the regulations of the single continuous reservoir should be handled under one set of rules; and

WHEREAS, From evidence submitted at said hearing, the Commission is of the opinion and finds that waste, as the term is defined in the applicable statutes will take place in said field unless rules are adopted by the Commission for the prevention thereof, and that the following field rules are necessary to prevent such waste and to provide for a more orderly development and operation of said field.

NOW, THEREFORE, IT IS ORDERED By the Railroad Commission of Texas that effective September 1, 1962, the Ken Regan (Delaware) and Allar-Marks (Delaware Sand) Fields, all located in Reeves County, Texas, be and they are hereby combined and recognized as one field to be known as the Ken Regan (Delaware) Field, Reeves County, Texas, and from and after said effective date, all records and reports filed with the Commission will show such designation.

IT IS FURTHER ORDERED By the Commission that effective the same date the operating rules, as hereinafter set out, in addition to such of the Commission's general rules and regulations as are not in conflict herewith, be and the same are hereby adopted to govern the drilling, completion and operation of wells in the Ken Regan (Delaware) Field, Reeves County, Texas.

RULE 1. (As Amended by Order No. 8-65,510, Effective October 26, 1975.) No well for oil shall hereafter be drilled nearer than six hundred sixty (660) feet to any well completed in or drilling to the same reservoir on the same lease, unitized tract, or farm, and no well shall be drilled nearer than three hundred thirty (330) feet to any property line, lease line, or subdivision line; provided, however, that the Commission will, in order to prevent waste or to prevent the confiscation of property grant exceptions to permit drilling within shorter distances than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to this rule is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules are incorporated herein by reference.

The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each prescribed proration unit, except as hereafter prescribed.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

RULE 2. The casing program of all wells hereafter drilled in said field shall consist of at least two (2) strings of pipe set in accordance with the following program:

(a) The surface casing shall be new or reconditioned pipe with a mill test of not less than seven hundred (700) pounds per square inch and shall be set at such point as is necessary in each individual case to adequately protect all underground fresh water strata but in no case shall this string be set at a depth of less than two hundred twenty (220) feet below the surface of the ground. Cementing shall be by the pump and plug method, and sufficient cement shall be used to fill the calculated annular space behind the pipe to the surface of the ground or to the bottom of the cellar. Cement shall be allowed to stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests. This string shall be tested by the application of a pump pressure of at least five hundred (500) pounds per square inch. If at the end of thirty (30) minutes the pressure shows a drop of fifty (50) pounds per square inch, or more, the casing shall be condemned. Corrective operations on condemned casing shall be made before drilling ahead, and this string shall stand the requirements of this test before compliance with the provisions of this rule shall be deemed to have been met.

(b) The producing or oil string shall be new or reconditioned pipe that is capable of withstanding a test pressure of not less than two thousand (2000) pounds per square inch and shall be set not higher than the top of the pay. Cementing shall be by the pump and plug method, and sufficient cement shall be used to fill the calculated annular space behind the pipe to a point at least six hundred (600) feet above the shoe. Cement shall be allowed to stand a minimum of sixteen (16) hours under pressure and a minimum total of twenty-four (24) hours before drilling the plug or initiating tests. After cementing and before drilling the plug, this string shall be tested by the application of a pump pressure of at least one thousand (1000) pounds per square inch. If at the end of thirty (30) minutes the pressure shows a drop of one hundred (100) pounds per square inch, or more, the casing shall be condemned. Corrective operations on condemned casing shall be made before drilling ahead, and this string shall stand the requirements of this test before compliance with the provisions of this rule shall be deemed to have been met.

The term "under pressure" as used herein is considered to be complied with if one or more float valves are found to be holding.

RULE 3. (As Amended by Order No. 8-65,510, Effective October 26, 1975.) The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as the prescribed proration unit. No proration unit shall consist of more than forty (40) acres except as hereinafter provided, and the two farthestmost points in any proration unit shall not be in excess of two thousand one hundred (2100) feet removed from each other; provided, however, that in case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage the Commission may after proper showing grant exceptions to the limitations as to the shape of proration

(KEN REGAN (DELAWARE) FIELD - Cont'd.)

units as herein contained. All proration units, however, shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned lease acreage of less than forty (40) acres, then and in such event the remaining unassigned lease acreage up to and including a total of ten (10) acres may be assigned to the last well drilled on such lease or may be distributed among any group of wells located thereon so long as the proration units resulting from the inclusion of such additional acreage meets the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form fractional units of twenty (20) acres, with the two farthestmost points of such twenty (20) acre fractional unit not greater than one thousand five hundred (1500) feet removed from each other. A well on each such fractional proration unit shall have its allowable rate reduced by multiplying the top allowable rate for a prescribed forty (40) acre unit by a fraction, the numerator of which is the amount of acreage in the fractional unit and the denominator is forty (40). The resulting number will be the allowable assignment for such fractional unit well.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

RULE 4. The daily total field oil allowable as fixed by the Commission after deductions have been made for marginal wells, high gas-oil ratio wells and wells which are incapable of producing their allowables as determined hereby, shall be distributed among the remaining producing wells in the field on the following basis:

(a) The daily acreage allowable for each well, after said deductions have been made, shall be that proportion of seventy-five (75) percent of the daily field allowable which the acreage assigned to the well bears to the remaining acreage assigned to all the wells in the field.

(b) The daily per well allowable for each well, after said deductions have been made, shall be determined by dividing twenty-five (25) percent of the total field daily allowable by the number of producing wells in the field.

(c) The total daily oil allowable for each well shall be the sum of its per well and acreage allowables.

IT IS FURTHER ORDERED That this cause be held open on the docket for such other and further orders as may be necessary.

HERMOSA FIELD
(Fusselman Rules Rescinded)
Reeves County, Texas

Special Order No. 8-65,651, Rescinding the Temporary Operating Rules Adopted for the Hermosa (Fusselman) Field, Reeves County, Texas, Effective November 1, 1975.

After due notice and hearing, the Railroad Commission of Texas heretofore adopted Special Order No. 8-63,848, effective March 4, 1974, adopting special rules to govern the drilling, completion, and operation of wells in the Hermosa (Fusselman) Field, Reeves County, Texas; and

The rules adopted in Special Order No. 8-63,848 were temporary rules subject to review by the Commission after 18 months, at which time evidence would be taken by the Commission as to whether or not said rules should be made permanent; and

At the time appointed for said review and hearing, no evidence was presented by operators in the field, and sufficient evidence does not appear in Commission files to show necessity for the continuance of special rules for this field.

NOW, THEREFORE, IT IS ORDERED By the Railroad Commission of Texas that effective November 1, 1975, the temporary field rules adopted in Special Order No. 8-63,848, issued effective March 4, 1974, for the Hermosa (Fusselman) Field, Reeves County, Texas, be and they are hereby rescinded, and the subject field shall be regulated under Statewide Rules.

(21)

M. F. 86067
WELL # 1 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED JAN 19 1984 BY cm

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

February 28, 1984

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

RE: State Lease M-86067
Arco State #1 Lease
Reeves North (3200) Field
Andrews 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: United Texas Transmission Gas Purchase Statements and BTU Statements for August, 1983 through December, 1983.

Please file these records at the earliest possible time.

Sincerely yours,

Charles Whitsel, Gas Supervisor
Resource Accounting
Telephone No. 512-475-2858
TB/jrf

4. P. M-26067

CORRESPONDENCE FILE

To

The Eastland Oil Co.

From

Dated 2-28-84

23

RETURN WHITE COPY AND
RETURN YELLOW COPY WITH
REQUESTED DOCUMENTS.

IMPORTANT:



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702



208520

✓ THE EASTLAND OIL COMPANY MIDLAND, TEXAS 79702

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

05/16/84

Rental Payment per attached Statement

~~\$16.00~~

123993

M-86067

121

6759

TOTAL AMOUNT

\$16.00

RENTAL PAYMENT

MINIMUM

CHECK NO

6759

DATE

May 16, 1984

The Eastland Oil Company
Austin, Texas 78701

has this day tendered to **Commissioner of General Lands Office**
the sum of \$ **16.00**

~~Sixteen 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 **June 1** 19 **84** to **June 1** 19 **86**
covering land described as:

Section 12: SW/4, Block 56, T-3, T&P Ry. Co. Survey
Reeves County Texas, from the surface down
to 4,050' below the surface

M-86067

LEASE NO.	FOR CREDIT OF	ACRES	COUNTY	AMOUNT
TX-97-03	Commissioner of General Lands Office	160	Reeves	\$16.00

123993**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

TS386J

1984

24 M-86067
Rental Payment
5-18-84





THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702



270.04



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702



Commissioner of General Lands
Austin, Texas 78701



THE EASTLAND OIL COMPANY MIDLAND, TEXAS 79702

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

61405

6/12/85

Minimum Royalty Payment for State Lease #M-86067

122
9
\$16.00

78300

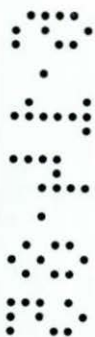
TOTAL AMOUNT

~~\$16.00~~

PLEASE DETACH STUB BEFORE DEPOSITING CHECK

(25) M-86067

Rental Payment
6-14-85



Garry Mauro
Commissioner
General Land Office



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

November 27, 1985

Eastland Oil Co.
Drawer 3488
Midland, TX 79702

ATTENTION: ACCOUNTING MANAGER

State Lease M-86067
ARCO State 1 Lease
Reeves N (3200) Field
Reeves County, Texas

Gentlemen:

Examination of Permian Oil Purchase Statements and Permian Royalty Payments for the subject lease indicates oil royalty has been underpaid \$38.28 for the period September 1984 thru July 1985.

This underpayment is the result of Permian making royalty payments based on a net value after deducting for transportation costs. In accordance with established Land Office policy, royalties due the state shall be computed on gross value and paid without deductions for production or severance taxes, or for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas, and other products produced there from ready for sale or use.

If your records show this royalty has been paid, please advise the total amount of the check and the approximate date it was mailed. If royalty has not been paid, please pay \$43.28 which includes \$38.28 additional royalty and the required statutory delinquent penalty of \$5.00. Failure to submit royalties when due for period August 1984 thru June 1985 subjects the amount owed to a statutory penalty of 1% of the amount owed for each thirty day period or fractional part thereof as provided by Section 52.131, Texas Natural Resources Code. However, no penalty may be less than five dollars (\$5.00).

Eastland Oil Co.
November 27, 1985
Page 2

Failure to submit royalties when due for July 1985 and thereafter subjects the amount owed to a 5% penalty for the first 30 days after due date, and an additional 5% penalty beginning on the 31st day after due date. Minimum penalty shall be \$25.00. Interest at 12% begins to accrue on the 61st day. New penalty and interest are in accordance with Revision to Section 52.131 Texas Natural Resources Code, effective September 1, 1985.

Payment should be received in this office no later than December 27, 1985.

If you have any questions, please feel free to contact me or Tracey Howard at (512) 475-2858.

Sincerely


Peter Brady,
Supervisor
Energy Resources/Royalty Audit

Attachment:

PB/TH/rgg

CORRESPONDENCE FILE

TO Assistant Manager

FROM Godwin D. Bradley

DATED 11-27-85

INDEX # 26

LEASE NUMBER: 86067

OPERATOR: EASTLAND OIL CO.

	MONTH / YEAR	GROSS VALUE OF OWNER'S INTEREST *	NET VALUE OF OWNER'S INTEREST *	ADDITIONAL ROYALTY VALUE DUE	PENALTY @ 1% PER 30 DAY PERIOD OR FRACTIONAL PART	TOTAL DUE
1	9/84					
2	10/84					
3	11/84	56236	54453	1783		
4	12/84	0	0	0		
5	1/85					
6	2/85					
7	3/85					
8	4/85					
9	5/85	0	0	0		
10	6/85	52329	50284	2045		
11	7/85	0	0	0		
12		108565	104737	3828 *	500	4328
13						
14						
15	* MINIMUM APPLIED 9-84 TO 6-85					
16						
17						
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20						
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40						

File No. 86067
transp request Hr

(26)

Date Filed: 11-27-1985

Jerry E. Patterson, Commissioner

By _____

✓
THE EASTLAND OIL COMPANY

MIDLAND, TEXAS 79702

423.88

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING

INVOICE #	INV. DATE	VOUCHER	INV. AMOUNT	DISCOUNT	NET
M-86067	04/18/86	601004	16.00		16.00

(121)

48086

VENDOR # C0597 CHECK: 14454 04/21/86

TOTAL AMOUNT

X

\$16.00

42308

THE EASTLAND OIL COMPANY
MINIMUM ROYALTY PAYMENT

CHECK NO. 14454

DATE: April 21, 1986

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of MINIMUM ROYALTY under oil and gas lease of lands in the state of Texas for the period from June 1, 1986 to June 1, 1987 covering lands described as:

Section 12: SW/4, Block 56, T-3, T&P Ry. Co. Survey
Reeves County, Texas, from the surface
down to 4,050' below the surface

Lease No.	For Credit of:	Acres	County	Amount
TX97-03	State Lease #M-86067	160	Reeves	\$16.00

48086

Please sign, date and return one copy as receipt of payment.

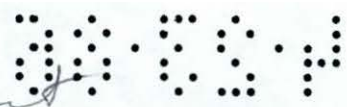
Received By _____

Date _____

RETURN TO:

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

28 M-86067
rental payment
4-23-86



[Faint, illegible text throughout the page, likely bleed-through from the reverse side.]



June 6, 1986

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

Re: State Lease M-86067
SW/4 section 12, Block 56,
Arco State #1 Lease
Reeves County, Texas

Gentlemen:

Examination of your Gas Reports (Form MA-2) and your royalty payments received for the subject lease indicates for the period January, 1983 through July, 1985 gas royalty has been underpaid \$2,333.30. (See Attached Schedule.)

Examination of the Gas Purchase Contract between Eastland Oil Company (Seller) and United Texas Transmission Company (Buyer) dated August 17, 1982 indicates tax reimbursement is to be paid by the purchaser to the producer. Royalty is due on this tax reimbursement.

If you concur with our findings, please forward a check for \$2,932.32 by 7/5/86 to pay the \$2,333.30 additional royalty and the required statutory delinquency penalty of \$599.02 as provided by Sec. 52.131, Texas Natural Resources Code. The delinquency is computed for the period March 16, 1983 through June 6, 1986. If you do not concur, please explain.

Sincerely yours,

Billy Lancaster
Billy Lancaster
Audit Manager
Energy Resources/Field Audit

BL/KM:cc

Attachment

preceding the sixtieth (60th) day prior to the beginning of the pricing period under consideration, there shall be selected for use in calculating the price hereunder the two (2) most recent contracts entered into prior to said twelve (12) months meeting all the qualifications set forth herein other than the date entered into and the date deliveries of gas commenced thereunder, and the arithmetical average unit price of such contracts determined in the manner provided above shall be the prevailing price for such pricing period.

In the event the prevailing price has not been agreed upon by the beginning of the pricing period under consideration, then Buyer shall, until such prevailing price has been determined, pay to Seller for gas delivered hereunder during such period the same price per MMBtu as was paid for gas delivered hereunder during the immediately preceding pricing period. After such applicable prevailing price has been determined, retroactive adjustment, if any shall then be due, shall be made between the price per MMBtu theretofore paid for gas delivered during the period when no applicable prevailing price had been determined and the price so determined to be applicable for gas delivered during the pricing period in question.

D. Tax Reimbursement

During the period in which the contract price provided in Section

A. above is the price payable hereunder, Buyer agrees to reimburse Seller for one hundred percent (100%) of all Taxes per Mcf paid by Seller with respect to gas sold hereunder.

During each period in which the prevailing price pursuant to Section B. and Section C. above is the price payable hereunder, Buyer agrees to reimburse Seller for one hundred percent (100%) of that

portion of the Taxes per Mcf paid by Seller with respect to gas sold hereunder which shall be in excess of the total amount of the Taxes per Mcf which would have been payable by Seller if such sale of gas had been made on the day on which such pricing period begins at the price per Mcf paid when the sale actually occurred.

E. Alternate Price

Notwithstanding any other provision of this Contract to the contrary, in the event that Buyer, in its sole discretion, concludes that at any time and from time to time the total price per MMBtu (including permitted reimbursements and adjustments, if any) then being paid (or to be paid) for all or any portion of the gas covered hereunder is higher than the price Buyer is willing to pay for such gas, then Buyer may, at its option and upon written notice to Seller, elect not to pay such price for such gas, in which event, Buyer shall notify Seller in writing of the total price per MMBtu (including permitted adjustments and reimbursements, if any) which Buyer is willing to pay. If the price Buyer is willing to pay is not acceptable to Seller, Seller may, at its option and upon thirty (30) days prior written notice to Buyer, given within sixty (60) days after receipt of Buyer's notice, request that such gas be released from the terms and provisions of this Contract. The price to be paid for such gas purchased hereunder during the period in which Buyer is not willing to pay the otherwise applicable price as hereinabove provided, or during that portion of such period until the gas is released from this Contract, shall be the price stipulated by Buyer to Seller.

THE EASTLAND OIL COMPANY
 ARCO STATE LEASE # 1
 GENERAL LAND OFFICE LEASE # 86067

W. P. No.	
ACCOUNTANT	KM
DATE	6/3/86

PRODUCTION MONTH/YEAR	SALES VOLUME	SALES VALUE	TAX REIMBURSEMENT VALUE	ADDITIONAL ROYALTY DUE ON TAX REIMBURSEMENT	PENALTY @ 1% PER 30 DAY PERIOD @ .125 OF FRACTIONAL PART
1 / 83	3223	8773 01	575 73	71 97	28 79
2 / 83	3969	10843 31	711 59	88 95	34 69
3 / 83	4183	11469 79	752 71	94 09	35 75
4 / 83	4007	11027 26	723 66	90 46	33 47
5 / 83	4071	11256 31	738 70	92 34	33 24
6 / 83	4218	11717 60	768 97	96 12	33 64
7 / 83	4065	11349 48	744 81	93 10	31 65
8 / 83	3991	11186 77	734 13	91 77	30 28
9 / 83	3925	11078 61	727 03	90 88	28 17
10 / 83	2073	5856 22	384 31	48 04	14 41
11 / 83	1522	4311 83	282 96	35 37	10 26
12 / 83	1319	3747 28	245 92	30 74	8 61
1 / 84	4409	12561 24	824 33	103 04	27 82
2 / 84	4580	12122 61	795 55	99 44	25 85
3 / 84	5474	14488 24	950 79	118 85	29 71
4 / 84	3089	8103 68	531 80	66 47	15 95
5 / 84	3363	8864 87	581 76	72 72	16 73
6 / 84	5109	13439 22	881 95	110 24	24 25
7 / 84	5569	14621 62	959 54	119 94	25 19
8 / 84	5021	13198 29	866 14	108 27	21 65
9 / 84	3502	9205 46	604 11	75 51	14 35
10 / 84	4864	12821 50	841 41	105 18	18 93
11 / 84	2456	6443 07	422 83	52 85	8 98
12 / 84	2083	5480 79	359 68	44 96	7 19
1 / 85	1808	4872 19	319 74	39 97	6 00
2 / 85	1396	3774 78	247 72	30 96	4 33
3 / 85		9322 00	546 13	68 27	8 87
4 / 85	1952	5360 00	351 75	43 97	5 28
5 / 85	2570	6787 34	445 42	55 68	6 12
6 / 85	2223	5878 06	385 75	48 22	4 82
7 / 85	2112	5477 54	359 46	44 93	4 04
TOTALS		284439 97	18666 38	2333 30	599 02

ADDITIONAL ROYALTY DUE	2333 30
PENALTY	599 02
<u>TOTAL DUE</u>	<u>2932 32</u>

(29) Letter to Eastland Oil Co.
dated 6-6-86

GENERAL LAND OFFICE LEASE NUMBER M- 86067

Operator The EASTLAND OIL CO.

Lease Name ARCO STATE Field Reeves, N. (3200)

Description of Lease:

Area _____ Tract 3

Part SW 1/4 Section 12 Block 56

Grantee J+P RR Co. Acres 160 County Reeves

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

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 243

Barrels Liquid .83 Date Shut-in November 8, 1986

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

Barrels Liquid _____ Date Shut-in _____, 19

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? yes
If not, explain under Remarks.

2. Name of nearest purchaser UNITED TEXAS TRANSMISSION CO.

3. Distance to nearest Gas Pipe Line 2000' Price per MCF being offered \$1.42

4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? NO

5. Is there a well that is draining this lease, but further than 1000'? NO

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

Lease _____ Date of first production _____

Remarks: PLEASE EXPLAIN WHY WELL IS SHUT IN:

*The Company with Compressor that was compressing
was for us shut down operations.*

*Reg 22956
1-7-87
\$600.00*

I certify that this statement is true and correct.

G.L.O. use only

By: Travis Reed - Title _____

Sworn and subscribed to before me, the undersigned
authority, on this 26 day of January, 1987

Sandra K. Paxton Sandra K. Paxton
Notary Public in and for

MIDLAND County, State of TEXAS

GLO-RA-92(5-84)

Receiving Stamp

M.F. No. _____
Affidavit and

Shut-in Gas Royalty Payment

For _____ 19 / _____ 19

Commissioner

Filed by _____
Clerk

G.L.O. use only:

M- _____

Has lease been amended? _____

Electric or Radio Active Logs filed? _____

Potential Test (RRC Form GWT-1 received? _____

Primary Term Expired _____, 19 _____

Acres _____ Rental \$ _____ Twice Rental \$ _____

Checked by _____ Audited by _____

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

THE EASTLAND OIL COMPANY MIDLAND, TEXAS 79702

OUR REF. NO.	YOUR INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
••••• ••••• ••••• ••••• •••••	SHUT-IN ROYALTY PAYMENT LEASE #M-86067 TX97-3			121	X	\$600.00 87022956

PLEASE DETACH STUB BEFORE DEPOSITING CHECK

THE EASTLAND OIL COMPANY
SHUT-IN ROYALTY PAYMENT

CHECK NO. 100822
DATE: 1-06-87

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$600.00 (Six hundred and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of SHUT-IN ROYALTY under oil and gas lease of lands in the state of Texas for the period from November 8, 1986 to November 8, 1987 covering lands described as:

Section 12: SW/4, Block 56, T-3, T&P Ry. Co. Survey
Reeves County, Texas, from the surface
down to 4,050' below the surface

Lease No.	For Credit of:	Acres	County	Amount
TX97-3	State Lease #M-86067	160	Reeves	\$600.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____

RETURN TO:

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

121

X-600.00

87022956

Garry Mauro
Commissioner
General Land Office



January 14, 1987

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

ATTENTION: Land Dept.

RE: State Lease M-86067
Arco State Lease
Reeves County

Dear Sirs:

This will acknowledge receipt of your \$600.00 check for shut-in gas royalty for the above lease.

Please complete and return one copy of the enclosed shut-in gas affidavits within 30 days.

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

Sincerely,

A handwritten signature in cursive script that reads "Carl Liberty".

Carl Liberty, Supervisor
Revenue Processing
(512) 463-5141

DLM/ma

Enclosures

Shut-in gas affidavits



THE EASTLAND OIL COMPANY

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

122

26 January 1987

General Land Office
Attention: Carl Liberty
Austion, Texas 78701

RE: State Lease M-86067
Arco State Lease
Reeves County, Texas

Gentlemen:

Enclosed is the completed Shut-in Affidavit as requested.
If there is anything further, please advise.

Yours truly,

Robert R. Donnelly

(30)

M. F. 86067
CORRESPONDENCE FILE
TO

Eustland Corp

FROM

DATED 12-1-86 512-1-87





THE EASTLAND OIL COMPANY

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

May 11, 1987

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

Attn: Carl Mullen

Re: Arco State #1
State Lease # 86067

Dear Sirs:

Per your request for information on the above referenced state lease, please find the following:

- | | |
|-------------------|--|
| 1. Current lessee | The Eastland Oil Company
P.O. Drawer 3488
Midland, Texas 79702 |
| 2. Surface Owner | Arco Oil & Gas Company
P.O. Box 85063
Dallas, Texas 75285 |
| 3. Division Order | See attached |

Let me know if you need anything else.

Sincerely,

THE EASTLAND OIL COMPANY

Mark H. Ingram

enc:
MHI/bh

THE PERMIAN CORPORATION

DIVISION ORDER

Lease No. 482523

September 2, 19 83

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 Company - Arco State #1

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

SW/4 of Section 12, Block 56, Township 3, T&P Railway Company Survey, Reeves County, Texas; covering horizons to a depth of 4050 feet beneath the surface.

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

CREDIT TO	DIVISION OF INTEREST	POST OFFICE ADDRESS
<u>Royalty Interests</u>		
The State of Texas	1/2 of 1/4 R.I. (.1250000)	
Atlantic Richfield Company	1/2 of 1/4 R.I. (.1250000)	
<u>Working Interests</u>		
George A. Donnelly, Jr.	25% of 3/4 W.I. (.1875000)	
Jim E. Bagwell	5% of 3/4 W.I. (.0375000)	
William R. Laws	17.5% of 3/4 W.I. (.1312500)	
Peggy D. McConnell	12.5% of 3/4 W.I. (.0937500)	
John D. Platt	5.0% of 3/4 W.I. (.0375000)	
R. D. Partnership	12.5% of 3/4 W.I. (.0937500)	
Dan L. Raffensperger	12.5% of 3/4 W.I. (.0937500)	
Dan Walker	10.0% of 3/4 W.I. (.0750000)	

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 INDICIATE YOUR SOCIAL SECURITY OR IDENTIFICATION NUMBER BELOW:

462-09-5878

WITNESS OF SIGNATURES

Eugene J. Pagan
Rene Rodriguez

OWNERS SIGN BELOW

George A. Pannell, Jr.
20 R. Lane Soc. 32-5961

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

TOTAL RAL LEASES BY PAYING COMPANY

COMPANY NAME: EASTLAND OIL CO
ADDRESS : Dr. 3488, Midland, Texas 79702

COMPANY TAXID: 1750955284400

00000

CONTACT PERSON: Mark H. Ingram
PHONE NUMBER: (915) 683-6293

RAL LEASES

LEASE NUMBER	COMPANY LEASE NAME
--------------	--------------------

MFD86067	ARCO STATE
----------	------------



2007

(21)

ME# 86067
DIVISION ORROR
10/28/88

THE EASTLAND OIL COMPANY
MIDLAND, TEXAS 79702



VENDOR
152750

CHECK DATE
04/25/89

004352

INVOICE
NUMBER

INVOICE
DATE

DISCOUNT
TAKEN

AMOUNT
PAID

8067

03/31/89

389028

0.00

16.00

Total:

0.00

~~16.00~~

89044280

121



THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO. 4352
DATE: 4-25-89

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1989 to June 1, 1990 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co. Survey, Reeves County, Texas, from the surface down to 4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

89044280

Received By _____

Date _____

RETURN TO:

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

(32) M-86067
Rental Payment
4-29-89



88044380

✓ THE EASTLAND OIL COMPANY

MIDLAND, TEXAS 79702

VENDOR

152750

CHECK DATE

05/25/90

05960

INVOICE
NUMBER

INVOICE
DATE

DISCOUNT
TAKEN

AMOUNT
PAID

490

04/30/90

5900001

0.00

238.01

86067

05/25/90

4900024

0.00

16.00

Total:

0.00

254.01

122

~~90048539~~

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO. 05960
DATE: 5-25-90

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1990 to June 1, 1991 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co. Survey,
Reeves County, Texas, from the surface down to 4,050' below
the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____

RETURN TO:

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

(33) M-86067
New York City
5-30-90

(33) M-86067
New York City
5-30-90

THE EASTLAND OIL COMPANY
MIDLAND, TEXAS 79702

VENDOR
152750

CHECK DATE
05/10/91

007580

INVOICE
NUMBER

INVOICE
DATE

DISCOUNT
TAKEN

AMOUNT
PAID

M-86067

05/01/91

4910018

0.00

16.00

Total:

0.00

16.00

91047166

RECEIVED

MAY 14 91

ENERGY RESOURCES

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 7580
DATE: 5-10-91

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1991 to June 1, 1992 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co.
Survey, Reeves County, Texas, from the surface
down to 4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____

RETURN TO:

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

34
M-86067
Pencil fragment
5-13-91

A 4x4 grid of dots forming a stylized letter 'A'. The top row has dots at (1,1), (1,3), (1,4), (2,1), (2,2), (2,3), (2,4), (3,1), (3,2), (3,3), (3,4), and (4,1), (4,2), (4,3), (4,4). The letter 'A' is formed by the dots in the first three columns.

✓ THE EASTLAND OIL COMPANY
MIDLAND, TEXAS 79702

VENDOR

152750

CHECK DATE

05/10/92

121 ~~2~~

009302

INVOICE
NUMBER

INVOICE
DATE

4920051

DISCOUNT
TAKEN

AMOUNT
PAID

M-86067

04/30/92

0.00

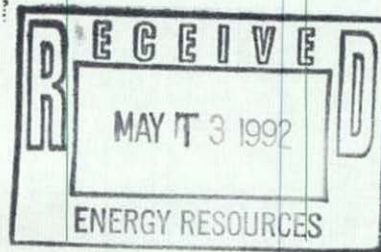
16.00

Total:

0.00

16.00

~~92047240~~



THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 9302
DATE: 5-11-92

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1992 to June 1, 1993 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co.
Survey, Reeves County, Texas, from the surface
down to 4,050' below the surface

92047240

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____

RETURN TO:

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

(35) M-86067
Rental Payment
5-13-92



02571038

✓ THE EASTLAND OIL COMPANY
MIDLAND, TEXAS 79702

VENDOR
152750

CHECK DATE
05/10/93

010869

INVOICE NUMBER	INVOICE DATE		DISCOUNT TAKEN	AMOUNT PAID
M-86067	04/30/93	4930028	0.00	16.00
		Total:	0.00	16.00
				93054295

121.

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 10869
DATE: 5-10-93

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1993 to June 1, 1994 covering lands described as:

Section 12, SW/4, Block 56, T-3-S,
T&P Ry. Co. Survey, Reeves County,
Texas, from the surface down to
4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00 93054295

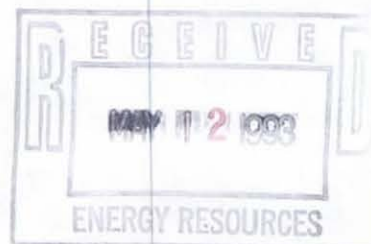
Please sign, date and return one copy as receipt of payment.

Received By _____

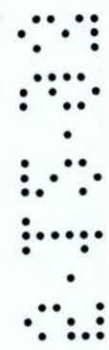
Date _____

RETURN TO:

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



(36) M-86067
Lental Payment
5-12-93



20020202

20020202

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO:

DATE:

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1994 to June 1, 1995 covering lands described as:

Section 12, SW/4, Block 56, T-3-S,
T&P Ry. Co. Survey, Reeves County,
Texas, from the surface down to
4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

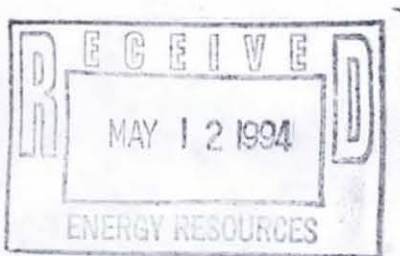
Received By _____

Date _____

94054237

RETURN TO:

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



✓ THE EASTLAND OIL COMPANY
MIDLAND, TEXAS 79702

VENDOR
152750

CHECK DATE
05/10/94

012346

INVOICE
NUMBER

INVOICE
DATE

DISCOUNT
TAKEN

AMOUNT
PAID

M-86067A

04/27/94

4940040

0.00

16.00

Total:

0.00

16.00

~~94054237~~

121



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488 • MIDLAND, TEXAS 79702
TELEPHONE: (915) 683-6293 • FAX: (915) 683-6295

23 May 1994

Texas General Land Office
1700 North Congress Avenue
Austin, TX 78701-1495

Attention: Laura Leal
Accounts Examiner
Royalty Management and Compliance
Energy Resources

RE: MF-86067 (TX 97-03)

Dear Ms. Leal:

Thank you for your letter of 17 May 1994. We do wish to request a refund of all the delay rentals paid on the above captioned lease since 1985. I am enclosing a copy of your recent letter, in addition to copies of the rentals paid in the past, since 1985.

The total of the enclosed delay rentals paid since September of 1985 is \$112.00. If you need additional information please advise.

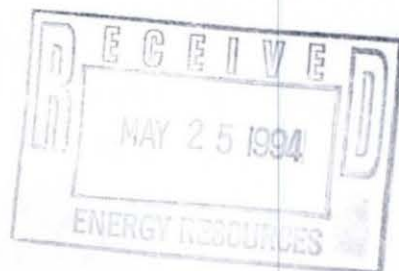
Yours truly,

THE EASTLAND OIL COMPANY

Beverly Thompson
Production Clerk

bt

Enclosures





Texas General Land Office
Garry Mauro, Commissioner

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

May 17, 1994

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

Re: MF-86067 (TX 97-03)

Dear Sir or Madam:

We have received your rental payment(s) for the above referenced leases. The payment(s) appear(s) to be \$.10 per acre production rental payments.

The Texas Natural Resources Code, Section 52.172, which required an annual production rental of \$.10 per acre to be paid after production is secured on lands subject to the Relinquishment Act, was amended. Effective September 1, 1985, this production rental is no longer due. Enclosed for your records are copies of Section 52.172 before and after the 1985 amendment.

If you make a written request for a refund of all \$.10 per acre payment(s) from September 1, 1985 to present, we will process a refund. Please make this request within 30 days of receipt of this letter.

If you should have any questions, please feel free to call me at (512) 475-1540.

Sincerely,

Laura Leal
Accounts Examiner
Royalty Management and Compliance
Energy Resources

LL:mrg

cc: Jeff Dusenbury, Manager
Royalty and Revenue Reporting, Energy Resources

Enclosures

Copy

RECEIVED MAY 20 1994

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO. 2506

DATE: 5-10-88

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the Period from June 1, 1988 to June 1, 1989 covering lands described as:

Sec. 12, SW/4, Blk 56, T-3, T&P Ry. Co. Survey
Reeves County, Texas, from the surface down to
4,050' below the surface

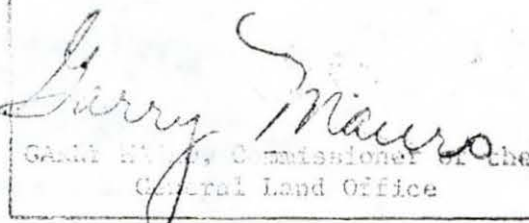
Lease No.	For Credit of:	Acres	County	Amount
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By

Date

RETURN TO:

Receipt is acknowledged of your payment as of the date shown on the receiving stamp.	THE EASTLAND OIL COMPANY P. O. DRAWER 3488 MIDLAND, TEXAS 79702
 Larry Mauro, Commissioner of the General Land Office	

RECEIVED MAY 17 1988

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO. ⁴³⁵²~~4352~~

DATE: ⁴⁻²⁵⁻⁸⁹

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1989 to June 1, 1990 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co. Survey, Reeves County, Texas, from the surface down to 4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By

Date

FILE COPY

RETURN TO:

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

FILE COPY

RECEIVED JUN 25 1990

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO. 05960
DATE: 5-25-90

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1990 to June 1, 1991 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co. Survey,
Reeves County, Texas, from the surface down to 4,050' below
the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By

Date

Receipt is acknowledged of your
payment as of the date shown on
the receiving stamp.

Garry Mauro
GARRY MAURO, Commissioner of the
General Land Office

RETURN TO:

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

97-03
RECEIVED MAY 17 1991

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 7580
DATE: 5-10-91

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1991 to June 1, 1992 covering lands described as:

Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co.
Survey, Reeves County, Texas, from the surface
down to 4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By

Receipt is acknowledged of your
payment as of the date shown on
the receiving stamp.

Date

Garry Mauro
GARRY MAURO, Commissioner of
General Land Office

RETURN TO:

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

Arco State #1

RECEIVED MAY 18 1992

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 9302

DATE: 5-11-92

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1992 to June 1, 1993 covering lands described as:

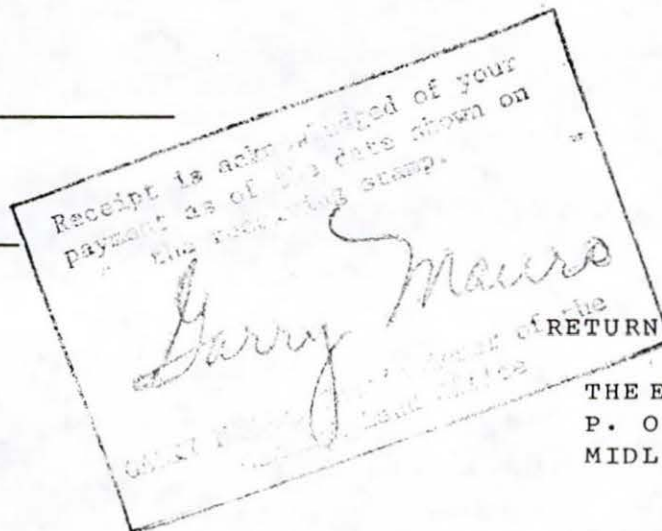
Section 12, SW/4, Block 56, T-3-S, T&P Ry. Co.
Survey, Reeves County, Texas, from the surface
down to 4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____



RETURN TO:

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

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 10869
DATE: 5-10-93

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1993 to June 1, 1994 covering lands described as:

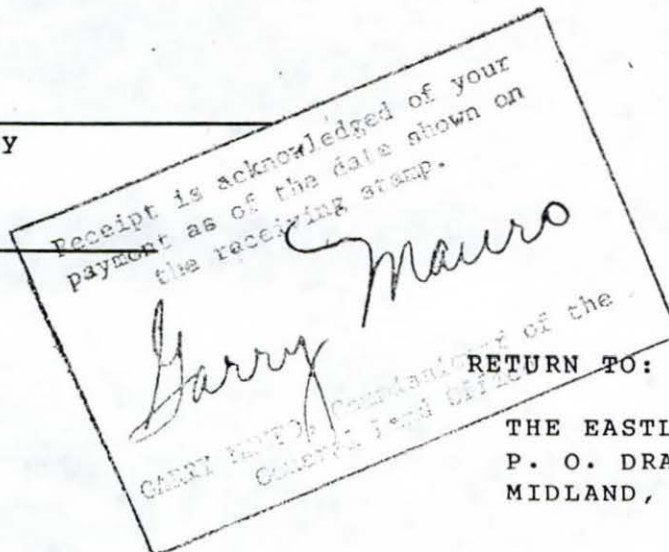
Section 12, SW/4, Block 56, T-3-S,
T&P Ry. Co. Survey, Reeves County,
Texas, from the surface down to
4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By

Date



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

RECEIVED MAY 17 1993

THE EASTLAND OIL COMPANY
RENTAL PAYMENT

CHECK NO: 012346

DATE: 5-10-94

The Eastland Oil Company has this day tendered to Commissioner of General Lands, Austin, Texas 78701, the Sum of \$16.00 (Sixteen Dollars and No/100), to be deposited for the credit of persons named below in the amounts stated, in payment of DELAY RENTALS under oil and gas lease of lands in the state of Texas for the period from June 1, 1994 to June 1, 1995 covering lands described as:

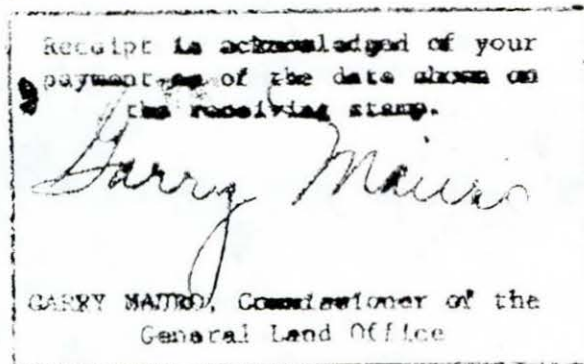
Section 12, SW/4, Block 56, T-3-S,
T&P Ry. Co. Survey, Reeves County,
Texas, from the surface down to
4,050' below the surface

LEASE NO.	FOR CREDIT OF:	ACRES	COUNTY	AMOUNT
TX97-03	State of Texas Lease #M-86067	160	Reeves	\$16.00

Please sign, date and return one copy as receipt of payment.

Received By _____

Date _____



RETURN TO:

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

M-86067 (37)
Ltr (referred reg)
5.12.94



THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702

23 MAY
1994

MAY 23 '94

0.52

MIDLAND TEXAS 79702 05/23/94 21:50

OFF

TEXAS GENERAL LAND OFFICE
1700 NORTH CONGRESS AVENUE
AUSTIN, TX 78701-1495

ATTENTION: LAURA LEAL
ACCOUNTS EXAMINER
ROYALTY MANAGEMENT & COMPLIANCE
ENERGY RESOURCES

Shut-In Affidavit

Enter appropriate comments, if any, and initial.
Pass to next department:

INITIAL:

DATE:

Affidavit Auditor

REW 3 04 01

Comments: _____

Mineral Leasing

REW 03 12 01

Comments: _____

Legal-Energy

_____ 1 1

Comments: _____

GENERAL LAND OFFICE LEASE NUMBER M- 86067Operator The Eastland Oil CompanyLease Name Arco State Field Reeves, N. (3200)

Description of Lease:

Area _____ Tract 3Part SW/4 Section 12 Block 56Grantee T & P RR Co. Acres 160 County Reeves

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

Well # 1 Number Gas Zones Completed 1 Potential MCF/day 243 ^{12-15 MCF/day}
Barrels Liquid .83 ^{.42} Date Shut-in November 1, 20 00

Well # _____ Number Gas Zones Completed _____ Potential MCF/day _____
Barrels Liquid _____ Date Shut-in _____, 20____

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? yes
If not, explain under Remarks.

2. Name of nearest purchaser Hopgas, L.L.C.

3. Distance to nearest Gas Pipe Line 2000' Price per MCF being offered _____

4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No

5. Is there a well that is draining this lease, but further than 1000'? No

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

Lease _____ Date of first production _____

Remarks: PLEASE EXPLAIN WHY WELL IS SHUT-IN:

Hopgas, L.L.C. is underpaying the contract price and not giving full volume according to the charts. We have attempted to get resolution for 6 months and have been unable.

I certify that this statement is true and correct.

G.L.O. use only

By: Robert P. Doanely Title President

Sworn and subscribed to before me, the undersigned authority, on this 7th day of December, 2000

Notary Public

a MARGARET A. FOUTCH

MY COMMISSION EXPIRES

February 16, 2002

County, State of Texas

Receiving Stamp

THE EASTLAND OIL COMPANY
P.O. BOX 3488 MIDLAND, TEXAS 79702 (915)683-6293

THE ATTACHED CHECK CONSTITUTES
PAYMENT IN FULL FOR THE FOLLOWING:

INVOICE #	INV DATE	VOUCHER	INV AMOUNT	DISCOUNT	NET
TX97-3	11/30/2000	1950	600.00		600.00

12.15.00

RECEIVED

00 DEC 18 PM 2:47

ENERGY RESOURCES

~~121~~

01017774

VENDOR # CO597 CHECK: 29613 12/11/2000

600.00

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

File No. 86067

③

Shurtz M. Affidavit

Date Filed: 12/15/2000

By David Dewhurst, Commissioner
Sandra Johnson

8
6
0
6
7

EASTLAND

THE EASTLAND OIL COMPANY

P.O. DRAWER 3488

MIDLAND, TEXAS 79702



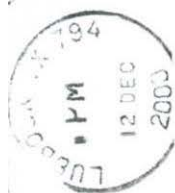
HAPPY HOLIDAYS! 797 12/11/97 20:46

2

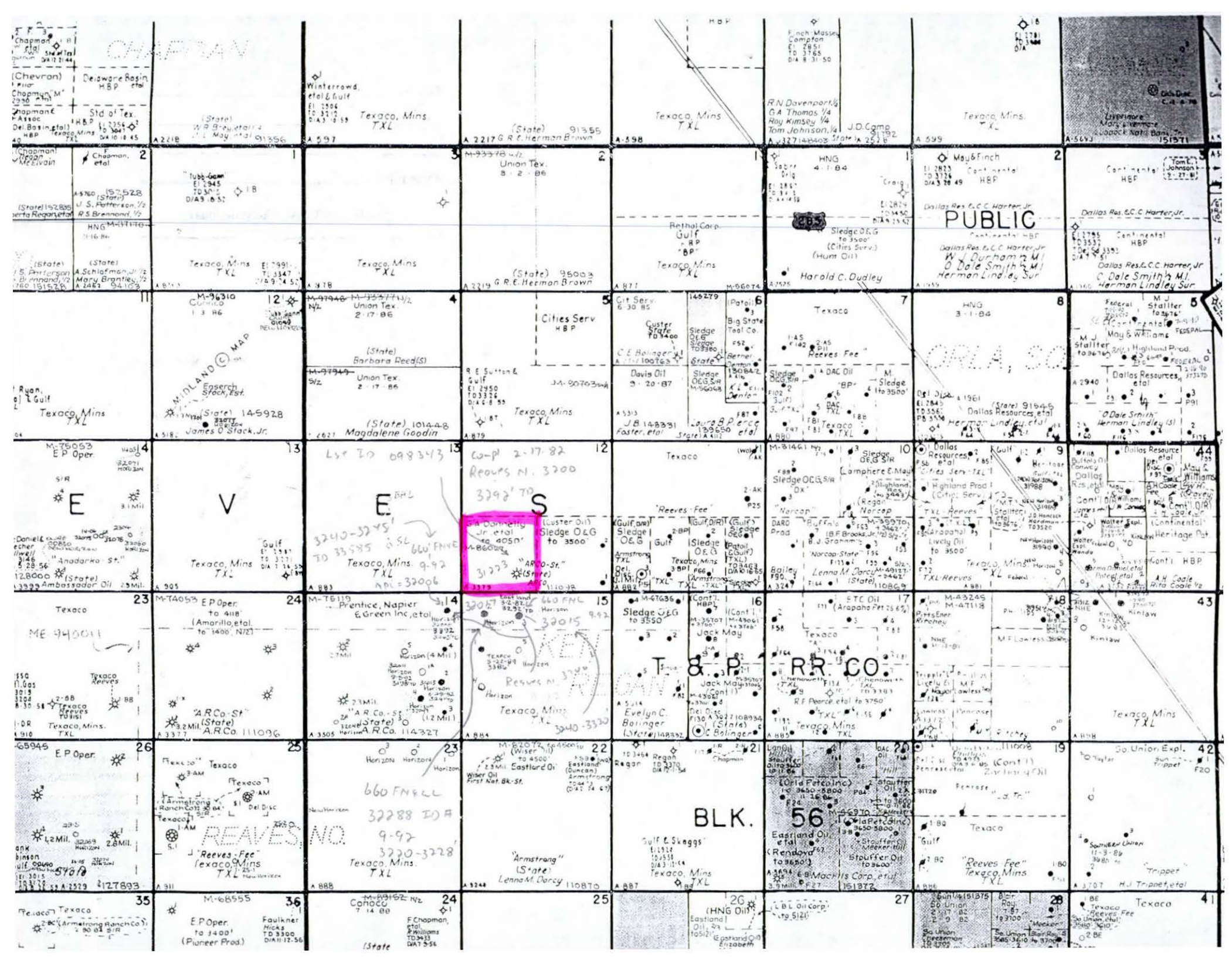
00 51 21

78701-1436 71





12 23



File No. M-86067
Shut-In Affidavit

Date Filed: 12/15/00

by David Dewhurst, Commissioner
[Signature]

88

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:

SLEDGE BROS OIL CO.
PO BOX 953
MIDLAND, TX
99702-0953

2. Article Number
(Transfer from service label)

7005 1820 0003 1756 7309

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

☒ Agent☐ Addressee

C. Date of Delivery

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

MF-086067
082072
067636

043061

~~531461~~
(Lynn)

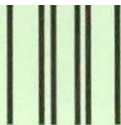
3. Service Type

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

4. Restricted Delivery? (Extra Fee)

☐ Yes

UNITED STATES POSTAL SERVICE



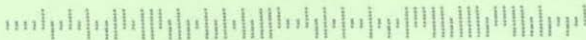
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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

21510



Texas General Land Office
Jerry Patterson, Commissioner
P.O. Box 12873
Austin, Texas 78711-2873





Texas General Land Office Reconciliation Billing

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
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
Amt. Paid						

Customer ID: C000035693

Invoice Number:

GLO Lease: MF043061

GLO Review: SLEDGE BROS. OIL CO.

Review Period JULY 2011 THROUGH DEC 2012

Auditor/AE: LBUENTGE

Billing Date: 4/11/2014

&I Calculation Date: 4/30/2014

Royalty Rate: 6.25%

Month / Year	RRC Number	(1) Gas Volume	(2) Tract Participation Rate	(3) Price	(4) BTU	(5) Gross Value (1)x(2)x(3)x(4)	(6) Royalty Due (5) * Royalty Rate	(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 (8)+(11)+(12)
Jul-11	08-03170	162	1	4.37	1.00	\$707.94	\$44.25	\$39.05	\$5.20	958	4.250000%	\$0.00	\$0.54	\$5.74
Aug-11	08-03170	89	1	4.38	1.00	\$389.82	\$24.36	\$21.88	\$2.48	928	4.250000%	\$0.00	\$0.25	\$2.73
Sep-11	08-03170	88	1	3.95	1.00	\$347.60	\$21.73	\$19.01	\$2.72	897	4.250000%	\$0.00	\$0.27	\$2.99
Oct-11	08-03170	36	1	3.73	1.00	\$134.28	\$8.39	\$7.34	\$1.05	867	4.250000%	\$0.00	\$0.10	\$1.15
Nov-11	08-03170	21	1	3.45	1.00	\$72.45	\$4.53	\$4.03	\$0.50	836	4.250000%	\$0.00	\$0.05	\$0.55
Dec-11	08-03170	36	1	3.28	1.00	\$118.08	\$7.38	\$20.47	-\$13.09	805	4.250000%	\$0.00	\$0.00	-\$13.09
Jan-12	08-03170	107	1	3.04	1.00	\$325.28	\$20.33	\$17.45	\$2.88	776	4.250000%	\$0.00	\$0.24	\$3.12
Feb-12	08-03170	121	1	2.57	1.00	\$310.97	\$19.44	\$18.67	\$0.77	745	4.250000%	\$0.00	\$0.06	\$0.83
Mar-12	08-03170	172	1	2.35	1.00	\$404.20	\$25.26	\$23.25	\$2.01	715	4.250000%	\$0.00	\$0.15	\$2.16
Apr-12	08-03170	100	1	2.11	1.00	\$211.00	\$13.19	\$0.00	\$13.19	684	4.250000%	\$25.00	\$0.96	\$39.15
May-12	08-03170	68	1	1.96	1.00	\$133.28	\$8.33	\$0.00	\$8.33	654	4.250000%	\$0.00	\$0.58	\$8.91
Jun-12	08-03170	52	1	2.44	1.00	\$126.88	\$7.93	\$0.00	\$7.93	623	4.250000%	\$0.00	\$0.52	\$8.45
Jul-12	08-03170	113	1	2.77	1.00	\$313.01	\$19.56	\$16.83	\$2.73	592	4.250000%	\$0.00	\$0.17	\$2.90
Aug-12	08-03170	56	1	3.12	1.00	\$174.72	\$10.92	\$9.42	\$1.50	562	4.250000%	\$0.00	\$0.09	\$1.59
Sep-12	08-03170	74	1	2.62	1.00	\$193.88	\$12.12	\$10.70	\$1.42	531	4.250000%	\$0.00	\$0.08	\$1.50
Oct-12	08-03170	32	1	2.97	1.00	\$95.04	\$5.94	\$0.00	\$5.94	501	4.250000%	\$0.00	\$0.31	\$6.25
Nov-12	08-03170	209	1	3.37	1.00	\$704.33	\$44.02	\$0.00	\$44.02	470	4.250000%	\$25.00	\$2.11	\$71.13
Dec-12	08-03170	225	1	3.70	1.00	\$832.50	\$52.03	\$0.00	\$52.03	439	4.250000%	\$25.00	\$2.30	\$79.33
TOTALS		1,761				\$5,595.26	\$349.71	\$208.10	\$141.61			\$75.00	\$8.78	\$225.39

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 AND UNDER PAID TO GLO DURING 7/2011-12/2012.

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 NECESSRY ACTION.

COLUMN (1) VOLUME: REPRESENTS THE GAS VOLUMES HAVE NOT BEEN REPORTED AND UNDER PAID TO GLO COMPARED TO THEH VOLUME REPORTED TO THE RAILROAD COMMISSION FOR WELL # 08-03170.

COLUMN (3) PRICE: TAKEN FROM NATURAL GAS MARKET PRICES BY TEXAS REGIONS DUE TO GLO REPORT IS NOT AVAILABLE.

COLUMN (4) BTU: TAKEN FROM NATURAL GAS MARKET PRICES BY TEXAS REGIONS DUE TO 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

(39)

File No. MF 086067

Reconciliation Billing

Date Filed: 5/5/14

Jerry E. Patterson, Commissioner

By Nayda Ramirez

DIVISION ORDER

MF111079
MF086067



bhpbilliton
resourcing the future

Date: 7/19/2016

To: BHP Billiton Petroleum
Land Administration
P O Box 22719
Houston, TX 77227-9927
(877) 311- 1443

Issue Date: 7/19/2016
Property Name: STATE APACHE 56-57-T3 1202H
Property #: P1M790/00501
Production: ALL PRODUCTS
Operator: BHP BILLITON PETROLEUM (TXLA OPERATING)
Legal Description: T&P RR CO ABST/ID# 3379 Grantee C.H. ROSS Twsp T3 Blk 56 Sec 12 REEVES
COUNTY/PARISH, TEXAS (644.480 ACRES)

CREDIT TO

Owner # 80113945
STATE OF TEXAS GLO
1700 N CONGRESS AVE NO 640
AUSTIN TX 78701-1495

Decimal	Type	Status	Reason	Start Date
0.12500000	RI	PAY		7/1/2016



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 17, 2016

Broderick Brown
Division Order Analyst
BHP Billiton Petroleum
P O BOX 22719
Houston, TX 77227-9927

Re: State Lease Nos. MF109481 Peace 1H Unit 4802;
MF111079 State Apache 56-57-T3 1401H; and
MF111079/086067 State Apache 56-57-T3 1201H

Dear Mr. Brown:

The Texas General Land Office (GLO) has received your Division Orders for the referenced units. These Division Orders have been filed in the appropriate mineral files.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Hernandez
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.hernandez@glo.texas.gov

40

File No. MF-086067

County

Division Order

Date Filed: 8/18/16

George P. Bush, Commissioner

By 



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 2, 2022

Certified USPS # 7011 2070 0000 7391 1121

Casey W. Amsler
On Pointe Operating LLC
Scarecrow Energy SVCS STE 107-3 3267 Bee Caves Rd
Austin, TX 78746

Re: Termination of State Lease No. MF 086067
Arco State No. 1 / API No. 42-389-31223 / RRC No. 08-098343
SW/4 Section 12, Block 56, T-3, T&P Ry Co. Survey, as to all depths and horizons from the
surface down to 4,050' below the surface of the ground, Reeves County, Texas

Mr. Amsler:

The Texas General Land Office (GLO) has completed a review of the above captioned State Lease of which On Pointe Operating LLC is the current listed operator. The review of our internal records, along with production records provided by the Texas Railroad Commission, indicate RRC No. 08-098343 (API No. 42-389-31223) ceased production as of November 2016. The above referenced mineral file does not contain documentation of any additional shut-in royalty payments or reworking operations. As such, pursuant to Paragraph 13 of the State Lease dated June 1, 1981, the GLO considers the above referenced State Lease terminated effective January 1, 2017.

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 Lease will result in the mineral file being endorsed as terminated. You will receive no further communication from this office prior to this 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.

7016 2070 0000 7391 1121

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 \$

Postmark
Here

Postage

\$

Total P

\$

Sent To

Street

City, St

Casey W. Amsler
On Pointe Operating LLC
Scarecrow Energy SVCS STE 107-3
3267 Bee Caves Rd
Austin, TX 78746

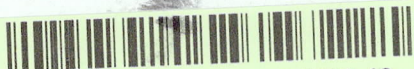
PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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:
Casey W. Amsler
On Pointe Operating LLC
Scarecrow Energy SVCS STE 107-3
3267 Bee Caves Rd
Austin, TX 78746



9590 9402 1749 6074 7768 48

Article Number (Transfer from service label)

7016 2070 0000 7391 1121

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

Jarrod B

☐ Agent

☐ Addressee

C. Date of Delivery

5/8/22

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

Domestic Return Receipt

Regards,

Matt Bruns, CPL
Energy Resources
Matt.Bruns@glo.texas.gov



Oil & Gas Production Data Query

Production Data [FAQs](#) [PDQ Help](#)General Production Query **Specific Lease Query**

Specific Lease Query Results

Query Path: [Search Criteria](#) > District 08, Lease: ARCO-STATEDate Range: Jan ▼ 2016 ▼ to Jan ▼ 2023 ▼

Related Links

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Lease Name: ARCO-STATE, Lease No: 098343, Well No: 1

District 08

Lease Production and Disposition

Jan 2016 - Jan 2023

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Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Field Name	Field No.
	Production	Disposition	Production	Disposition				
Jan 2016	200	200	0	0	SLEDGE BROS. OIL CO.	787409	REAVES, N. (3200)	75090500
Feb 2016	115	115	0	0				
Mar 2016	173	173	7	0				
Apr 2016	0	0	3	106	7S OIL & GAS, LLC	954992	REAVES, N. (3200)	75090500
May 2016	0	0	3	0				
Jun 2016	0	0	5	0				
Jul 2016	0	0	4	0				
Aug 2016	0	0	5	0				
Sep 2016	0	0	5	0				
Oct 2016	0	0	5	0				
Nov 2016	0	0	0	0				
Dec 2016	0	0	0	0				
Jan 2017	0	0	0	0				
Feb 2017	0	0	0	0				
Mar 2017	0	0	0	0				
Apr 2017	0	0	0	0				
May 2017	0	0	0	0				
Jun 2017	0	0	0	0				
Jul 2017	0	0	0	0				
Aug 2017	0	0	0	0				
Sep 2017	0	0	0	0				
Oct 2017	0	0	0	0				
Nov 2017	0	0	0	0	ARCH OIL & GAS, LLC	029272	REAVES, N. (3200)	75090500
Dec 2017	0	0	0	0				
Jan 2018	0	0	0	0				
Feb 2018	0	0	36	0				
Mar 2018	0	0	0	116				
Apr 2018	0	0	0	0				
May 2018	0	0	0	0				
Jun 2018	0	0	0	0				
Jul 2018	0	0	0	0				
Aug 2018	0	0	0	0				
Sep 2018	0	0	0	0				
Oct 2018	0	0	0	0				
Nov 2018	0	0	0	0				
Dec 2018	0	0	0	0				
Jan 2019	0	0	0	0				
Feb 2019	0	0	0	0				
Mar 2019	0	0	0	0				
Apr 2019	0	0	0	0				
May 2019	0	0	0	0				
Jun 2019	0	0	0	0				
Jul 2019	0	0	0	0				
Aug 2019	0	0	0	0				
Sep 2019	0	0	0	0				
Oct 2019	0	0	0	0				
Nov 2019	0	0	0	0				
Dec 2019	0	0	0	0				
Jan 2020	0	0	0	0				

Feb 2020	0	0	0	0				
Mar 2020	0	0	0	0				
Apr 2020	0	0	0	0				
May 2020	0	0	0	0				
Jun 2020	0	0	0	0				
Jul 2020	0	0	0	0				
Aug 2020	0	0	0	0				
Sep 2020	0	0	0	0				
Oct 2020	0	0	0	0				
Nov 2020	0	0	0	0				
Dec 2020	0	0	141	0	TRACE NATURAL RESOURCES LLC	863798	REAVES, N. (3200)	75090500
Jan 2021	0	0	8	0				
Feb 2021	0	0	2	0				
Mar 2021	0	0	13	0				
Apr 2021	0	0	14	0				
May 2021	0	0	40	111				
Jun 2021	0	0	0	0				
Jul 2021	0	0	0	0				
Aug 2021	0	0	2	0				
Sep 2021	0	0	21	0				
Oct 2021	0	0	72	103				
Nov 2021	0	0	73	73	ON POINTE OPERATING LLC	622896	REAVES, N. (3200)	75090500
Dec 2021	0	0	79	0				
Jan 2022	0	0	81	143				
Feb 2022	0	0	66	83				
Mar 2022	0	0	24	0				
Apr 2022	0	0	0	0				
May 2022	0	0	0	0				
Jun 2022	0	0	33	0				
Jul 2022	0	0	10	0				
Aug 2022	0	0	10	0				
Sep 2022	0	0	8	0				
Oct 2022	0	0	10	0				
Nov 2022	0	0	10	0				
Dec 2022	0	0	10	0				
Jan 2023	NO RPT	NO RPT	NO RPT	NO RPT				
Total	488	488	800	735				

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Matt Bruns

From: Matt Bruns
Sent: Monday, September 12, 2022 1:20 PM
To: casey@scarecrowenergy.com
Subject: RE: [EXTERNAL] State Lease No. MF 086067; On Pointe Operating

Casey,
Yes, please submit your information within the next 30 days.
Thank you,

Matt Bruns, CPL
Texas General Land Office
1700 North Congress Ave. Ste.840
Austin, Texas 78701

From: casey@scarecrowenergy.com <casey@scarecrowenergy.com>
Sent: Thursday, September 8, 2022 2:52 PM
To: Matt Bruns <Matt.Bruns@glo.texas.gov>
Subject: [EXTERNAL] State Lease No. MF 086067; On Pointe Operating
Importance: High

Matt-

I am in receipt of your letter requesting evidence of the above referenced State lease. On Pointe is respectfully requesting an additional 30 thirty days to gather and submit this evidence. Please let me know at your earliest convenience, and thanks in advance for your time.

Best regards,

Casey W. Amsler
Managing Member
Scarecrow Energy Services LLC
(512) 590-9734
3267 Bee Cave Rd
Ste 107-308
Austin, TX 78746
Scarecrowenergy.com

CAUTION: This email originated from OUTSIDE of the Texas General Land Office. Links or attachments may be dangerous. Please be careful clicking on any links or opening any attachments.

File No. MF 086067
Reeves County
Termination Packet
Date Filed: 04/10/2023
Commissioner Dawn Buckingham, M.D.
By: MSB