MF097541

iNut 11214
iNut 11215
iNut 11216
iNut 11974

Lease Type	Control	Basefile	County
	01-000730		MILAM
	Survey		
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part		
	Acres	Net: Gross: 0.000000	
	Depth Below	Depth Above	Depth Other
			Allow All Depths
	Name	UNION PACIFIC RESOURCES	
	Lease Date	9/18/1996	
	Primary Term		
	Bonus		
	Lease Royalty	0.01700000	
	Paid Up		

Leasing: DC

Maps: ~~JK~~

GIS: MC

Scanlab:

COMPENSATORY
ROYALTY
by
ASSIGNMENT OF ORRI

STATE LEASE MF097541

CONTROL	BASEFILE	COUNTY
01-730	000 -	MILAM /166

SURVEY : BRAZOS RIVER
BLOCK :
TOWNSHIP : 00
SECTION/TRACT:
PART :
ACRES : 0.00
DEPTH LIMITS : NO

LESSEE : UNION PACIFIC RESOURCES COMPAN
LEASE DATE : Sep 18 1996
PRIMARY TERM :
BONUS ($) : 0.00
RENTAL ($) : 0.00
ROYALTY : 1.70000000
VAR ROYALTY :

Rentals: M.T.

Lease Admin: DR.

Mineral Maps:

CONTENTS OF FILE NO. M-97541

1. Division Order 5-1-96	23. DIVISION ORDER 8-16-2022
2. Letter 9-19-96	Scanned sm 08/23/2022
3. Assignment of ORRI 9-18-96	24. Memo to SLB 9/29/22
4. Letter 9-26-96	25. Memo to Commissioner
5. Letter 10-31-96	26. Letter to Lime Rock
6. D. Order 5-1-97	27. PSA for Cutter IHA
7. DIVISION ORDER 12/13/11	28. iNut 11974
Scanned sm 10/17/13	scanned pf 11 Oct 2022
8. Recon Billing 10/5/18	29. Division Order 11/2/2022
scanned pf 11-2-2018	30. Division Order 12/30/2022
9. Memo to SLB 9/17/21	scanned pf 1-10-2023
10. Memo to Commissioner	31. Fully executed PSA 2/3/23
11. PSA Ella Marie IHE	scanned pf 2-10-2023
12. Memo to SLB	32. Recon Billing 3/26/2024
13. Memo to Commissioner	scanned WM 3-28-2024
14. PSA Cannon Michael IHE	
15 Memo to SLB	
16. Memo to Commissioner	
17. PSA Brady Scott IHE	
18. Letter to Tread Stone	
19. iNut 11214	
20. iNut 11215	
21. iNut 11216	
22. DIVISION ORDER 3/21/2022	
Scanned JG 3/30/2022	

GLO-S-08-(1-82)

DIVISION ORDER

J. Daryl Morgan

COMM OF GENERAL LAND OFFICE
1700 N. CONGRESS AVE.
STATE OF TEXAS
AUSTIN , TX 78701

Property Number:	4169401
Property Name:	ELY UNIT #2
Product:	(05) (ALL PRODUCTS)
Status:	(N/A) (NOT APPLICABLE)
County/State:	MILAM TEXAS
Effective Date:	05/01/1996
Owner Number:	213594
Owner Tax ID:	[redacted]
Interest Type:	ORI OVERRIDING ROYALTY INTERES
Interest:	0.017

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement.

TERMS OF SALE: Said owner will be paid in accordance with the division of interest as shown. The payor shall pay all parties for gas according to the underlying lease, operating agreement and/or other contracts applicable to each party's interest. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month and for gas sold during the second preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $25 may be accrued before disbursement until the total amount equals $25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgements in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE, WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statuatory rights under state laws.

Signature of Witness #1	Owner Signature/Corporate Title	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

Return to: Union Pacific Resources Company
P.O. Box 7, MS 3110
Attn
Fort Worth, Texas, 76101-0007

Date Prepared: 11/27/1996
Prepared by: Foster, George

DIVISION ORDER

YOUR COPY

COMM OF GENERAL LAND OFFICE
1700 N. CONGRESS AVE.
STATE OF TEXAS
AUSTIN , TX 78701

Property Number:	4169401
Property Name:	ELY UNIT #2
Product:	(05) (ALL PRODUCTS)
Status:	(N/A) (NOT APPLICABLE)
County/State:	MILAM TEXAS
Effective Date:	05/01/1996
Owner Number:	213594
Owner Tax ID:	[redacted]
Interest Type:	ORI OVERRIDING ROYALTY INTERES
Interest:	0.017

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

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DISPUTE, WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

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In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statuatory rights under state laws.

Signature of Witness #1	Owner Signature/Corporate Title	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

Return to: Union Pacific Resources Company
P.O. Box 7, MS 3110
Attn
Fort Worth, Texas, 76101-0007

YOUR COPY

Date Prepared: 11/27/1996
Prepared by: Foster, George

Division Order - EXHIBIT "A"

Property Number: 4169401
Property Name: ELY UNIT #2
Product: ALL PRODUCTS
Status: NOT APPLICABLE
County/State: MILAM/TEXAS
Effective Date: 05/01/1996

Lands covered by this Division Order include:

- *Total Division Order;821.79 ACRES*

  RODRIQUEZ FERDINAND ABST/ID# 53

- *Tract: (1) TRACT 1, ELY #2 (M ELY); 125.8 ACRES*

  RODRIQUEZ FERDINAND ABST/ID# 53

  Tract: (2) TRACT 2, (J. B. ELY, JR.); 695.99 ACRES

  RODRIQUEZ FERDINAND ABST/ID# 53

Date Prepared: 11/27/96

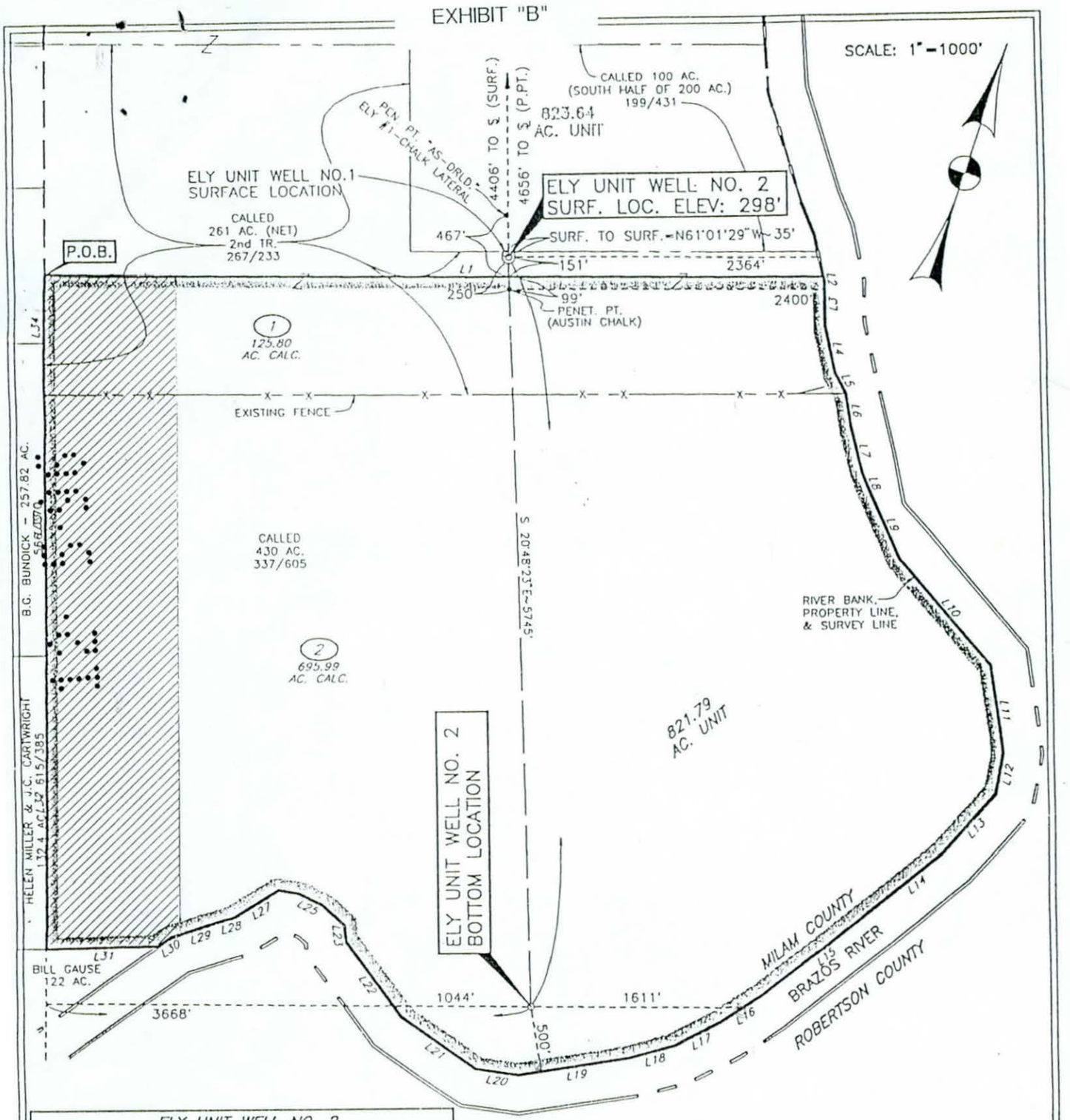
Division Order - EXHIBIT "A"

Property Number: 4169401 **Property Name:** ELY UNIT #2

Owner Number		Owner Name	Unit Interest
NON-PARTICIPATING ROYALTY			
004462		KING OIL & GAS OF TEXAS LTD	0.00052932
242712		KATHLEEN HADLEY GOLDSTON TRUST	0.00793972
254804		W H KEENAN	0.00238192
278083		W J GOLDSTON JR, ACCT NO 1607900	0.00052932
420828		JEANNE GOLDSTON TRUST, TX COMMERCE BNK T	0.00052932
480458		FROST FAMILY I LTD, A TEXAS LIMITED PARTNER	0.00138946
480460		W SCOTT FROST, ATTN MARK KLEIN	0.00019850
480621	001	MRS W H KEENAN, AKA MARION FROST KEENAN	0.00019849
480621		MRS W H KEENAN, AKA MARION FROST KEENAN	0.00119096
484128	001	J M FROST III	0.00019850
484128		J M FROST III	0.00138945
491935		WILLIAM HOWARD KEENAN JR TRUST, W H KEEN	0.00009925
491936		CAROLYN FROST KEENAN TRUST, W H KEENAN T	0.00009925
492875		W H KEENAN TRUSTEE	0.00238191
		Total	0.01905537
OVERRIDING ROYALTY INTERES			
213594		COMM OF GENERAL LAND OFFICE	0.01700000
		Total	0.01700000
ROYALTY INTEREST			
490807		MYRON E ELY	0.00729273
492881		VICTORY FINANCIAL GROUP INC	0.01275671
495729		JB ELY JR	0.05379610
495731		SHAWN BRILEY	0.02646624
495733		ELIZABETH R BERG	0.02646624
		Total	0.12677802
WORKING INTEREST			
999001		UNION PACIFIC RESOURCES COMPANY	0.83716661
		Total	0.83716661
		Total Property Interest	1.00000000

Date Prepared: 11/27/1996

EXHIBIT "B"



ELY UNIT WELL NO. 2			
TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
1	125.80	MYRON E. ELY LOUISIANA NATL. LIFE INS. CO.	
2	695.99	J.B. ELY, JR. SHAWN BRILEY ELIZABETH R. BERG	
821.79 ACRE UNIT			

NOTES:

1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
2. WELL LOCATED S 73°E~ 22.2 MILES FROM CAMERON, TX.
3. ▒▒▒▒ INDICATES LIMITS OF UNIT.
4. SURF. LOC. POSITION:
   LATITUDE: 30°45'52"N
   LONGITUDE: 96°37'32"W
   BOTTOM LOC. POSITION:
   LATITUDE: 30°44'59"N
   LONGITUDE: 96°37'09"W
   SCALED FROM U.S.G.S. QUADRANGLE SHEETS
5. TRACT 2 NOT SURVEYED BY THIS FIRM. RECENT RE-SURVEY DONE BY OTHERS USED TO DELINEATE TRACT 2.

STATE OF TEXAS
REGISTERED
S.M. KLING
2003
PROFESSIONAL
LAND SURVEYOR

I, S.M. KLING – R.P.L.S. #2003 DO CERTIFY THAT THE RULES OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING HAVE BEEN COMPLIED WITH REGARDING THE TIES SHOWN FROM THE SURFACE LOCATION TO THE UNIT LINES.

BY: S.M. KLING R.P.L.S. NO. 2003

UNIT PERIMETER METES:

LINE	BEARING	DIST.	LINE	BEARING	DIST.
1	N 70°48'38"E	5919.47	18	S 55°16'12"W	349.53
2	S 31°02'38"E	54.14	19	S 61°45'00"W	857.12
3	S 19°29'59"E	333.79	20	S 78°39'22"W	327.50
4	S 30°25'35"E	368.56	21	N 74°18'19"W	685.94
5	S 45°52'51"E	182.52	22	N 55°09'42"W	719.50
6	S 27°54'54"E	266.60	23	N 24°50'28"W	123.59
7	S 32°35'11"E	363.67	24	N 65°49'17"W	229.83
8	S 40°59'31"E	181.08	25	N 82°48'41"W	191.52
9	S 42°51'04"E	503.00	26	S 80°15'48"W	156.62
10	S 59°06'57"E	1089.54	27	S 38°23'11"W	405.77
11	S 27°30'24"E	675.80	28	S 54°53'44"W	85.52
12	S 08°26'50"E	315.66	29	S 52°35'44"W	407.13
13	S 22°40'32"W	608.23	30	S 34°40'05"W	118.23
14	S 31°29'50"W	621.10	31	S 69°12'13"W	851.15
15	S 32°32'19"W	1145.62	32	N 19°12'17"W	2262.52
16	S 37°26'24"W	376.77	33	N 19°41'39"W	2001.25
17	S 43°53'33"W	385.22	34	N 19°11'18"W	925.42

WELL LOCATION

ELY UNIT WELL NO. 2

UNION PACIFIC RESOURCES COMPANY

FERNANDO RODRIGUEZ SURVEY, A-53

MILAM COUNTY, TEXAS

SCALE: 1"=1000' MAY, 1996

H:\DWG1\331\GAUSE.DWG

KLING ENGINEERING & SURVEYING
BRYAN, TEXAS

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

TO ALL INTEREST OWNERS:

- Enclosed please find two copies of the Division Order(s) or Transfer Order(s). Please return one fully executed copy to the following address. **KEEP ONE COPY FOR YOUR RECORDS.**

UNION PACIFIC RESOURCES COMPANY
P. O. Box 2993, Mail Station 3110
Fort Worth, Texas 76113-2993
Fax #(817) 877-7486
Voicemail #(817) 877-6369

- Sign exactly as shown on the Division Order or Transfer Order. Signatures must be witnessed by two people. If joint ownership, all owners must sign.
- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching evidence of the rights vested in the signatory party.
- Include the correct Social Security Number or Tax Identification Number in the space provided below your signature. Federal income tax law states 31% of proceeds must be withheld if not provided.
- If you have any questions and do not know your area representative, leave a message at this **VOICEMAIL** number (817) 877-6369. Our goal is to return your call within 48 hours. Please provide the following information which will assist us in serving you:

  1) Owner number
  2) County and state where well is located
  3) Well name and/or property number
  4) Telephone number with AREA CODE
  5) Reason for the call

- **Address Changes** must be submitted in writing to the above address. Provide your owner number, social security number, old address, new address and telephone number.
- **Name/Ownership Changes** must be submitted in writing to the above address. Please include proper documentation confirming the changes such as a: Marriage Certificate, Divorce Decree, Certificate of Merger, Deed, Will, Assignment, etc. **NOTE:** Documents which convey interest must be recorded in the county in which the property is located prior to sending them to our office.
- **Settlement Check/Stop Payment** requests must be submitted in writing to the address below. Please wait ten (10) working days before submitting request. Include owner number and date of check. **NOTE:** Funds will be replaced during our regular settlement cycle within the next 6 to 8 weeks.

Union Pacific Resources Company
Attn: Stop Payment
P.O. Box 7, MS 2605
Fort Worth, TX 76101-0007

-KEEP THIS INFORMATION FOR FUTURE REFERENCE-

HOW TO READ YOUR CHECK ATTACHMENT

To help you understand the essential information which accompanies your check, we are providing a sample check stub. Please keep this as a permanent part of your records.

PRODUCT CODE
100...CRUDE OIL
120...CONDENSATE
200...GAS
210...CASINGHEAD GAS
300...GAS LIQUID PRODUCTS
410...SULPHUR
500...HELIUM/OTHER

UNION PACIFIC RESOURCES COMPANY
SETTLEMENT STATEMENT
P.O. BOX 2993 MS 3110
FT. WORTH, TX 76113-2993
VOICE MAIL (817) 877-6369
FAX (817) 877-7486

-RETAIN THIS STATEMENT-
FOR TAX PURPOSES
DUPLICATES CANNOT BE FURNISHED

INTEREST TYPE
PP...PRODUCTION PAYMENT
OR...OVERRIDING ROYALTY
RI... ROYALTY INTEREST
SO...SURFACE OWNER
TP...TOTAL PRODUCTION
WI...WORKING INTEREST

ADJUSTMENT CODE
A...PRODUCTION TAX
C...OTHER

PLEASE CASH YOUR CHECK WITHIN THE ALLOTTED 180 DAYS TIME PERIOD. ALL CHECKS WILL BE VOID AFTER THAT DATE.

OWNER NAME TAX I.D. NO.: [redacted]

1 PROPERTY NUMBER	2 PROD. DATE	3 PROD. CODE	4 INT. TYP	5 OWNER DECIMAL	6 COMPUTED DECIMAL	7 QUANTITY	8 PRICE	9 GROSS VALUE	10 TAXES/ ADJUSTMENT	11 ADJ. CODE	12 NET VALUE PROPERTY	13 NET VALUE OWNER
012345		MC	GRUDER-ANDERSON #1			COUNTY:	BRAZOS		STATE: TEXAS			
PROPERTY	08/93	100				176.93	16.13700	2,855.12	132.22-		2,722.90	
OWNER	08/93	100	WI	0.053333	0.053333	9.44		152.27	7.05-	A		145.22
023458		MC	GRUDER-ANDERSON #2			COUNTY:	BRAZOS		STATE: TEXAS			
PROPERTY	08/93	100				25,599.91	16.13700	413,105.77	19,130.88-		393,974.89	
OWNER	08/93	100	OR	0.001836	0.001836	47.00		758.46	35.13-	A		723.33
PROPERTY	06/93	100				11,011.86-	17.25800	190,042.69-	8,797.02-		181,245.67-	
OWNER	06/93	100	OR	0.001836	0.001836	20.22-		348.94-	16.15	A		332.79- 18
14						15				16 PAGE TOTAL		535.76
OWNER NUMBER 1234567-01					CHECK NUMBER	03666841	DATE 09/25/93		PAGE 001	CHECK AMOUNT		535.76
										17		

1 The **PROPERTY NUMBER** is used to identify the oil and/or gas producing property. This number is referenced on your Division Order.

2 The **PRODUCTION DATE** is the month and year in which the oil or gas was sold.

3 The **PRODUCT CODE** is the three digit code used to identify the product which was sold. Please refer to the PRODUCT CODE legend in the upper left-hand corner of the check stub.

4 The **INTEREST TYPE** shows the type of interest you own. Please refer to the INTEREST TYPE legend in the upper right-hand corner of the check stub.

5 The **OWNER DECIMAL** column reflects your share of the proceeds from sales for which UPRC is responsible. This interest is also reflected on your Division Order.

6 The **COMPUTED DECIMAL INTEREST** column reflects your share of proceeds received by UPRC. (If UPRC receives less than 100% of production, this figure may be an inflation of your actual decimal interest).

7 The **QUANTITY** is the gross volume shown in barrels, tons, or MCF (Thousand Cubic Feet) which was sold from the property. The figure shown immediately below is determined by multiplying your Computed Decimal by the total property level Quantity.

8 The **PRICE** is calculated by dividing the total Gross Value by the Quantity. The Price may be omitted on certain adjustments.

9 The **GROSS VALUE** is the total value of sales for each product delivered. The figure shown immediately below is determined by multiplying your Computed Decimal by the property level Gross Value.

10 The **TAXES/ADJUSTMENT** column is used to show state severance or other production taxes which were paid as required. The figure shown immediately below is your proportionate share of these taxes. This column will also be used to reflect any manual adjustments made to your account.

11 The **ADJUSTMENT CODE** is a one digit code identifying the type of adjustment made. Please refer to the ADJUSTMENT CODE legend in the upper right-hand corner of the check stub.

12 The **NET VALUE PROPERTY** shows the value of the total sales for the property after state tax deductions.

13 The **NET VALUE OWNER** shows the amount payable to you and is determined by multiplying your Computed Decimal by the property level Net Value in the previous column.

14 Your **OWNER NUMBER** is uniquely assigned to you and should be included when corresponding with UPRC.

15 The **CHECK NUMBER** and **CHECK DATE** of this payment are shown on the bottom of the check stub.

16 The **PAGE TOTAL** reflects the total value of the Owner Net Value lines on each page of your check stub. If there is more than one page of detail, each page total should be added to arrive at the total check amount.

17 The **CHECK AMOUNT** is the total of the page totals on your check stub.

18 A minus sign ("-") following any amount means a deduction. A deduction normally reflects applicable taxes or a prior month adjustment.

ADDITIONAL INFORMATION CONCERNING YOUR CHECK

SMALL PAYMENTS AND NEGATIVE BALANCES - Small payments will be accumulated until the amount exceeds $25. In November of each year, however, we pay all accumulated balances greater than two dollars. Should an overpayment be made to you, future proceeds may be held and applied towards the negative balance created by the overpayment.

NO SALES - Payments are made only for those months in which the property has sales. If, in a particular month, there are no sales for any properties in which you own an interest, no proceeds will be applied to your account for that month. No notification will be sent if a check is not mailed.

PAYMENTS FROM SUSPENSE - Occasionally, payments are held because of a notice of a transfer in the interest, an incorrect address, etc. If this happens, payments due you will be accumulated and released when the matter is resolved.

TAXES - Most states levy a severance or production tax on revenues from oil and gas sales. This tax is calculated in accordance with each states' law and is deducted from your payments.

INCOME TAX INFORMATION - An IRS Form 1099-MISC will be furnished to you by January 31st of each year if you received over $10 in royalty income or $600 in working interest income during the previous year.

Texas General Land Office
Garry Mauro, Commissioner

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

October 31, 1996

Mr. M. E. Henderson
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101-0007

Re: Ely Unit No. 2
Milam County, Texas

Dear Mr. Henderson:

As per your letter of September 19, 1996, enclosed is a copy of the Assignment of Overriding Royalty Interest which has been recorded in the Official Records of Milam County, Texas.

Thank you for your assistance, if you need anything else please do not hesitate to call.

Sincerely,

J. Daryl Morgan, CPL
Legal Services Division
(512) 305-9106

Enclosure

MF 97541
ITEM Division Order
TO
FROM
DATE 5-1-96

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

→ D. Hall for review and filing

RECEIVED
SEP 23 PM 12:57

September 19, 1996

Mr. Stroud C. Kelly
TEXAS GENERAL LAND OFFICE
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, Texas 78701-1495

Re: UPRC - Ely Unit No. 2
Milam County, Texas

Dear Mr. Kelly:

I am pleased to enclose herewith duplicate original copies of an Assignment of Overriding Royalty Interest which purports to convey and overriding royalty interest equal to 1.70% of 100% of the value of oil and gas produced from the captioned. The form of assignment is substantially the same as that attached to our letter agreement dated May 23, 1996.

If this meets with your approval, please accept it on behalf of the Commissioner of the General Land Office and file it for recording with the County Clerk of Milam County, Texas. When recording information is available to you, please communicate same to this office.

Division orders will be mailed out shortly to interest owners in this unit. Should you have any questions or comments concerning this, please do not hesitate to call me at AC 817/877-6782.

Thank you for your help and cooperation with us in this matter.

Very truly yours,

UNION PACIFIC RESOURCES COMPANY

M. E. Henderson

M. E. Henderson,
Staff Landman

cc: Mr. Glenn E. Johnson
GRAVES, DOUGHERTY, HEARON & MOODY
515 Congress Avenue, Suite 2300
Austin, Texas 78701

Union Pacific Resources Company
P.O. Box 7
Fort Worth, Texas 76101-0007
817 / 877-6000
TWX 910 893 5024
Telex 758-447

STATE OF TEXAS

COUNTY OF MILAM

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

Whereas Union Pacific Resources Company has made application for a spacing exception permit under the provisions of Railroad Commission Statewide Rule 37 (16 Tex. Admin. Code Section 3.37). Union Pacific Resources Company seeks exception to the lease line requirement to Amended Horizontal Drill Well No. 2, Ely Unit, 821.79 Acres, Fernando Rodriguez Survey, A-53, Giddings (Austin Chalk-3) Field(s), Milam County,

Whereas the General Land Office has filed Notice of Intent to Appear in Protest, objecting to the granting of an exception due to the fact that an unleased portion of the Brazos River is adjacent to and flows along the entire southern and eastern boundaries of the unit.

Whereas Union Pacific Resources Company agrees to compensate the State of Texas and the Permanent School Fund by paying the state an overriding royalty based on the production from the unit.

Whereas the State of Texas agrees to Waive objection to the application for exception filed by Union Pacific Resources Company.

Now, therefore, for and in consideration of one dollar and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, Union Pacific Resources Company as Assignor, does hereby assign, transfer, sell and convey unto the Commissioner of the General Land Office for the use and benefit of the Permanent School Fund of the State of Texas, 1700 North Congress Avenue, Austin, Texas 78701, as Assignee, an **Overriding Royalty Interest equal to 1.70% of 100%** of the value of all oil and gas produced from or attributable to that portion of the lands and leases described in Exhibit "A" to this assignment insofar and only insofar as said leases are included in the Unit Designation for the Ely Unit #2 recorded in Volume 732, Page 435 of the Official Records of Milam County, Texas, and of all byproducts and substances extracted or manufactured therefrom by assignor or in which assignor, its successors and assigns shares or from the sales or disposition of which assignor is entitled to receive a share, payment or compensation in any form. This overriding royalty shall be free of all burdens, cost and expense, including without limitation, severance, ad valorem, production or other taxes, and any costs of producing, saving, treating, processing, or transporting the oil and gas produced from or attributable to the lands and leases assigned hereby. Assignor further assigns the right to receive the overriding royalty in kind. If assignor owns less than the entire leasehold interest in the lands described in Exhibit "A" hereto, or if the lease(s) covers less than one hundred percent of the oil, gas and associated hydrocarbons in the said lands, then the interest conveyed shall be proportionately reduced.

In the event that the interest of assignee, whether in the hands of assignee or its assigns, should become subject to any tax, assignor or its assigns, and not assignee, shall pay all taxes lawfully assessed thereon, but assignor shall not deduct or cause to be deducted any such tax from assignee's interest or payments.

To have and to hold the same unto the said assignee, its successors and assigns, forever, subject to the terms and conditions of oil and gas leases described in Exhibit "A", and the further terms and provisions herein set out.

Date Executed: 9/18/96

UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David RLM

Its: Attorney-In-Fact

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on September 18, 1996, by Carolyn J. David as Attorney-in-Fact of Union Pacific Resources Company, a Delaware corporation on behalf of said corporation.

NOTARY PUBLIC STATE OF TEXAS
GAYLA L. GRIFFIN
Notary Public
STATE OF TEXAS
My Comm. Exp. 01/19/2000

Gayla L. Griffin
Notary Public in and for the
State of Texas

EXHIBIT "A"

Attached to Assignment Of Overriding Royalty Interest From Union Pacific Resources Company to the Commissioner of the General Land Office, State of Texas dated the 18th day of SEPTEMBER, 1996.

1. TX1-48953(1) - Oil, Gas and Mineral Lease dated July 16, 1993, by and between Elizabeth R. Berg, as Lessor and Union Pacific Resources Company, as Lessee, recorded in Volume 679, Page 646 of the Official Records of Milam County, Texas.

2. TX1-48953(2) - Oil, Gas and Mineral Lease dated July 16, 1993, by and between Shawn Briley, as Lessor and Union Pacific Resources Company, as Lessee, recorded in Volume 679, Page 649 of the Official Records of Milam County, Texas.

3. TX1-48953(3) - Oil, Gas and Mineral Lease dated August 30. 1993, by and between J. B. Ely, Jr., as Lessor and Raymond Gene Korkmas, as Lessee, recorded by Memorandum of Oil and Gas Lease dated September 2, 1993 in Volume 679, Page 844 of the Official Records of Milam County, Texas.

4. TX1-49028(1) - Oil, Gas and Mineral Lease dated June 17, 1993, by and between Myron E. Ely, as Lessor and Union Pacific Resources Company, as Lessee, recorded in Volume 679, Page 658 of the Official Records of Milam County, Texas.

5. TX1-49028(2) - Oil, Gas and Mineral Lease dated July 30, 1993, by and between Louisiana National Life Insurance Company, as Lessor and Union Pacific Resources Company, as Lessee, recorded by Memorandum of Oil and Gas Lease dated July 30, 1993 in Volume 679, Page 724 of the Official Records of Milam County, Texas.

(2.) MF 97541
ITEM letter
TO
FROM
DATE 9-19-96

25977

M-97541

USE CTRL # 01-730 m

01-749 R

STATE OF TEXAS

COUNTY OF MILAM

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

Whereas Union Pacific Resources Company has made application for a spacing exception permit under the provisions of Railroad Commission Statewide Rule 37 (16 Tex. Admin. Code Section 3.37). Union Pacific Resources Company seeks exception to the lease line requirement to Amended Horizontal Drill Well No. 2, Ely Unit, 821.79 Acres, Fernando Rodriguez Survey, A-53, Giddings (Austin Chalk-3) Field(s), Milam County,

Whereas the General Land Office has filed Notice of Intent to Appear in Protest, objecting to the granting of an exception due to the fact that an unleased portion of the Brazos River is adjacent to and flows along the entire southern and eastern boundaries of the unit.

Whereas Union Pacific Resources Company agrees to compensate the State of Texas and the Permanent School Fund by paying the state an overriding royalty based on the production from the unit.

Whereas the State of Texas agrees to Waive objection to the application for exception filed by Union Pacific Resources Company.

Now, therefore, for and in consideration of one dollar and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, Union Pacific Resources Company as Assignor, does hereby assign, transfer, sell and convey unto the Commissioner of the General Land Office for the use and benefit of the Permanent School Fund of the State of Texas, 1700 North Congress Avenue, Austin, Texas 78701, as Assignee, an **Overriding Royalty Interest equal to 1.70% of 100%** of the value of all oil and gas produced from or attributable to that portion of the lands and leases described in Exhibit "A" to this assignment insofar and only insofar as said leases are included in the Unit Designation for the Ely Unit #2 recorded in Volume 732, Page 435 of the Official Records of Milam County, Texas, and of all byproducts and substances extracted or manufactured therefrom by assignor or in which assignor, its successors and assigns shares or from the sales or disposition of which assignor is entitled to receive a share, payment or compensation in any form. This overriding royalty shall be free of all burdens, cost and expense, including without limitation, severance, ad valorem, production or other taxes, and any costs of producing, saving, treating, processing, or transporting the oil and gas produced from or attributable to the lands and leases assigned hereby. Assignor further assigns the right to receive the overriding royalty in kind. If assignor owns less than the entire leasehold interest in the lands described in Exhibit "A" hereto, or if the lease(s) covers less than one hundred percent of the oil, gas and associated hydrocarbons in the said lands, then the interest conveyed shall be proportionately reduced.

In the event that the interest of assignee, whether in the hands of assignee or its assigns, should become subject to any tax, assignor or its assigns, and not assignee, shall pay all taxes lawfully assessed thereon, but assignor shall not deduct or cause to be deducted any such tax from assignee's interest or payments.

To have and to hold the same unto the said assignee, its successors and assigns, forever, subject to the terms and conditions of oil and gas leases described in Exhibit "A", and the further terms and provisions herein set out.

Date Executed: 9/18/96

UNION PACIFIC RESOURCES COMPANY

By: Carolyn J. David RLM

Its: Attorney-In-Fact

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on September 18, 1996, by Carolyn J. David as Attorney-in-Fact of Union Pacific Resources Company, a Delaware corporation on behalf of said corporation.

GAYLA L. GRIFFIN
Notary Public
STATE OF TEXAS
My Comm. Exp. 01/19/2000

Gayla L. Griffin
Notary Public in and for the
State of Texas

EXHIBIT "A"

Attached to Assignment Of Overriding Royalty Interest From Union Pacific Resources Company to the Commissioner of the General Land Office, State of Texas dated the 18th day of SEPTEMBER, 1996.

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COUNTY OF MILAM * COUNTY, TEXAS *

CLERK'S NOTICE: ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE, IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

FILED
AT 8 O'CLOCK A M
ON THE 30th DAY OF Sept
A.D., 19 96.

La Verne Soefje
COUNTY CLERK, MILAM COUNTY, TEXAS
BY Joan Pratt DEPUTY

STATE OF TEXAS
COUNTY OF MILAM
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Records of Milam County, Texas.

La Verne Soefje
County Clerk, Milam County, Texas
VOL. 735 PAGE 243
RECORDED 09-30-96 @ 5:00 Pm
BY Joan Pratt DEPUTY

JOAN PRATT

VOL. 735 PAGE 245
OFFICIAL RECORDS
MILAM COUNTY, TEXAS

TEXAS GENERAL LAND OFFICE

12 A

(3.)

MF 97541

ITEM Assignment of ORRI

TO

FROM

DATE 9-18-96

Texas General Land Office
Garry Mauro, Commissioner

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

September 26, 1996

Ms. La Verne Soefje
County Clerk, Milam County
P. O. Box 191
Cameron, Texas 76520-0191

Dear Ms. Soefje:

Enclosed is an original Assignment of Overriding Royalty Interest from Union Pacific Resources Company to the Commissioner of the General Land Office. Please file this instrument in the appropriate records of your office and return the recorded original to me at the above address. If there are any charges for this filing please let me know or send an invoice and I will see that the State makes the proper payment.

Thank you for your assistance.

Sincerely,

J. Daryl Morgan, CPL
Legal Services Division
(512) 305-9106

(4.) MF 97541
ITEM letter
TO
FROM
DATE 9-26-96

Texas General Land Office
Garry Mauro, Commissioner

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

October 31, 1996

Mr. M. E. Henderson
Union Pacific Resources Company
P. O. Box 7
Fort Worth, Texas 76101-0007

Re: Ely Unit No. 2
Milam County, Texas

Dear Mr. Henderson:

As per your letter of September 19, 1996, enclosed is a copy of the Assignment of Overriding Royalty Interest which has been recorded in the Official Records of Milam County, Texas.

Thank you for your assistance, if you need anything else please do not hesitate to call.

Sincerely,

J. Daryl Morgan, CPL
Legal Services Division
(512) 305-9106

Enclosure

(5.) MF 97541
ITEM Letter
TO
FROM
DATE 10-31-96

Texas General Land Office
Garry Mauro, Commissioner

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

April 28, 1997

Union Pacific Resources Company
P.O. Box 7, MS 3110
Fort Worth, Texas 76101-0007

Re: Mineral File No. M- 097541
Property No. 4169401

Dear Sir or Madam:

We have received the division order submitted by your company for the above referenced lease and filed same in our files. Please be sure to reference this mineral file number in all future royalty payments, reports and correspondence concerning the lease.

The payment of royalties to the State of Texas is set by statute. As the execution of the division order may, in some cases, effect the payments of such royalties, it is not the policy of this office to execute them. Insofar as allowed by law, the Texas General Land Office acquiesces in the sale of oil and gas under the terms and conditions set out in the lease.

If you should have any questions, please feel free to call me at (512) 475-1527.

Sincerely,

Eugene H. Moore, Jr.

Eugene H. Moore, Jr.
Accounts Examiner
Royalty and Revenue Processing
Energy Resources

/ehm

Union Pacific Resources

December 10, 1996

To All Interest Owners:

Re: UPR-Ely #2, PN# 4169401, Milam Co., Texas
Revision to Division Orders, Fernando Rodriguez Survey A-53.

You were previously mailed division orders for the captioned well. The acreage described in the first division order was 821.79 acres. Please be advised, that the unit was amended to cover 704.47 acres. Disregard the previous division orders and execute and return the revised division orders at your earliest convenience.

As a result of litigation on tract two, the royalty and non-participating royalty has been placed in suspense. As soon as the lawsuit is settled, the interests can be released accordingly.

Sincerely,

Ed Birdshead
Land Management

C:\wp61\let1210a.wpd

801 Cherry Street Fort Worth, Texas 76102-6803 (817) 877-6000
TWX (910) 893-5024 TELEX 758-447

Union Pacific Resources
A Subsidiary of Union Pacific Corporation

TO ALL INTEREST OWNERS:

- Enclosed please find two copies of the Division Order(s) or Transfer Order(s). Please return one fully executed copy to the following address. **KEEP ONE COPY FOR YOUR RECORDS.**

UNION PACIFIC RESOURCES COMPANY
P. O. Box 2993, Mail Station 3110
Fort Worth, Texas 76113-2993
Fax #(817) 877-7486
Voicemail #(817) 877-6369

- Sign exactly as shown on the Division Order or Transfer Order. Signatures must be witnessed by two people. If joint ownership, all owners must sign.

- Signatures by Agents, Attorneys-in-Fact, Guardians, or Trustees must be verified by attaching evidence of the rights vested in the signatory party.

- Include the correct Social Security Number or Tax Identification Number in the space provided below your signature. Federal income tax law states 31% of proceeds must be withheld if not provided.

- If you have any questions and do not know your area representative, leave a message at this **VOICEMAIL** number (817) 877-6369. Our goal is to return your call within 48 hours. Please provide the following information which will assist us in serving you:

  1) Owner number
  2) County and state where well is located
  3) Well name and/or property number
  4) Telephone number with AREA CODE
  5) Reason for the call

- **Address Changes** must be submitted in writing to the above address. Provide your owner number, social security number, old address, new address and telephone number.

- **Name/Ownership Changes** must be submitted in writing to the above address. Please include proper documentation confirming the changes such as a: Marriage Certificate, Divorce Decree, Certificate of Merger, Deed, Will, Assignment, etc. **NOTE:** Documents which convey interest must be recorded in the county in which the property is located prior to sending them to our office.

- **Settlement Check/Stop Payment** requests must be submitted in writing to the address below. Please wait ten (10) working days before submitting request. Include owner number and date of check. **NOTE:** Funds will be replaced during our regular settlement cycle within the next 6 to 8 weeks.

Union Pacific Resources Company
Attn: Stop Payment
P.O. Box 7, MS 2605
Fort Worth, TX 76101-0007

-KEEP THIS INFORMATION FOR FUTURE REFERENCE-

HOW TO READ YOUR CHECK ATTACHMENT

To help you understand the essential information which accompanies your check, we are providing a sample check stub. Please keep this as a permanent part of your records.

PRODUCT CODE
100...CRUDE OIL
120...CONDENSATE
200...GAS
210...CASINGHEAD GAS
300...GAS LIQUID PRODUCTS
410...SULPHUR
500...HELIUM/OTHER

UNION PACIFIC RESOURCES COMPANY
SETTLEMENT STATEMENT
P.O. BOX 2993 MS 3110
FT. WORTH, TX 76113-2993
VOICE MAIL (817) 877-6369
FAX (817) 877-7486

-RETAIN THIS STATEMENT-
FOR TAX PURPOSES
DUPLICATES CANNOT BE FURNISHED

INTEREST TYPE
PP...PRODUCTION PAYMENT
OR...OVERRIDING ROYALTY
RI...ROYALTY INTEREST
SO...SURFACE OWNER
TP...TOTAL PRODUCTION
WI...WORKING INTEREST

ADJUSTMENT CODE
A...PRODUCTION TAX
C...OTHER

PLEASE CASH YOUR CHECK WITHIN THE ALLOTTED 180 DAYS TIME PERIOD. ALL CHECKS WILL BE VOID AFTER THAT DATE.

OWNER NAME TAX I.D. NO.: [redacted]

1 PROPERTY NUMBER	2 PROD. DATE	3 PROD. CODE	4 INT. TYP	5 OWNER DECIMAL	6 COMPUTED DECIMAL	7 QUANTITY	8 PRICE	9 GROSS VALUE	10 TAXES/ ADJUSTMENT	11 ADJ. CODE	12 NET VALUE PROPERTY	13 NET VALUE OWNER
012345		MC	GRUDER-ANDERSON #1			COUNTY:	BRAZOS		STATE: TEXAS			
PROPERTY	08/93	100				176.93	16.13700	2,855.12	132.22-		2,722.90	
OWNER	08/93	100	WI	0.053333	0.053333	9.44		152.27	7.05-	A		145.22
023458		MC	GRUDER-ANDERSON #2			COUNTY:	BRAZOS		STATE: TEXAS			
PROPERTY	08/93	100				25,599.91	16.13700	413,105.77	19,130.88-		393,974.89	
OWNER	08/93	100	OR	0.001836	0.001836	47.00		758.46	35.13-	A		723.33
PROPERTY	06/93	100				11,011.86-	17.25800	190,042.69-	8,797.02-		181,245.67-	
OWNER	06/93	100	OR	0.001836	0.001836	20.22-		348.94-	16.15	A		332.79- 18
14						15				16 PAGE TOTAL		535.76
OWNER NUMBER 1234567-01					CHECK NUMBER	03666841	DATE 09/25/93		PAGE 001	17 CHECK AMOUNT		535.76

1 The **PROPERTY NUMBER** is used to identify the oil and/or gas producing property. This number is referenced on your Division Order.

2 The **PRODUCTION DATE** is the month and year in which the oil or gas was sold.

3 The **PRODUCT CODE** is the three digit code used to identify the product which was sold. Please refer to the PRODUCT CODE legend in the upper left-hand corner of the check stub.

4 The **INTEREST TYPE** shows the type of interest you own. Please refer to the INTEREST TYPE legend in the upper right-hand corner of the check stub.

5 The **OWNER DECIMAL** column reflects your share of the proceeds from sales for which UPRC is responsible. This interest is also reflected on your Division Order.

6 The **COMPUTED DECIMAL INTEREST** column reflects your share of proceeds received by UPRC. (If UPRC receives less than 100% of production, this figure may be an inflation of your actual decimal interest).

7 The **QUANTITY** is the gross volume shown in barrels, tons, or MCF (Thousand Cubic Feet) which was sold from the property. The figure shown immediately below is determined by multiplying your Computed Decimal by the total property level Quantity.

8 The **PRICE** is calculated by dividing the total Gross Value by the Quantity. The Price may be omitted on certain adjustments.

9 The **GROSS VALUE** is the total value of sales for each product delivered. The figure shown immediately below is determined by multiplying your Computed Decimal by the property level Gross Value.

10 The **TAXES/ADJUSTMENT** column is used to show state severance or other production taxes which were paid as required. The figure shown immediately below is your proportionate share of these taxes. This column will also be used to reflect any manual adjustments made to your account.

11 The **ADJUSTMENT CODE** is a one digit code identifying the type of adjustment made. Please refer to the ADJUSTMENT CODE legend in the upper right-hand corner of the check stub.

12 The **NET VALUE PROPERTY** shows the value of the total sales for the property after state tax deductions.

13 The **NET VALUE OWNER** shows the amount payable to you and is determined by multiplying your Computed Decimal by the property level Net Value in the previous column.

14 Your **OWNER NUMBER** is uniquely assigned to you and should be included when corresponding with UPRC.

15 The **CHECK NUMBER** and **CHECK DATE** of this payment are shown on the bottom of the check stub.

16 The **PAGE TOTAL** reflects the total value of the Owner Net Value lines on each page of your check stub. If there is more than one page of detail, each page total should be added to arrive at the total check amount.

17 The **CHECK AMOUNT** is the total of the page totals on your check stub.

18 A minus sign ("-") following any amount means a deduction. A deduction normally reflects applicable taxes or a prior month adjustment.

ADDITIONAL INFORMATION CONCERNING YOUR CHECK

SMALL PAYMENTS AND NEGATIVE BALANCES - Small payments will be accumulated until the amount exceeds $25. In November of each year, however, we pay all accumulated balances greater than two dollars. Should an overpayment be made to you, future proceeds may be held and applied towards the negative balance created by the overpayment.

NO SALES - Payments are made only for those months in which the property has sales. If, in a particular month, there are no sales for any properties in which you own an interest, no proceeds will be applied to your account for that month. No notification will be sent if a check is not mailed.

PAYMENTS FROM SUSPENSE - Occasionally, payments are held because of a notice of a transfer in the interest, an incorrect address, etc. If this happens, payments due you will be accumulated and released when the matter is resolved.

TAXES - Most states levy a severance or production tax on revenues from oil and gas sales. This tax is calculated in accordance with each states' law and is deducted from your payments.

INCOME TAX INFORMATION - An IRS Form 1099-MISC will be furnished to you by January 31st of each year if you received over $10 in royalty income or $600 in working interest income during the previous year.

DIVISION ORDER

Property Number:	4169401
Property Name:	ELY UNIT #2
Product:	(05) (ALL PRODUCTS)
Status:	(N/A) (NOT APPLICABLE)
County/State:	MILAM TEXAS
Effective Date:	05/01/1996
Owner Number:	213594
Owner Tax ID:	[redacted]
Interest Type:	ORI OVERRIDING ROYALTY INTERES
Interest:	0.017

COMM OF GENERAL LAND OFFICE
1700 N. CONGRESS AVE.
STATE OF TEXAS
AUSTIN , TX 78701

YOUR COPY

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("owner") who executes this agreement.

TERMS OF SALE: Said owner will be paid in accordance with the division of interest as shown. The payor shall pay all parties for gas according to the underlying lease, operating agreement and/or other contracts applicable to each party's interest. The payor shall pay all parties at the price agreed to by the operator for oil to be sold pursuant to this division order.
Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil run during the preceding calendar month and for gas sold during the second preceding calendar month from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than $25 may be accrued before disbursement until the total amount equals $25 or more, or until December 31 of each year, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgements in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE, WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party.
In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statuatory rights under state laws.

Signature of Witness #1	Owner Signature/Corporate Title	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.

Return to: Union Pacific Resources Company
P.O. Box 7, MS 3110
Attn
Fort Worth, Texas, 76101-0007

Date Prepared: 12/10/1996
Prepared by: Foster, George

YOUR COPY

Division Order - EXHIBIT "A"

Property Number: 4169401
Property Name: ELY UNIT #2
Product: ALL PRODUCTS
Status: NOT APPLICABLE
County/State: MILAM/TEXAS
Effective Date: 05/01/1996

Lands covered by this Division Order include:

Total Division Order;704.47 ACRES

RODRIQUEZ FERDINAND ABST/ID# 53

Tract: (1) TRACT 1, ELY #2 (M ELY); 104.59 ACRES

RODRIQUEZ FERDINAND ABST/ID# 53

Tract: (2) TRACT 2, (J. B. ELY, JR.); 599.88 ACRES

RODRIQUEZ FERDINAND ABST/ID# 53

Date Prepared: 12/10/96

Division Order - EXHIBIT "A"

Property Number: 4169401 **Property Name:** ELY UNIT #2

Owner Number		Owner Name	Tract Interest	Unit Interest
Tract: (1) TRACT 1, ELY #2 (M ELY) (Factor: 0.14846622)				
NON-PARTICIPATING ROYALTY				
004462		KING OIL & GAS OF TEXAS LTD	0.00041278	0.00006128
242712		KATHLEEN HADLEY GOLDSTON TRUST	0.00619175	0.00091927
254804		W H KEENAN	0.00185752	0.00027578
278083		W J GOLDSTON JR, ACCT NO 1607900	0.00041278	0.00006128
420828		JEANNE GOLDSTON TRUST	0.00041278	0.00006128
480458		FROST FAMILY I LTD, A TEXAS LIMITED PARTNERS	0.00108356	0.00016087
480460		W SCOTT FROST, ATTN MARK KLEIN	0.00015479	0.00002298
480621	001	MRS W H KEENAN, AKA MARION FROST KEENAN	0.00015480	0.00002298
480621		MRS W H KEENAN, AKA MARION FROST KEENAN	0.00092876	0.00013789
484128	001	J M FROST III	0.00015479	0.00002298
484128		J M FROST III	0.00108355	0.00016087
491935		WILLIAM HOWARD KEENAN JR TRUST, W H KEENA	0.00007740	0.00001149
491936		CAROLYN FROST KEENAN TRUST, W H KEENAN TR	0.00007740	0.00001149
492875		W H KEENAN TRUSTEE	0.00185752	0.00027578
		Total	0.01486018	0.00220622
OVERRIDING ROYALTY INTERES				
213594		COMM OF GENERAL LAND OFFICE	0.01700000	0.00252393
		Total	0.01700000	0.00252393
ROYALTY INTEREST				
490807		MYRON E ELY	0.04763982	0.00707290
492881		VICTORY FINANCIAL GROUP INC	0.08333333	0.01237218
		Total	0.13097315	0.01944508
WORKING INTEREST				
999001		UNION PACIFIC RESOURCES COMPANY	0.83716667	0.12429099
		Total	0.83716667	0.12429099
		Total Tract 1 Interest	1.00000000	0.14846622
Tract: (2) TRACT 2, (J. B. ELY, JR.) (Factor: 0.85153378)				
NON-PARTICIPATING ROYALTY				
004462		KING OIL & GAS OF TEXAS LTD	0.00055038	0.00046867

Division Order - EXHIBIT "A"

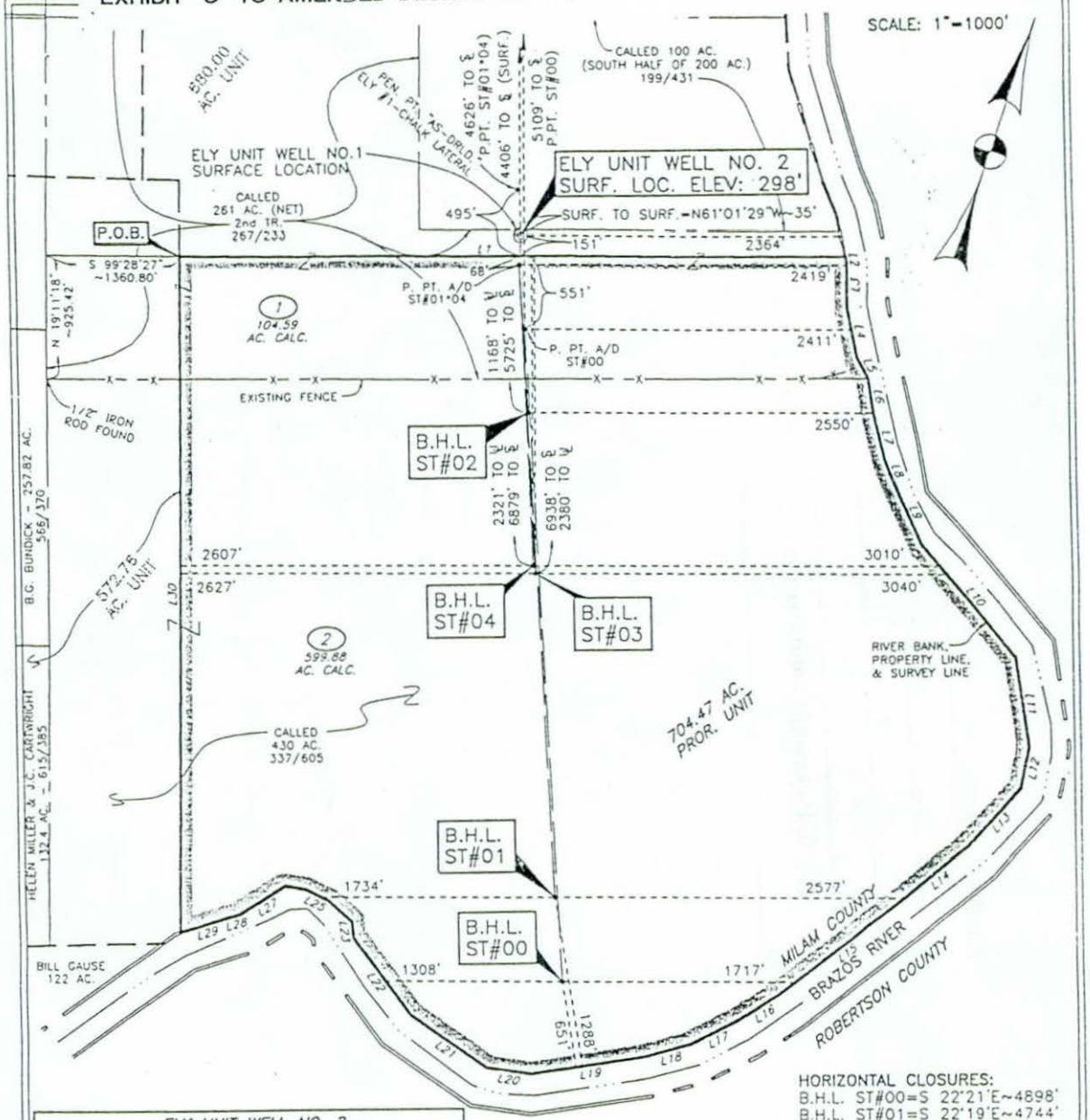
Property Number: 4169401 Property Name: ELY UNIT #2

Owner Number		Owner Name	Tract Interest	Unit Interest
Tract: (2) TRACT 2, (J. B. ELY, JR.) (Factor: 0.85153378)				
NON-PARTICIPATING ROYALTY				
242712		KATHLEEN HADLEY GOLDSTON TRUST	0.00825566	0.00702997
254804		W H KEENAN	0.00247670	0.00210899
278083		W J GOLDSTON JR, ACCT NO 1607900	0.00055038	0.00046867
420828		JEANNE GOLDSTON TRUST	0.00055038	0.00046867
480458		FROST FAMILY I LTD, A TEXAS LIMITED PARTNERS	0.00144475	0.00123025
480460		W SCOTT FROST, ATTN MARK KLEIN	0.00020639	0.00017575
480621	001	MRS W H KEENAN, AKA MARION FROST KEENAN	0.00020640	0.00017576
480621		MRS W H KEENAN, AKA MARION FROST KEENAN	0.00123835	0.00105450
484128	001	J M FROST III	0.00020639	0.00017575
484128		J M FROST III	0.00144474	0.00123024
491935		WILLIAM HOWARD KEENAN JR TRUST, W H KEENA	0.00010320	0.00008788
491936		CAROLYN FROST KEENAN TRUST, W H KEENAN TR	0.00010320	0.00008788
492875		W H KEENAN TRUSTEE	0.00247669	0.00210899
		Total	0.01981361	0.01687197
OVERRIDING ROYALTY INTERES				
213594		COMM OF GENERAL LAND OFFICE	0.01700000	0.01447607
		Total	0.01700000	0.01447607
ROYALTY INTEREST				
495729		JB ELY JR	0.06351973	0.05408920
495731		SHAWN BRILEY	0.03125000	0.02661043
495733		ELIZABETH R BERG	0.03125000	0.02661043
		Total	0.12601973	0.10731006
WORKING INTEREST				
999001		UNION PACIFIC RESOURCES COMPANY	0.83716666	0.71287568
		Total	0.83716666	0.71287568
		Total Tract 2 Interest	1.00000000	0.85153378

Total Property Interest	1.00000000

Date Prepared: 12/10/1996

EXHIBIT "C" TO AMENDED DESIGNATION OF UNIT ELY UNIT NO. 2



HORIZONTAL CLOSURES:
B.H.L. ST#00=S 22°21'E~4898'
B.H.L. ST#01=S 22°19'E~4744'
B.H.L. ST#02=S 22°31'E~1102'
B.H.L. ST#03=S 22°03'E~2315'
B.H.L. ST#04=S 21°37'E~2255'

A.P.I. #42-331-33465
SURF. TO P.PT's:
ST#00=S 21°42'E~703'
ST#01*04=S 16°04'E~220'

ELY UNIT WELL NO. 2

TRACT	ACREAGE IN UNIT	LEASE	VOL/PG
1	104.59	MYRON E. ELY LOUISIANA NATL. LIFE INS. CO.	
2	599.88	J.B. ELY, JR. SHAWN BRILEY ELIZABETH R. BERG	
704.47 ACRE UNIT			

NOTES:

1. BEARINGS BASED ON TRUE NORTH OBTAINED BY SOLAR OBSERVATION.
2. WELL LOCATED S 73°E~22.2 MILES FROM CAMERON, TX.
3. [redacted] INDICATES LIMITS OF UNIT.
4. SURF. LOC. POSITION:
   LATITUDE: 30°45'52"N
   LONGITUDE: 96°37'32"W
   BOTTOM LOC. POSITION:
   LATITUDE: SEE HORIZONTAL CLOSURES
   LONGITUDE: SEE HORIZONTAL CLOSURES
   SCALED FROM U.S.G.S. QUADRANGLE SHEETS "GAUSE, TX. & MUMFORD, TX.
5. TRACT 2 NOT SURVEYED BY THIS FIRM. RECENT RE-SURVEY DONE BY OTHERS USED TO DELINEATE TRACT 2.

UNIT PERIMETER METES:

LINE	BEARING	DIST.	LINE	BEARING	DIST.
1	N 70°48'38"E	4919.62	16	S 37°26'24"W	376.77
2	S 31°02'38"E	54.14	17	S 43°53'33"W	385.22
3	S 19°29'59"E	333.79	18	S 55°16'12"W	349.53
4	S 30°25'35"E	368.56	19	S 61°45'00"W	857.12
5	S 45°52'51"E	182.52	20	S 78°39'22"W	327.50
6	S 27°54'54"E	266.60	21	N 74°18'19"W	685.94
7	S 32°35'11"E	363.67	22	N 55°09'42"W	719.50
8	S 40°59'31"E	181.08	23	N 24°50'28"W	123.59
9	S 42°51'04"E	503.00	24	N 65°49'17"W	229.83
10	S 59°06'57"E	1089.54	25	N 82°48'41"W	191.52
11	S 27°30'24"E	675.80	26	S 80°15'48"W	156.62
12	S 08°26'50"E	315.66	27	S 38°23'11"W	405.77
13	S 22°40'32"W	608.23	28	S 54°53'44"W	85.52
14	S 31°29'50"W	621.10	29	S 52°35'44"W	370.02
15	S 32°32'19"W	1145.62	30	N 19°11'18"W	5083.91

STATE OF TEXAS REGISTERED S.M. KLING 2003 PROFESSIONAL LAND SURVEYOR

I, S.M. KLING – R.P.L.S. #2003 DO CERTIFY THAT THE RULES OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING HAVE BEEN COMPLIED WITH REGARDING THE TIES SHOWN FROM THE SURFACE LOCATION TO THE UNIT LINES.

BY: S.M. KLING R.P.L.S. NO. 2003

"AS-DRILLED" PRORATION UNIT PLAT

ELY UNIT WELL NO. 2

UNION PACIFIC RESOURCES COMPANY
FERNANDO RODRIGUEZ SURVEY, A-53

MILAM COUNTY, TEXAS

PRORATION UNIT PLAT PREPARED: 07/08/96

SCALE: 1"=1000' JULY, 1996

VOL. 632 PAGE 410

~\DWG1\331\GAUSE.DWG

KLING ENGINEERING & SURVEYING BRYAN, TEXAS

M-97541 (6)
Division Order
5-1-97

File No. MF-97541

Division order

Date Filed: 5/1/97

Jerry E. Patterson, Commissioner

By

15·13·02

ANADARKO E & P COMPANY LP

DIVISION ORDER

RRC 1

MF 097541

UNIT# ✓

STATE OF TEXAS
GENERAL LAND OFFICE
1700 N CONGRESS AVENUE

AUSTIN, TX 78701-1436

Venture Number:	215100
Property Number:	1097507
Property Name:	ELY UNIT 2-2
Product:	Gas/Oil
Status:	NOT APPLICABLE
County/State:	MILAM/ TX
Effective Date:	DATES OF FIRST SALES
Owner Number:	RV45678204 - STATE OF TEXAS
Interest Amt/Type:	0.01700000 / OR

Unit Description:
704.47 ACRES, MORE OR LESS, OUT OF THE FERNANDO RODRIGUEZ SURVEY, A-53, MILAM COUNTY, TEXAS

Milam

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by ANADARKO E & P COMPANY LP (Payor).

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

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

Payor may accrue proceeds until the total amount equals $100, or Sept. 30 whichever occurs first, or as required by applicable state statute.

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

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

Note: NADOA Model Form Division Order (Adopted 9/95)

STATE OF TEXAS
GENERAL LAND OFFICE

*Tax ID #[redacted]

Signature of Witness

Owner Signature/Corporate Title

Owner Address (if different from above)

Signature of Witness

City, State Zip Code

Owner Daytime Phone

Return Copy

* Failure to furnish your Social Security/Tax ID number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by payor.
**Insert Tax ID number for all individual parties listed above in the Name and Address box

Return to: ANADARKO E & P COMPANY LP
P.O. Box 1330
Houston, TX 77251-9874
1-800-359-1692

Date Prepared: December 06, 2011
Prepared by: M White

7.

File No. 097541

DIVISION ORDER

Date Filed: 12/13/11

Jerry E. Patterson, Commissioner

By

12.13.11

7014 0600 0000 6595 7763

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at *www.usps.com®*.

OFFICIAL USE

Certified Mail Fee
$

Extra Services & Fees *(check box, add fee as appropriate)*
- ☐ Return Receipt (hardcopy) $
- ☐ Return Receipt (electronic) $
- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

Postage
$

Total Postage and Fees
$

Postmark Here

MF 097541

Sent To
TreadStone Energy Partners Operating, LLC

Street and Apt. No., or PO Box No.
106 Vintage Park Blvd Ste 100

City, State, ZIP+4®
Houston, TX 77070-4082

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
  - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt;* attach PS Form 3811 to your mailpiece; for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.
  - Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
  - Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
  - Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

USPS TRACKING #

9590 9402 1749 6074 7581 03

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

United States
Postal Service

Texas General Land Office
George P. Bush, Commissioner
P.O. Box 12873
Austin, Texas 78711-2873

ATTN: Aurora Jordan 8th Energy
MF097541

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:

TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd Ste 100
Houston, TX 77070-4082

9590 9402 1749 6074 7581 03

7016 0600 0000 6595 7763

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X Cogan

☐ Agent
☐ Addressee

B. Received by (Printed Name)

Denise Cogan

C. Date of Delivery

10/10/18

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
☐ Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Texas General Land Office
Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd Ste 100
Houston, TX 77070-4082

Billing Date: 10/2/2018
Billing Due Date: 11/1/2018
Customer Number: C000089588

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00043	MF097541	$0.00	$1,029.60	$140.00	$62.61	$1,232.21
Total Due		$0.00	$1,029.60	$140.00	$62.61	**$1,232.21**

Penalty and interest have been calculated thru 10/31/2018. Payment remitted after 10/31/2018 will result in additional penalty and interest charges.

Contact Info: David Jacquet (512) 463-5262 or david.jacquet@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

TreadStone Energy Partners Operating, LLC
Billing Date: 10/2/2018
Billing Due Date: 11/1/2018
Customer Number: C000089588

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
19I00043	MF097541	$0.00	$1,029.60	$140.00	$62.61	$1,232.21
Total Due		$0.00	$1,029.60	$140.00	$62.61	**$1,232.21**
Amt. Paid						

Customer ID:	C000089588	**Category**	Oil
Invoice Number:		**Auditor/AE:**	DJACQUET
GLO Lease:	MF097541	**Billing Date:**	9/26/2018
GLO Review:	TREADSTONE ENERGY PRTNR OP LLC	**P&I Calculation Date:**	10/31/2018
Review Period:	SEP 2016 Through AUG 2017	**Royalty Rate:**	1.70%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Mar-17	03-23025	0	1	$0	1	$0.00	$1,000.01	$100.01	$900.00	544	4.75%	$90.00	$56.80	$1,046.80
Jun-17	03-23025	34	1	$45.81	1	$1,550.21	$26.35	$0.00	$26.35	452	4.75%	$25.00	$1.35	$52.70
Aug-17	03-23025	127	1	$47.70	1	$6,073.64	$103.25	$0.00	$103.25	391	4.75%	$25.00	$4.46	$132.71
TOTALS		161				$7,623.85	$1,129.61	$100.01	$1,029.60			$140.00	$62.61	$1,232.21

COMMENTS: BILLING ON DIFFERENCE FROM ROYALTIES DUE TO THE GLO VERSUS PAID FOR RRC ID# 03-23025.

COLUMN (3) VOLUMES - REPRESENTS UNDER REPORTED SALES VOLUMES REPORTED TO GLO.
COLUMNS (5) & (6) THE PRICES - AVERAGE FROM PRODUCTION ROYALTY REPORTS SUBMITTED TO THE GLO ON THE GLO1 REPORTS..
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

ATTN: COLTON SANFORD
CERTIFIED MAIL: 7016 0600 0000 6595 7763

File No. MF097541 (8)

_____ County

Recon Billing

Date Filed: 10/5/18

George P. Bush, Commissioner

By AT

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: **May 18, 2021** **PSA# 00385**

TO: **School Land Board**

FROM: **Pooling Committee**

SUBJECT: **Request from TreadStone Energy Partners to have the State enter into a Production Sharing Agreement for the drilling of the Ella Marie 1HE allocation well.**

- **TreadStone Energy Partners** is the operator of State Lease MF097541 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.

- The Production Sharing Agreement will allow the operator to drill the Ella Marie 1HE allocation well which traverses State Lease MF097541.

- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

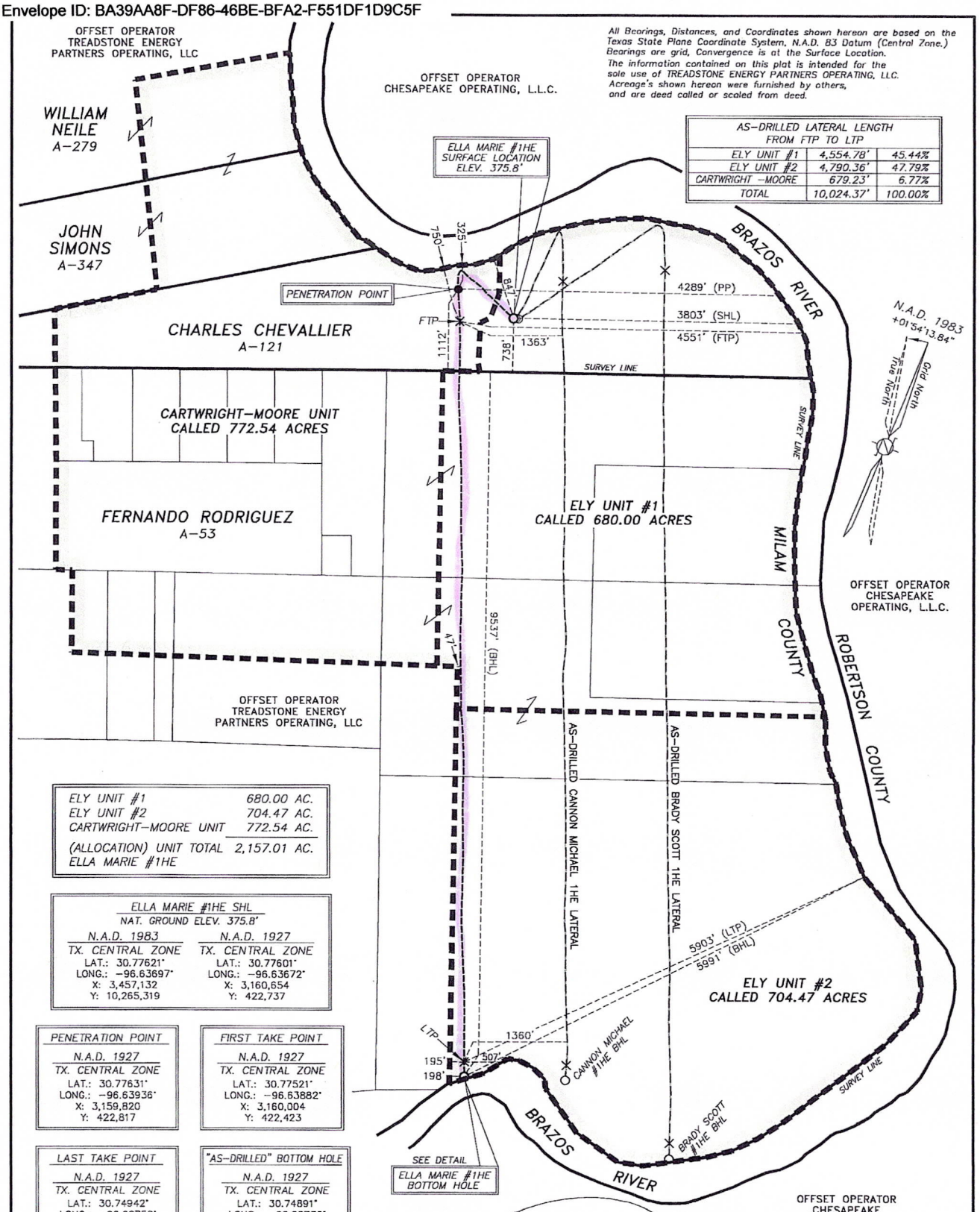
DocuSigned by:
RJ Hs
6C1630CF0F2E4D3...
General Land Office — 5/5/2021 Date

DocuSigned by:
Catarina Gonzales
EE8EA19C5EF64CC...
Office of the Governor — 5/17/2021 Date

Office of the Governor — Date

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 83 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	4,554.78'	45.44%
ELY UNIT #2	4,790.36'	47.79%
CARTWRIGHT -MOORE	679.23'	6.77%
TOTAL	10,024.37'	100.00%



ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
CARTWRIGHT-MOORE UNIT	772.54 AC.
(ALLOCATION) UNIT TOTAL ELLA MARIE #1HE	2,157.01 AC.

ELLA MARIE #1HE SHL
NAT. GROUND ELEV. 375.8'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77621°	LAT.: 30.77601°
LONG.: -96.63697°	LONG.: -96.63672°
X: 3,457,132	X: 3,160,654
Y: 10,265,319	Y: 422,737

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77631°
LONG.: -96.63936°
X: 3,159,820
Y: 422,817

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77521°
LONG.: -96.63882°
X: 3,160,004
Y: 422,423

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74942°
LONG.: -96.62758°
X: 3,163,845
Y: 413,167

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74891°
LONG.: -96.62736°
X: 3,163,920
Y: 412,984

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/16/2021

STATE OF TEXAS REGISTERED KENNY C. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
ELLA MARIE #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

PSA #00385

T190397 – ELLA MARIE #1HE AS-DRILLED PLAT

DocuSign

Certificate Of Completion

Envelope Id: BA39AA8FDF8646BEBFA2F551DF1D9C5F

Status: Completed

Subject: Please DocuSign - Energy Resources: Pooling Committee Recommendation (Texas GLO)

Source Envelope:

Document Pages: 34

Signatures: 20

Certificate Pages: 2

Initials: 0

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/5/2021 6:06:19 PM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Robert Hatter robert.hatter@glo.texas.gov Deputy Director Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 6C1630CF0F2E4D3... Signature Adoption: Uploaded Signature Image Using IP Address: 70.124.144.144 Signed using mobile	Sent: 5/5/2021 6:09:44 PM Viewed: 5/5/2021 8:42:02 PM Signed: 5/5/2021 8:42:39 PM
Catarina Gonzales Catarina.Gonzales@gov.texas.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Catarina Gonzales EE8EA19C5EF64CC... Signature Adoption: Pre-selected Style Using IP Address: 204.65.226.3	Sent: 5/5/2021 8:42:42 PM Resent: 5/13/2021 7:08:35 AM Viewed: 5/17/2021 9:45:09 AM Signed: 5/17/2021 9:46:05 AM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/5/2021 6:09:44 PM Viewed: 5/17/2021 9:48:16 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/5/2021 6:09:44 PM
Certified Delivered	Security Checked	5/17/2021 9:45:09 AM
Signing Complete	Security Checked	5/17/2021 9:46:05 AM
Completed	Security Checked	5/17/2021 9:46:05 AM

Payment Events	Status	Timestamps

(9)

File No. MF 097541

Milam County

Memo to SLB

Date Filed: 9/17/21

George P. Bush, Commissioner

By MB Barnstar

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (June 8, 2021)

DATE: **May 18, 2021**

FILE COPY

TO: **Commissioner Bush**

FROM: **Mary Beth Barnstone**

SUBJECT: **Production Sharing Agreement for signature**

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement that was approved by the School Land Board on May 18, 2021.

DETAILS: The Production Sharing Agreement will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral or royalty interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	**Recipient**
Production Sharing Agreement Ella Marie 1HE allocation well State Lease M-097541 Milam County, Texas	TreadStone Energy Partners

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources

Attachment: Two Production Sharing Agreements

Thru: Larry Hargrave

10

File No. MF097541

Milam County

Memo to Commissioner

Date Filed: 9/17/21

George P. Bush, Commissioner

By MB Barnstar

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

1. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
2. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and
3. **Cartwright-Moore No. 1, ,** as more particularly described in that certain Designation of Unit dated July 10, 1997, from Union Pacific Resources Company containing 772.54 acres, more or less, and recorded in Volume 752, Page 718, Milam County, Texas, as amended by Amended Designation of Unit dated July 24, 1997 recorded in Volume 753, Page 550 Milam County, Texas, as amended by Second Amendment to Designation of Unit dated April 18, 2000 recorded in Volume 818, Page 857 Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Ella Marie 1HE Well (API No. 42-331-35086), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Ella Marie 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Ella Marie 1HE Well.
2. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Ella Marie 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the Ella Marie 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Ella Marie 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
    d. As evidenced by the Division Order for the Cartwright-Moore Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Cartwright-Moore Unit No. 1-1 Well. The decimal interests for the Cartwright-Moore Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Cartwright-Moore No. 1-1 Well, the royalty owners in and under the Cartwright-Moore Unit No. 1 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Cartwright-Moore Unit No. 1 as set forth under Article 2 a. above.
    e. By drilling the Ella Marie 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be

deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.

3. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Ella Marie 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. ~~In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged~~, the undersigned royalty owner, ~~to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT, and CONFIRM the Units and the lease or leases under which such party's interest is derived (individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further~~ does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Ella Marie 1HE Well under the terms and provisions set forth herein.
5. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Ella Marie 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Ella Marie 1HE Well continues to produce in paying quantities.
6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

ROYALTY OWNER:

_____

INTEREST OWNERS

Date Executed: 5/28/2021

By: George P. Bush, Commissioner
Commissioner of the General Land Office

Approved:
content MB
min. leasing
legal
executive

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 28 day of May, 2021 by George P. Bush.

NOTARY PUBLIC – State of Texas
My Commission Expires: 7/25/2021

VICKI GONZALES
NOTARY PUBLIC
ID= 12950636-4
State of Texas
Comm. Exp. 07-25-2021
NOTARY WITHOUT BOND

DocuSign

Certificate Of Completion

Envelope Id: 936C126C9F364CE6ACF90EEAF01AAA25
Status: Completed
Subject: Please DocuSign - Energy Resources: PSA - TreadStone (Texas GLO)
Source Envelope:
Document Pages: 12
Signatures: 0
Certificate Pages: 2
Initials: 9
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/24/2021 6:54:54 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Matthew Edling matthew.edling@glo.texas.gov Security Level: Email, Account Authentication (None)	DS ME Signature Adoption: Pre-selected Style Using IP Address: 23.112.36.172	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 1:46:29 PM Signed: 5/24/2021 1:47:59 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Larry Hargrave larry.hargrave@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None)	DS LH Signature Adoption: Pre-selected Style Using IP Address: 165.225.34.64	Sent: 5/24/2021 1:48:00 PM Viewed: 5/24/2021 1:48:44 PM Signed: 5/24/2021 1:49:34 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Mark A. Havens Mark.Havens@GLO.TEXAS.GOV Chief Clerk and Deputy Land Commissioner Texas General Land Office Security Level: Email, Account Authentication (None)	DS Signature Adoption: Drawn on Device Using IP Address: 162.193.135.244 Signed using mobile	Sent: 5/24/2021 1:49:35 PM Viewed: 5/24/2021 2:23:07 PM Signed: 5/24/2021 2:23:23 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 2:41:14 PM
Stephanie Crenshaw stephanie.crenshaw@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 1:49:36 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/24/2021 6:58:07 AM
Certified Delivered	Security Checked	5/24/2021 2:23:07 PM
Signing Complete	Security Checked	5/24/2021 2:23:23 PM
Completed	Security Checked	5/24/2021 2:23:23 PM

Payment Events	Status	Timestamps

(11)

File No. MF 09541

Milam County

PSA Ella Marie / HE

Date Filed. 9/17/21

George L. Bush, Commissioner

By MB Barnstone

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: **May 18, 2021** **PSA# 00386**

TO: **School Land Board**

FROM: **Pooling Committee**

SUBJECT: **Request from TreadStone Energy Partners to have the State enter into a Production Sharing Agreement for the drilling of the Cannon Michael 1HE allocation well.**

- **TreadStone Energy Partners** is the operator of State Lease MF097541 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.

- The Production Sharing Agreement will allow the operator to drill the Cannon Michael 1HE allocation well which traverses State Lease MF097541.

- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

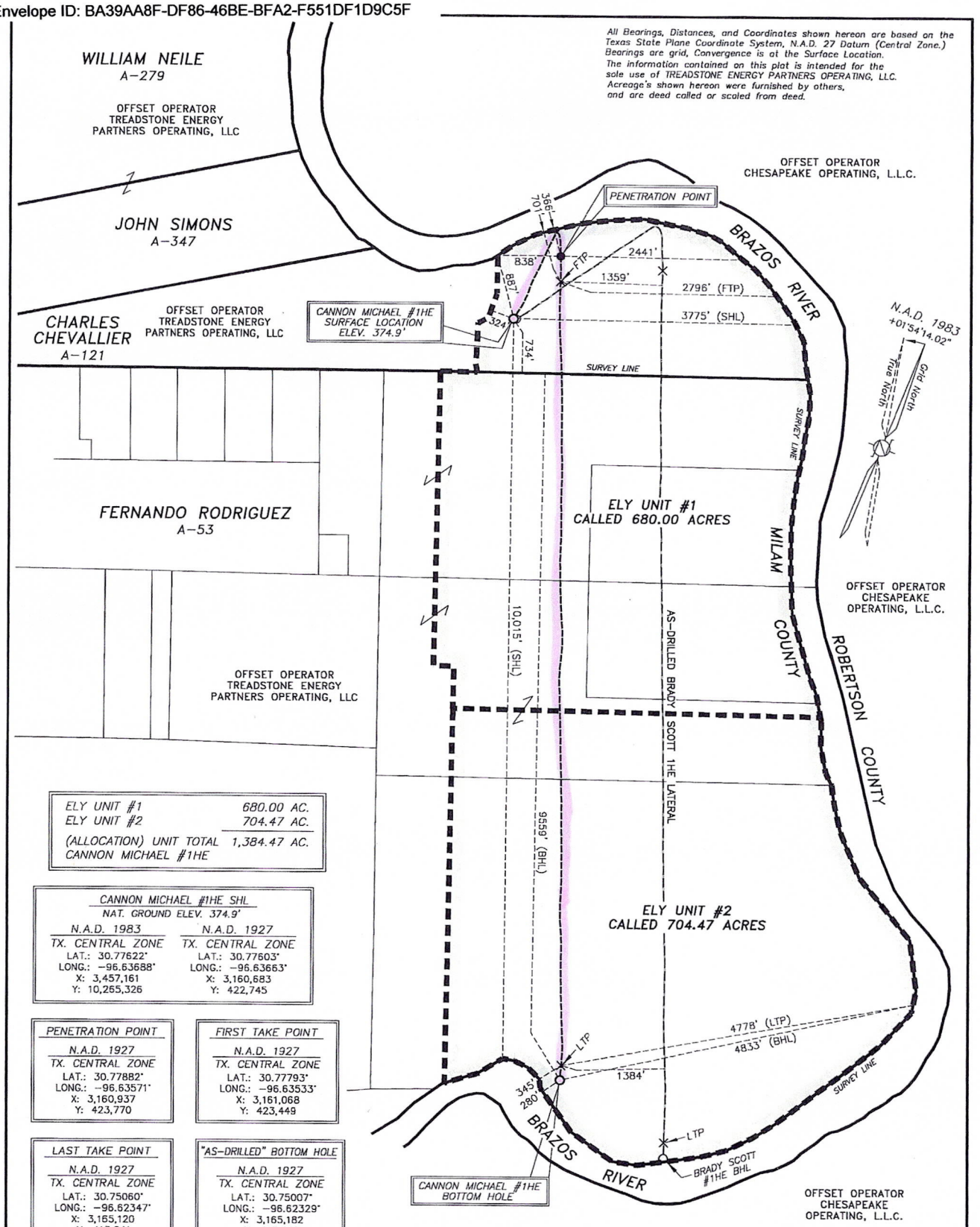
The Pooling Committee recommends Board approval of the Production Sharing Agreement.

DocuSigned by:
RJ Hs
6C1030CF0F2E4D3...
General Land Office — 5/5/2021 Date

DocuSigned by:
Catarina Gonzales
EE8EA19C5EF64CC...
Office of the Governor — 5/17/2021 Date

Office of the Governor — Date

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.



ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CANNON MICHAEL #1HE	1,384.47 AC.

CANNON MICHAEL #1HE SHL
NAT. GROUND ELEV. 374.9'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77622°	LAT.: 30.77603°
LONG.: −96.63688°	LONG.: −96.63663°
X: 3,457,161	X: 3,160,683
Y: 10,265,326	Y: 422,745

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77882°
LONG.: −96.63571°
X: 3,160,937
Y: 423,770

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77793°
LONG.: −96.63533°
X: 3,161,068
Y: 423,449

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75060°
LONG.: −96.62347°
X: 3,165,120
Y: 413,641

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75007°
LONG.: −96.62329°
X: 3,165,182
Y: 413,449

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	5,811.74'	54.73%
ELY UNIT #2	4,807.01'	45.27%
TOTAL	10,618.75'	100.00%

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny G. Williams DATE: 03/12/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
CANNON MICHAEL #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

PSA #00386

T190396 – CANNON MICHAEL #1HE AS-DRILLED PLAT

DocuSign

Certificate Of Completion

Envelope Id: BA39AA8FDF8646BEBFA2F551DF1D9C5F

Status: Completed

Subject: Please DocuSign - Energy Resources: Pooling Committee Recommendation (Texas GLO)

Source Envelope:

Document Pages: 34

Signatures: 20

Certificate Pages: 2

Initials: 0

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/5/2021 6:06:19 PM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Robert Hatter robert.hatter@glo.texas.gov Deputy Director Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 6C1630CF0F2E4D3... Signature Adoption: Uploaded Signature Image Using IP Address: 70.124.144.144 Signed using mobile	Sent: 5/5/2021 6:09:44 PM Viewed: 5/5/2021 8:42:02 PM Signed: 5/5/2021 8:42:39 PM
Catarina Gonzales Catarina.Gonzales@gov.texas.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Catarina Gonzales EE8EA19C5EF64CC... Signature Adoption: Pre-selected Style Using IP Address: 204.65.226.3	Sent: 5/5/2021 8:42:42 PM Resent: 5/13/2021 7:08:35 AM Viewed: 5/17/2021 9:45:09 AM Signed: 5/17/2021 9:46:05 AM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/5/2021 6:09:44 PM Viewed: 5/17/2021 9:48:16 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/5/2021 6:09:44 PM
Certified Delivered	Security Checked	5/17/2021 9:45:09 AM
Signing Complete	Security Checked	5/17/2021 9:46:05 AM
Completed	Security Checked	5/17/2021 9:46:05 AM

Payment Events	Status	Timestamps

(12)

File No. MF097541

Milam County

Memo to SLB

Date Filed: 9/17/21

Connie G. Bunn, Commissioner

By MBBarnstar

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (June 8, 2021)

DATE: **May 18, 2021**

FILE COPY

TO: **Commissioner Bush**

FROM: **Mary Beth Barnstone**

SUBJECT: **Production Sharing Agreement for signature**

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement that was approved by the School Land Board on May 18, 2021.

DETAILS: The Production Sharing Agreement will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral or royalty interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	**Recipient**
Production Sharing Agreement Cannon Michael 1HE allocation well State Lease M-097541 Milam County, Texas	TreadStone Energy Partners

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources

Attachment: Two Production Sharing Agreements

Thru: Larry Hargrave

File No. 097541

Milam County

Memo to Commissioner

Date Filed: 9/17/21

Clerk of the Commissioner

By M.B. Barnstar

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

1. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
2. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Cannon Michael 1HE Well (API No. 42-331-35085), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Cannon Michael 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Cannon Michael 1HE Well.
2. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Cannon Michael 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the Cannon Michael 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Cannon Michael 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Cannon Michael 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Cannon Michael 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
    d. By drilling the Cannon Michael 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
3. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Cannon Michael 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. ~~In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged~~, the undersigned royalty owner, ~~to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT, and CONFIRM the Units and the lease or leases under which such party's interest is derived~~

~~(individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further~~ does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Cannon Michael 1HE Well under the terms and provisions set forth herein.

5. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Cannon Michael 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Cannon Michael 1HE Well continues to produce in paying quantities.
6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

ROYALTY OWNER:

_____

INTEREST OWNERS

Date Executed: 5/28/2021

By: George P. Bush, Commissioner
Commissioner of the General Land Office

Approved:
content
min. leasing
legal
executive

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 28 day of May, 2021 by George P. Bush

NOTARY PUBLIC – State of Texas
My Commission Expires: 7/25/2021

VICKI GONZALES
NOTARY PUBLIC
ID# 12950636-4
State of Texas
Comm. Exp. 07-25-2021
NOTARY WITHOUT BOND

DocuSign

Certificate Of Completion

Envelope Id: 936C126C9F364CE6ACF90EEAF01AAA25
Status: Completed
Subject: Please DocuSign - Energy Resources: PSA - TreadStone (Texas GLO)
Source Envelope:
Document Pages: 12
Signatures: 0
Certificate Pages: 2
Initials: 9
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/24/2021 6:54:54 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Matthew Edling matthew.edling@glo.texas.gov Security Level: Email, Account Authentication (None)	DS ME Signature Adoption: Pre-selected Style Using IP Address: 23.112.36.172	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 1:46:29 PM Signed: 5/24/2021 1:47:59 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Larry Hargrave larry.hargrave@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None)	DS LH Signature Adoption: Pre-selected Style Using IP Address: 165.225.34.64	Sent: 5/24/2021 1:48:00 PM Viewed: 5/24/2021 1:48:44 PM Signed: 5/24/2021 1:49:34 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Mark A. Havens Mark.Havens@GLO.TEXAS.GOV Chief Clerk and Deputy Land Commissioner Texas General Land Office Security Level: Email, Account Authentication (None)	DS Signature Adoption: Drawn on Device Using IP Address: 162.193.135.244 Signed using mobile	Sent: 5/24/2021 1:49:35 PM Viewed: 5/24/2021 2:23:07 PM Signed: 5/24/2021 2:23:23 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 2:41:14 PM
Stephanie Crenshaw stephanie.crenshaw@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 1:49:36 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	5/24/2021 2:23:23 PM

Payment Events	Status	Timestamps

(14)

File No. MF097541

Milam County

PSA Cannon Michael / HE

Date Filed: 9/17/21

George H. Lerch, Commissioner

By: MB Barnstone

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: **May 18, 2021** **PSA# 00387**

TO: **School Land Board**

FROM: **Pooling Committee**

SUBJECT: **Request from TreadStone Energy Partners to have the State enter into a Production Sharing Agreement for the drilling of the Brady Scott 1HE allocation well.**

- **TreadStone Energy Partners** is the operator of State Lease MF097541 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.

- The Production Sharing Agreement will allow the operator to drill the Brady Scott 1HE allocation well which traverses State Lease MF097541.

- The State's participation in the sharing wells will be based on productive lateral length from first take point to last take point.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

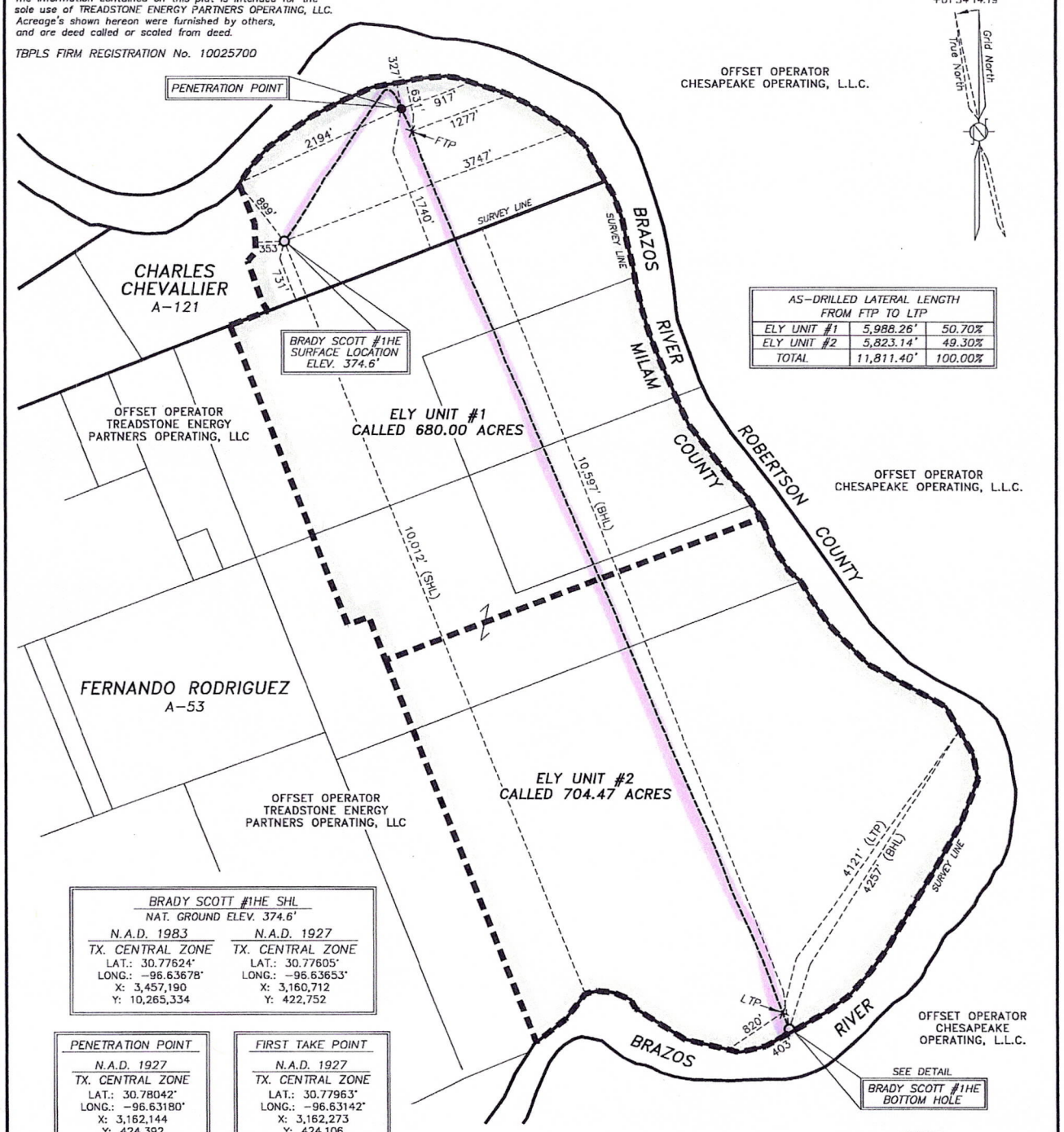
DocuSigned by:
RJ Hess
6C1630CF0F2E4D3...
General Land Office — 5/5/2021 Date

DocuSigned by:
Catarina Gonzales
EE8EA19C5EF64CC...
Office of the Governor — 5/17/2021 Date

Office of the Governor — Date

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

TBPLS FIRM REGISTRATION No. 10025700



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	5,988.26'	50.70%
ELY UNIT #2	5,823.14'	49.30%
TOTAL	11,811.40'	100.00%

BRADY SCOTT #1HE SHL NAT. GROUND ELEV. 374.6'	
N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77624° LONG.: -96.63678° X: 3,457,190 Y: 10,265,334	LAT.: 30.77605° LONG.: -96.63653° X: 3,160,712 Y: 422,752

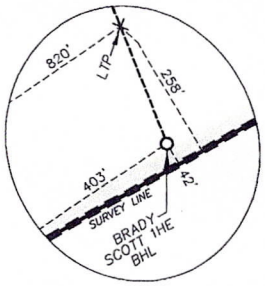
PENETRATION POINT
N.A.D. 1927 TX. CENTRAL ZONE LAT.: 30.78042° LONG.: -96.63180° X: 3,162,144 Y: 424,392

FIRST TAKE POINT
N.A.D. 1927 TX. CENTRAL ZONE LAT.: 30.77963° LONG.: -96.63142° X: 3,162,273 Y: 424,106

LAST TAKE POINT
N.A.D. 1927 TX. CENTRAL ZONE LAT.: 30.74922° LONG.: -96.61822° X: 3,166,785 Y: 413,193

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927 TX. CENTRAL ZONE LAT.: 30.74865° LONG.: -96.61799° X: 3,166,863 Y: 412,989

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL BRADY SCOTT #1HE	1,384.47 AC.



DETAIL
NOT TO SCALE

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/08/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
BRADY SCOTT #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

PSA #00387

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

T190395 – BRADY SCOTT #1HE AS-DRILLED PLAT

DocuSign

Certificate Of Completion

Envelope Id: BA39AA8FDF8646BEBFA2F551DF1D9C5F

Status: Completed

Subject: Please DocuSign - Energy Resources: Pooling Committee Recommendation (Texas GLO)

Source Envelope:

Document Pages: 34

Signatures: 20

Certificate Pages: 2

Initials: 0

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/5/2021 6:06:19 PM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Robert Hatter robert.hatter@glo.texas.gov Deputy Director Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 6C1630CF0F2E4D3... Signature Adoption: Uploaded Signature Image Using IP Address: 70.124.144.144 Signed using mobile	Sent: 5/5/2021 6:09:44 PM Viewed: 5/5/2021 8:42:02 PM Signed: 5/5/2021 8:42:39 PM
Catarina Gonzales Catarina.Gonzales@gov.texas.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Catarina Gonzales EE8EA19C5EF64CC... Signature Adoption: Pre-selected Style Using IP Address: 204.65.226.3	Sent: 5/5/2021 8:42:42 PM Resent: 5/13/2021 7:08:35 AM Viewed: 5/17/2021 9:45:09 AM Signed: 5/17/2021 9:46:05 AM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/5/2021 6:09:44 PM Viewed: 5/17/2021 9:48:16 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/5/2021 6:09:44 PM
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Signing Complete	Security Checked	5/17/2021 9:46:05 AM
Completed	Security Checked	5/17/2021 9:46:05 AM

Payment Events	Status	Timestamps

(15)

File No. MF 097541

Milam County

Memo to SLB

Date Filed: 9/17/21

Clerk of the Commissioner

By: MBBarnstone

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (June 8, 2021)

DATE: **May 18, 2021**

FILE COPY

TO: **Commissioner Bush**

FROM: **Mary Beth Barnstone**

SUBJECT: **Production Sharing Agreement for signature**

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement that was approved by the School Land Board on May 18, 2021.

DETAILS: The Production Sharing Agreement will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral or royalty interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	**Recipient**
Production Sharing Agreement Brady Scott 1HE allocation well State Lease M-097541 Milam County, Texas	TreadStone Energy Partners

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources

Attachment: Two Production Sharing Agreements

Thru: Larry Hargrave

(16)

MF097541

Milam County

Memo to Commissioner

9/17/21

MB Barnstone

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

1. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
2. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Brady Scott 1HE Well (API No. 42-331-35084), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Brady Scott 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Brady Scott 1HE Well.
2. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Brady Scott 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
   a. All production from the Brady Scott 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Brady Scott 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
   b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Brady Scott 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
   c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Brady Scott 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
   d. By drilling the Brady Scott 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
3. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Brady Scott 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. ~~In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged~~, the undersigned royalty owner, ~~to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT~~, and ~~CONFIRM the Units and the lease or leases under which such party's interest is derived~~

~~(individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further~~ does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Brady Scott 1HE Well under the terms and provisions set forth herein.

5. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Brady Scott 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Brady Scott 1HE Well continues to produce in paying quantities.
6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

ROYALTY OWNER:

_____

INTEREST OWNERS

Date Executed: 5/28/2021

By: George P. Bush, Commissioner
Commissioner of the General Land Office

Approved:
content MMB
min. leasing ME
legal
executive

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 28 day of May, 2021 by George P. Bush.

Vicki Gonzales
NOTARY PUBLIC – State of Texas
My Commission Expires: 7/25/2021

VICKI GONZALES
NOTARY PUBLIC
ID# 12950636-4
State of Texas
Comm. Exp. 07-25-2021
NOTARY WITHOUT BOND

DocuSign

Certificate Of Completion

Envelope Id: 936C126C9F364CE6ACF90EEAF01AAA25
Status: Completed
Subject: Please DocuSign - Energy Resources: PSA - TreadStone (Texas GLO)
Source Envelope:
Document Pages: 12
Signatures: 0
Certificate Pages: 2
Initials: 9
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 70.112.25.185

Record Tracking

Status: Original
5/24/2021 6:54:54 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Matthew Edling matthew.edling@glo.texas.gov Security Level: Email, Account Authentication (None)	DS ME Signature Adoption: Pre-selected Style Using IP Address: 23.112.36.172	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 1:46:29 PM Signed: 5/24/2021 1:47:59 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Larry Hargrave larry.hargrave@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None)	DS LH Signature Adoption: Pre-selected Style Using IP Address: 165.225.34.64	Sent: 5/24/2021 1:48:00 PM Viewed: 5/24/2021 1:48:44 PM Signed: 5/24/2021 1:49:34 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Mark A. Havens Mark.Havens@GLO.TEXAS.GOV Chief Clerk and Deputy Land Commissioner Texas General Land Office Security Level: Email, Account Authentication (None)	DS Signature Adoption: Drawn on Device Using IP Address: 162.193.135.244 Signed using mobile	Sent: 5/24/2021 1:49:35 PM Viewed: 5/24/2021 2:23:07 PM Signed: 5/24/2021 2:23:23 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 6:58:07 AM Viewed: 5/24/2021 2:41:14 PM
Stephanie Crenshaw stephanie.crenshaw@glo.texas.gov Texas General Land Office Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 5/24/2021 1:49:36 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/24/2021 6:58:07 AM
Certified Delivered	Security Checked	5/24/2021 2:23:07 PM
Signing Complete	Security Checked	5/24/2021 2:23:23 PM
Completed	Security Checked	5/24/2021 2:23:23 PM

Payment Events	Status	Timestamps

(17)

File No. MF097541

Milam County

PSA Brady Scott IHE

Date Filed 9/17/21

Clerk of the Circuit Court

By MB Barnstar

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

June 7, 2021

Mr. Colton Sanford
TreadStone Energy Partners
106 Vintage Blvd.
Suite 100
Houston, Texas 77070

RE: Production Sharing Agreements
Brady Scott 1HE
Cannon Michael 1HE
Ella Marie 1HE
State Lease M-097541
Milam County, Texas

Dear Mr. Sanford:

On May 18, 2021, the School Land Board of the State of Texas approved your application to have the State enter into a Production Sharing Agreement ("PSA") for the referenced State Lease. Enclosed is an original of the PSA that has been executed by George P. Bush, Commissioner of the Texas General Land Office. We have retained the other original of the PSA for our files.

Please provide our office with a fully executed copy and/or recorded copy of the PSA if it is going to be recorded as soon as it is available. **After a Sharing Well is drilled, please provide a copy of the final, "as-drilled" plat showing the "Productive Drainhole Length / Allocation Factor" information, and the State tract participation and Net Revenue Interest in the well** so we can get our records set up for the payment of royalties on the well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

(18)

File No. MF097541

Milam County

Letter to Treadstone

Date Filed 9/17/21

Clerk of the Circuit Court and Ex-Officio Recorder

By M B Barnstone

Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 11214

GENERAL INFORMATION

Name of Well: Ella Marie 1HE (alloc) API # 42-331-35086

Name of Operator: TreadStone Energy Partners RRC # 03-27847

Operator Contact Person: Colton Sanford Phone: 713-482-2997

Counties: Milam

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	TOTAL PRODUCTIVE LATERAL LENGTH	LATERAL LENGTH ON UNIT	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
ORRI	MF097541	**10,024.37**	**4,790.36**	**0.01700000**	**0.17**	**0.04778714**	**0.00812381**
Totals:						0.04778714	**0.00812381**
Effective Date:	11/23/2019						**State Net Royalty Revenue in Well**

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 11/23/2019. Final plat received 4/22/2021. Subject to PSA #00385.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB

RAM approval by: VD GIS updated by: [illegible]

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number	*11214*				
Operator Name	*TreadStone Energy Partners Operating, LLC*			*Effective Date*	*11/23/2019*
Customer ID	*C000089588*			*Unitized For*	*Oil And Gas*
Unit Name	*Ella Marie 1HE (alloc)*			*Unit Term*	
County 1	*Milam*	*RRC District 1*	*01*	*Old Unit Number*	*Inactive Status Date*
County 2		*RRC District 2*			
County 3		*RRC District 3*			
County 4		*RRC District 4*			
Unit type	*iNut*				
State Net Revenue Interest	*Oil* *0.00812381*				
State Part in Unit	*0.04778714*				
Unit Depth	*Allow All Depths*	*Well*			
From Depth		*Formation*			
To Depth		*Participation Basis*	*Length of Lateral*		
		If Excluions Apply: See Remarks			

Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF097541		0.000000	0.000000	0.04778714	O/G	0.01700000	0.00812381	No

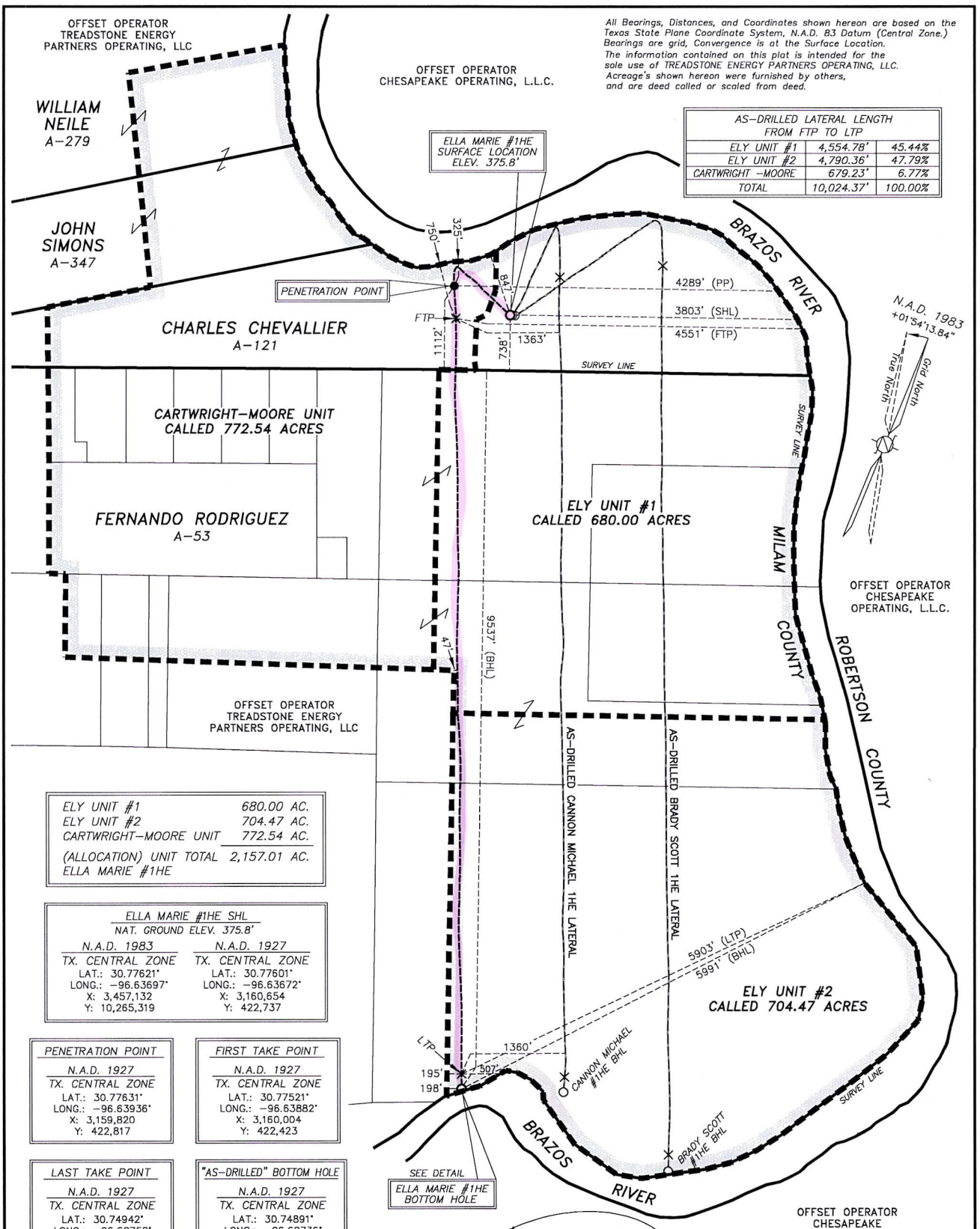
API Number
4233135086

Remarks: iNut crosses Ely Unit which includes ORRI lease MF097541. Well spud 11/23/2019. Final plat received 4/22/2021. Subject to PSA #00385.

Prepared By:	MB	*Prepared Date:*	9/17/21
GLO Base Updated By:	MB	*GLO Base Date:*	9/17/21
RAM Approval By:	VD	*RAM Approval Date:*	9/17/21
GIS By:	[illegible]	*GIS Date:*	03/21/2022
Well Inventory By:	MB	*WI Date:*	9/17/21

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 83 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	4,554.78'	45.44%
ELY UNIT #2	4,790.36'	47.79%
CARTWRIGHT -MOORE	679.23'	6.77%
TOTAL	10,024.37'	100.00%



ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
CARTWRIGHT-MOORE UNIT	772.54 AC.
(ALLOCATION) UNIT TOTAL ELLA MARIE #1HE	2,157.01 AC.

ELLA MARIE #1HE SHL
NAT. GROUND ELEV. 375.8'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77621°	LAT.: 30.77601°
LONG.: -96.63697°	LONG.: -96.63672°
X: 3,457,132	X: 3,160,654
Y: 10,265,319	Y: 422,737

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77631°
LONG.: -96.63936°
X: 3,159,820
Y: 422,817

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77521°
LONG.: -96.63882°
X: 3,160,004
Y: 422,423

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74942°
LONG.: -96.62758°
X: 3,163,845
Y: 413,167

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74891°
LONG.: -96.62736°
X: 3,163,920
Y: 412,984

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/16/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
ELLA MARIE #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700
"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

PSA #00385

T190397 – ELLA MARIE #1HE AS-DRILLED PLAT

iNut 11214
42-331-35086

TREADSTONE
ENERGY PARTNERS

TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Colton Sanford
Landman
Telephone: 713-482-2997
Facsimile: 713-482-2992

iNut crosses
River Fee lease
MF097541
Subject to PSA 00385

VIA U.S. OVERNIGHT MAIL

April 22, 2021

Texas General Land Office
ATTN: Mary Barnstone
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495

RE: PSA Agreement –Ella Marie 1HE Allocation Well (State lease #s MF097541, Ely Unit 2 GLO Non-Unit)

03-27847
Giddings (Eagleford)

Dear Mrs. Barnstone:

Enclosed please find TreadStone Energy Partners Operating, LLC's (C000089588) form Production Sharing Agreement, the as-drilled plat for the Ella Marie 1HE allocation well, and a check in the amount of $500.00. The Ella Marie 1HE allocation well includes lands from State Lease # MF097541, the Ely Unit 2 Non-Unit. The allocation factor for the GLO interests in the Brady Scott 1HA is as follows:

- State Lease MF097541 = .017000 (Overriding Royalty) * .47787143 (Lateral length % in Ely Unit 2 = ~~4970.36~~'/10024.37') = .00812381
  4790.36'

Please do not hesitate to contact me if you have any questions or further requirements.

Sincerely,

CS

Colton Sanford
Landman

spud 11/23/2019

Continued

(19)

File No. MF097541

Milam County

iNut 11214

Date Filed: 9/17/21

County Clerk or Deputy Clerk

By: MB. Barnstone

Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 11215

GENERAL INFORMATION

Name of Well: Cannon Michael 1HE (alloc) API # 42-331-35085

Name of Operator: TreadStone Energy Partners RRC # 03-27820

Operator Contact Person: Colton Sanford Phone: 713-482-2997

Counties: Milam

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	TOTAL PRODUCTIVE LATERAL LENGTH	LATERAL LENGTH ON UNIT	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
ORRI	MF097541	**10,618.75**	**4,807.01**	**0.01700000**	**0.17**	**0.04526908**	**0.00769574**
Totals:						0.04526908	**0.00769574**
Effective Date:	11/30/2019						**State Net Royalty Revenue in Well**

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 11/30/2019. Final plat received 4/22/2021. Subject to PSA #00386.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB

RAM approval by: VD GIS updated by: JK

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number	*11215*		
Operator Name	*TreadStone Energy Partners Operating, LLC*	*Effective Date*	*11/30/2019*
Customer ID	*C000089588*	*Unitized For*	*Oil And Gas*
Unit Name	*Cannon Michael 1HE (alloc)*	*Unit Term*	
County 1	*Milam*	*RRC District 1*	*01*
County 2		*RRC District 2*	
County 3		*RRC District 3*	
County 4		*RRC District 4*	
Unit type	*iNut*		
State Net Revenue Interest	*Oil* *0.00769574*		
State Part in Unit	*0.04526908*		
Unit Depth	*Allow All Depths*		
From Depth			
To Depth			

Old Unit Number *Inactive Status Date*

Well

Formation

Participation Basis *Length of Lateral*

If Excluions Apply: See Remarks

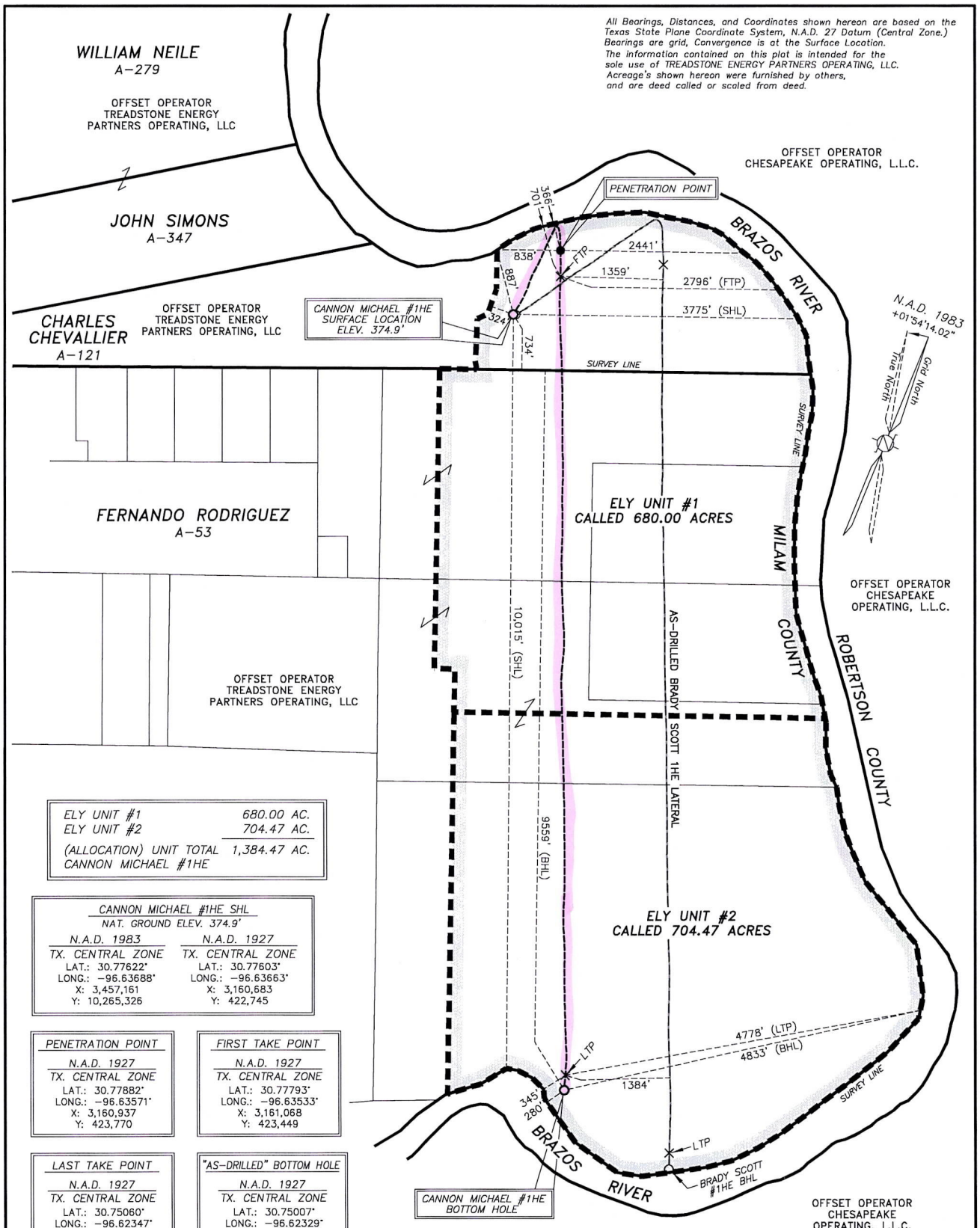
Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF097541		0.000000	0.000000	0.04526908	O/G	0.01700000	0.00769574	No

API Number
4233135085

Remarks: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 11/30/2019. Final plat received 4/22/2021. Subject to PSA #00386.

Prepared By:	MB	*Prepared Date:*	9/17/21
GLO Base Updated By:	MB	*GLO Base Date:*	9/17/21
RAM Approval By:	VD	*RAM Approval Date:*	9/17/21
GIS By:	JK	*GIS Date:*	03/21/2022
Well Inventory By:	MB	*WI Date:*	9/17/21

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.



ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL	1,384.47 AC.
CANNON MICHAEL #1HE	

CANNON MICHAEL #1HE SHL
NAT. GROUND ELEV. 374.9'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77622°	LAT.: 30.77603°
LONG.: -96.63688°	LONG.: -96.63663°
X: 3,457,161	X: 3,160,683
Y: 10,265,326	Y: 422,745

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77882°
LONG.: -96.63571°
X: 3,160,937
Y: 423,770

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77793°
LONG.: -96.63533°
X: 3,161,068
Y: 423,449

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75060°
LONG.: -96.62347°
X: 3,165,120
Y: 413,641

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75007°
LONG.: -96.62329°
X: 3,165,182
Y: 413,449

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	5,811.74'	54.73%
ELY UNIT #2	4,807.01'	45.27%
TOTAL	10,618.75'	100.00%

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/12/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
CANNON MICHAEL #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700
"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

PSA #00386

T190396 – CANNON MICHAEL #1HE AS-DRILLED PLAT

iNut 11215 42-331-35085

03-27820

TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Colton Sanford
Landman
Telephone: 713-482-2997
Facsimile: 713-482-2992

TREADSTONE
ENERGY PARTNERS

Crosses 097541
Subject to PSA #00386

Giddings (Eagleford)
spud 11/30/2019

VIA U.S. OVERNIGHT MAIL

April 22, 2021

Texas General Land Office
ATTN: Mary Barnstone
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495

RE: PSA Agreement –Cannon Michael 1HE Allocation Well (State lease #s MF097541, Ely Unit 2 GLO Non-Unit)

Dear Mrs. Barnstone:

Enclosed please find TreadStone Energy Partners Operating, LLC's (C000089588) form Production Sharing Agreement, the as-drilled plat for the Cannon Michael 1HE allocation well, and a check in the amount of $500.00. The Cannon Michael 1HE allocation well includes lands from State Lease # MF097541, the Ely Unit 2 Non-Unit. The allocation factor for the GLO interests in the Brady Scott 1HA is as follows:

- State Lease MF097541 = .017000 (Overriding Royalty) * .452690759 (Lateral length % in Ely Unit 2 = 4807.01'/10618.75') = .00769574

Please do not hesitate to contact me if you have any questions or further requirements.

Sincerely,

CSf

Colton Sanford
Landman

Continued

20

File No. MF097541

Milam County

Nut 11215

Date Filed: 9/17/21

George P. Bush, Commissioner

By: MB Barnstone

Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 11216

GENERAL INFORMATION

Name of Well: Brady Scott 1HE (alloc) API # 42-331-35084

Name of Operator: TreadStone Energy Partners RRC # 03-27857

Operator Contact Person: Colton Sanford Phone: 713-482-2997

Counties: Milam

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	TOTAL PRODUCTIVE LATERAL LENGTH	LATERAL LENGTH ON UNIT	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
ORRI	MF097541	**11,811.40**	**5,823.14**	**0.01700000**	**0.17**	**0.04930101**	**0.00838117**
Totals:						0.04930101	**0.00838117**
Effective Date:	12/7/2019						**State Net Royalty Revenue in Well**

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 12/7/2019. Final plat received 4/22/2021. Subject to PSA #00387.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB

RAM approval by: VD GIS updated by: JL

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU210001

Unit Number	*11216*				
Operator Name	*TreadStone Energy Partners Operating, LLC*			*Effective Date*	*12/07/2020*
Customer ID	*C000089588*			*Unitized For*	*Oil And Gas*
Unit Name	*Brady Scott 1HE (alloc)*			*Unit Term*	
County 1	*Milam*	*RRC District 1*	*01*	*Old Unit Number*	*Inactive Status Date*
County 2		*RRC District 2*			
County 3		*RRC District 3*			
County 4		*RRC District 4*			
Unit type	*iNut*				
State Net Revenue Interest	*Oil* *0.00838117*				
State Part in Unit	*0.04930101*				
Unit Depth	*Allow All Depths*	*Well*			
From Depth		*Formation*			
To Depth		*Participation Basis*	*Length of Lateral*		
		If Excluions Apply: See Remarks			

Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF097541		0.000000	0.000000	0.04930101	O/G	0.01700000	0.00838117	No

API Number
4233135084

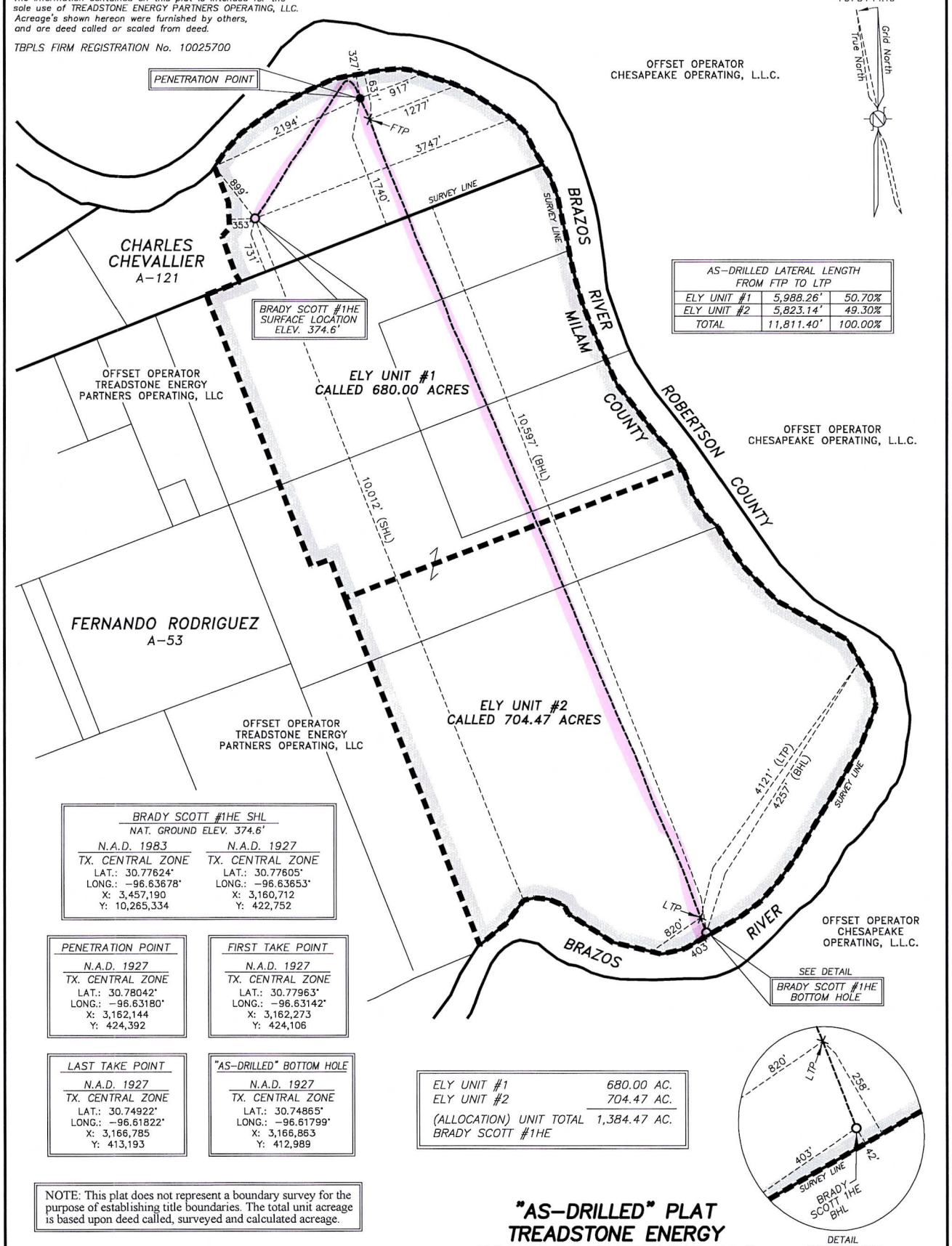
Remarks: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 12/7/2019. Final plat received 4/22/2021. Subject to PSA #00387.

Prepared By:	MB	*Prepared Date:*	9/17/21
GLO Base Updated By:	MB	*GLO Base Date:*	9/17/21
RAM Approval By:	VD	*RAM Approval Date:*	9/17/21
GIS By:	[illegible]	*GIS Date:*	03/21/2022
Well Inventory By:	MB	*WI Date:*	9/17/21

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location.
The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC.
Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

TBPLS FIRM REGISTRATION No. 10025700

N.A.D. 1983
+01°54'14.19"



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	5,988.26'	50.70%
ELY UNIT #2	5,823.14'	49.30%
TOTAL	11,811.40'	100.00%

BRADY SCOTT #1HE SHL
NAT. GROUND ELEV. 374.6'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77624°	LAT.: 30.77605°
LONG.: -96.63678°	LONG.: -96.63653°
X: 3,457,190	X: 3,160,712
Y: 10,265,334	Y: 422,752

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.78042°
LONG.: -96.63180°
X: 3,162,144
Y: 424,392

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77963°
LONG.: -96.63142°
X: 3,162,273
Y: 424,106

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74922°
LONG.: -96.61822°
X: 3,166,785
Y: 413,193

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74865°
LONG.: -96.61799°
X: 3,166,863
Y: 412,989

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL BRADY SCOTT #1HE	1,384.47 AC.

DETAIL
NOT TO SCALE

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/08/2021

STATE OF TEXAS
REGISTERED
KENNY G. WILLIAMS
5680
PROFESSIONAL
LAND SURVEYOR

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
BRADY SCOTT #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

PSA #00387

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

iNut 11216 42-331-35084

TREADSTONE
ENERGY PARTNERS

TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Colton Sanford
Landman
Telephone: 713-482-2997
Facsimile: 713-482-2992

crosses MF097541
subject to PSA #00387
03-27857
Giddings (Eagleford)
spud 12/7/2020

VIA U.S. OVERNIGHT MAIL

April 22, 2021

Texas General Land Office
ATTN: Mary Barnstone
1700 N. Congress Avenue, Suite 840
Austin, TX 78701-1495

RE: PSA Agreement – Brady Scott 1HE Allocation Well (State lease #s MF097541, Ely Unit 2 GLO Non-Unit)

Dear Mrs. Barnstone:

Enclosed please find TreadStone Energy Partners Operating, LLC's (C000089588) form Production Sharing Agreement, the as-drilled plat for the Brady Scott 1HE allocation well, and a check in the amount of $500.00. The Brady Scott 1HE allocation well includes lands from State Lease # MF097541, the Ely Unit 2 Non-Unit. The allocation factor for the GLO interests in the Brady Scott 1HA is as follows:

- State Lease MF097541 = .017000 (Overring Royalty) * .493010143 (Lateral length % in Ely Unit 2 = 5823.14'/11811.40') = .00838117

Please do not hesitate to contact me if you have any questions or further requirements.

Sincerely,

Colton Sanford
Landman

Continued

21

MF097541

Milam County

iNut 11216

9/17/21

MB Barnstone

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 17, 2021

File

Chris Herrin
TreadStone Energy Partners
106 Vintage Park Blvd., Ste 100
Houston, TX 77070

Re: Division Order for State Lease – MF097541 (iNut 11216)
[Prop#42-331-35084]
Brady Scott 1HE
Milam County

Dear Chris:

The Texas General Land Office (GLO) has received your Division Orders for the referenced unit. 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 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 wells in our RRAC system.

Thank you,

Carl Bonn, CPL
Mineral Leasing-Energy Resources
512-590-9600
carl.bonn@glo.texas.gov

5·4·21

TREADSTONE
ENERGY PARTNERS

TreadStone Energy Partners, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Chris Herrin
Contract Division Order Analyst
Telephone: (713) 482-2990
Email: Chris.Herrin@treadstone-ep.com

DO

MF097541
Milam County
Last RI Prod
11/19
Last Pymt
1/14/20

DATE: April 29, 2021

TO: Royalty Owners in the Ely #1 and Ely #2 Units.

RE: Division Orders for:
Brady Scott 1HE (API# 42-331-35084) INUT 11216
API - Comp 3/8/20
Brazos River

Ladies and Gentlemen,

Enclosed you will find two (2) originals of our Division Order with your associated interest in the production revenues from the above referenced well. Also included are two (2) originals of our Production Sharing Agreement (PSA) which explains the revenue pay structure of the new well.

Please review the Division Order and PSA. If acceptable, please sign and return **One** original of each to the undersigned at the letterhead address. The remaining copy is for **Your** personal records.

Should you have any questions or comments, please do not hesitate to contact me at (832) 619-7876 or via email at Chris.Herrin@treadstone-ep.com.

Sincerely,

5-28-21 LM Chris - Last Prod 11/19?

CHerrin

Chris Herrin
Divison Order Analyst

5·421

DIVISION ORDER

TO: TreadStone Energy Partners Operating, LLC
106 Vintage Park Blvd Suite 100
Houston, TX 77070

Property No.: **Brady Scott 1HE**
Effective Date: **First Production**

The undersigned severally and not jointly certifies it is the legal Owner of the interest set out below of all the oil, gas, and related liquid hydrocarbons produced and sold from the property described below:

Property Name:	Brady Scott 1HE
County:	***Milam***
State:	***Texas***
Legal Description:	The Brady Scott 1HE (API# 42-331-35084), at a location in the Fernado Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, Milam County, Texas, more particularly described by the Plat on Exhibit "A".
Owner No.:	**O:2994**
Name & Address:	STATE OF TEXAS 1700 N CONGRESS AVENUE STEPHEN F AUSTIN BLDG AUSTIN, TX 78701-1436
Owner Tax ID #	74-6000108

DIVISION OF INTEREST

Interest Type:	**OVERRIDE**
Interest:	0.008381172

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest Owner ("Owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The Payor shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order. The purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil. The proceeds for the sale of gas shall be calculated as to price and quality on the basis of and in the manner provided for in the contract with the purchaser of such gas product.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based of this division of interest, for oil runs and gas produced and sold not later than 60 days after the end of the calendar month in which the oil and/or gas was sold from the property listed above, less taxes required by law to be deducted and remitted by Payor as purchaser. Payment of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until December 31st of each year, whichever occurs first. Payee agrees to refund to Payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney's fees or judgements in connection with any suit that affects the Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

Any change of interest shall be made on the first day of the month following receipt of such notice to Payor.

Any correspondence regarding this agreement shall be furnished to the addresses as provided herein unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an Owner may have certain statutory rights under the laws of the State of Texas.

WITNESS: (*There must be two witnesses to each signature*)	**OWNER SIGNATURE:**	**ADDRESS/TAX ID NUMBER:**
Signature of Witness #1	STATE OF TEXAS	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security Number or Tax Identification Number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by Payor.

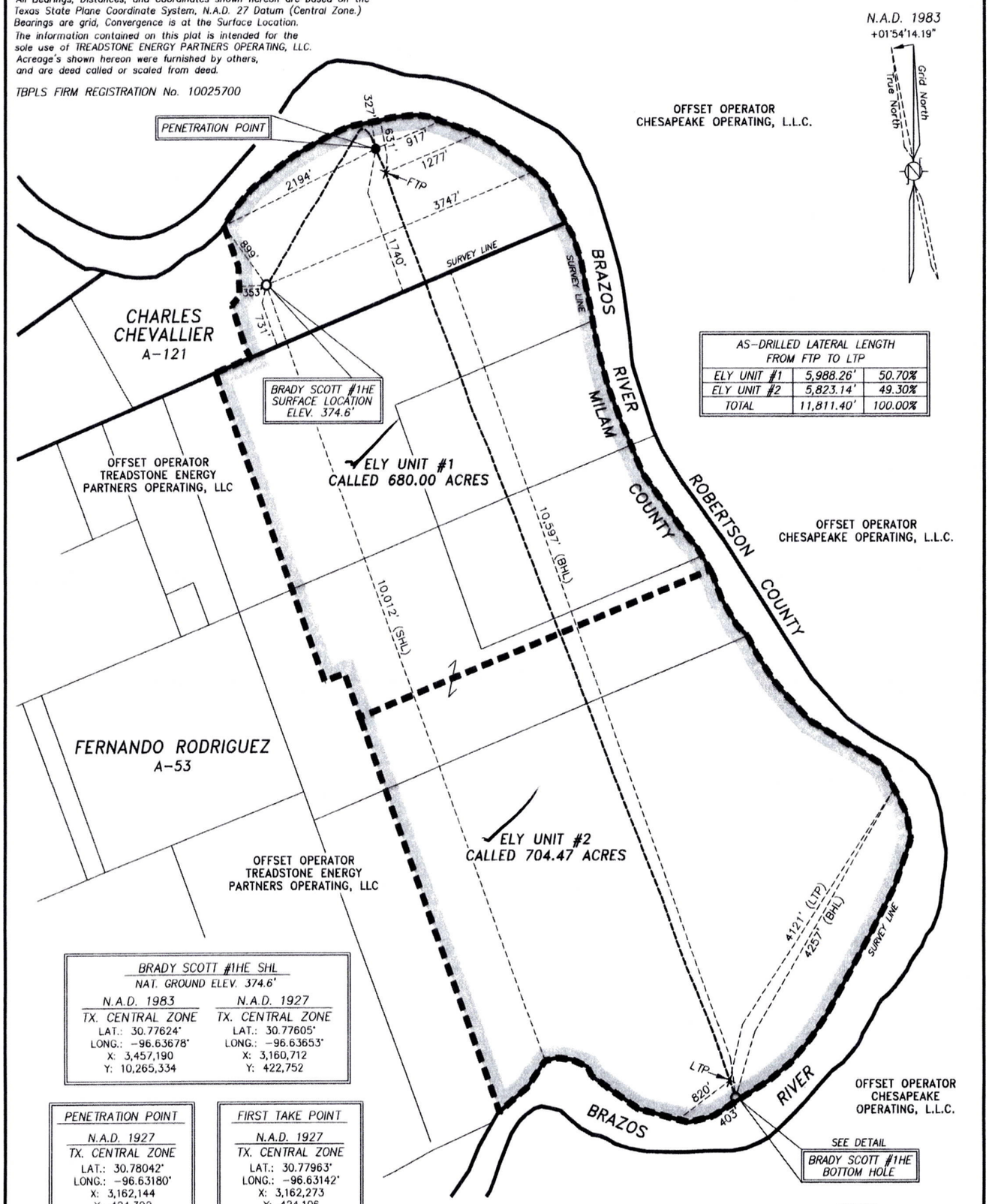
Return To: **TreadStone Energy Partners Operating, LLC**
106 Vintage Park Blvd Suite 100
Houston, TX 77070

5·421

EXHIBT "A"

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

TBPLS FIRM REGISTRATION No. 10025700



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	5,988.26'	50.70%
ELY UNIT #2	5,823.14'	49.30%
TOTAL	11,811.40'	100.00%

BRADY SCOTT #1HE SHL NAT. GROUND ELEV. 374.6'	
N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77624°	LAT.: 30.77605°
LONG.: -96.63678°	LONG.: -96.63653°
X: 3,457,190	X: 3,160,712
Y: 10,265,334	Y: 422,752

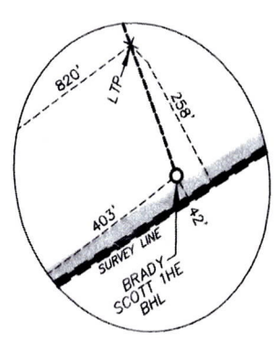
PENETRATION POINT N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.78042°
LONG.: -96.63180°
X: 3,162,144
Y: 424,392

FIRST TAKE POINT N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77963°
LONG.: -96.63142°
X: 3,162,273
Y: 424,106

LAST TAKE POINT N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.74922°
LONG.: -96.61822°
X: 3,166,785
Y: 413,193

"AS-DRILLED" BOTTOM HOLE N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.74865°
LONG.: -96.61799°
X: 3,166,863
Y: 412,989

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL	1,384.47 AC.
BRADY SCOTT #1HE	



DETAIL
NOT TO SCALE

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/08/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
BRADY SCOTT #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

T190395 – BRADY SCOTT #1HE AS-DRILLED PLAT

5·421

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

1. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
2. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Brady Scott 1HE Well (API No. 42-331-35084), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Brady Scott 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Brady Scott 1HE Well.
2. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Brady Scott 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the Brady Scott 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Brady Scott 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Brady Scott 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Brady Scott 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
    d. By drilling the Brady Scott 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
3. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Brady Scott 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty owner, to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT, and CONFIRM the Units and the lease or leases under which such party's interest is derived

5·4·21

(individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Brady Scott 1HE Well under the terms and provisions set forth herein.

5. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Brady Scott 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Brady Scott 1HE Well continues to produce in paying quantities.
6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

ROYALTY OWNER:

_____

STATE OF TEXAS
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436

22.

File No. MF097541

DO Brady Scott

DIVISION ORDER

Date Filed: 3/21/2022

George P. Bush, Commissioner

By

5·18·21

DIVISION ORDER

iNut 11214
MF097541

TO: **TreadStone Energy Partners Operating, LLC**
106 Vintage Park Blvd Suite 100
Houston, TX 77070

Property No.: **Ella Marie 1HE**
Effective Date: **First Production**

The undersigned severally and not jointly certifies it is the legal Owner of the interest set out below of all the oil, gas, and related liquid hydrocarbons produced and sold from the property described below:

Property Name: Ella Marie 1HE
County: ***Milam***
State: ***Texas***
Legal Description: The Ella Marie 1HE (API# 42-331-35086), at a location in the fernado Rodriguez Survey, A-53 and Charles Chevallier, A-121, Milam County, Texas, more particularly described by the plat on Exhibit "A".
Owner No.: **O:2994**
Name & Address: STATE OF TEXAS
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436
Owner Tax ID # [redacted]

DIVISION OF INTEREST

Interest Type: **OVERRIDE**
Interest: 0.008123814

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest Owner ("Owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The Payor shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order. The purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil. The proceeds for the sale of gas shall be calculated as to price and quality on the basis of and in the manner provided for in the contract with the purchaser of such gas product.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based of this division of interest, for oil runs and gas produced and sold not later than 60 days after the end of the calendar month in which the oil and/or gas was sold from the property listed above, less taxes required by law to be deducted and remitted by Payor as purchaser. Payment of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until December 31st of each year, whichever occurs first. Payee agrees to refund to Payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney's fees or judgements in connection with any suit that affects the Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

Any change of interest shall be made on the first day of the month following receipt of such notice to Payor.

Any correspondence regarding this agreement shall be furnished to the addresses as provided herein unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an Owner may have certain statutory rights under the laws of the State of Texas.

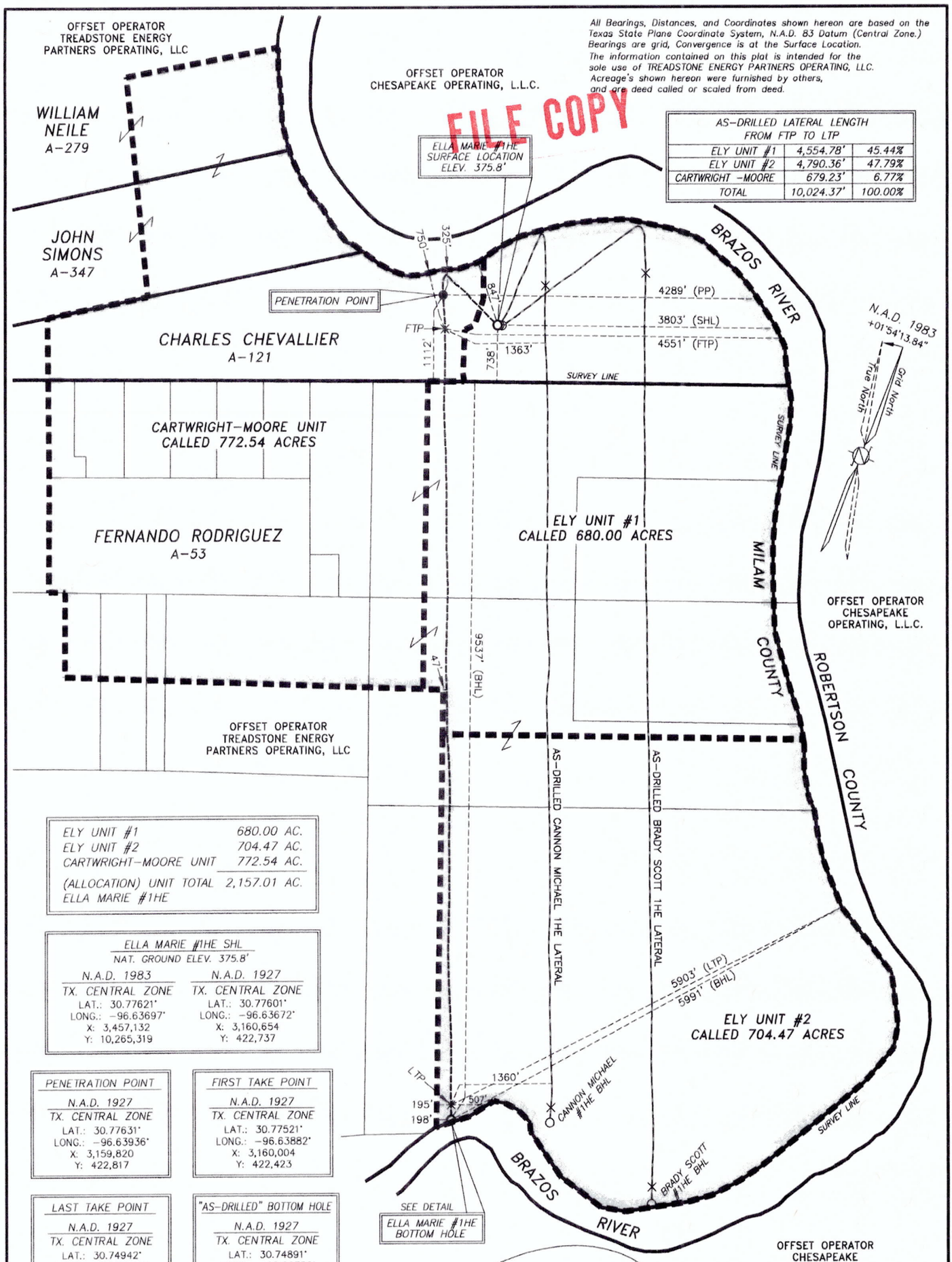
WITNESS: (*There must be two witnesses to each signature*)	**OWNER SIGNATURE:**	**ADDRESS/TAX ID NUMBER:**
Signature of Witness #1	STATE OF TEXAS	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security Number or Tax Identification Number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by Payor.

Return To: **TreadStone Energy Partners Operating, LLC**
106 Vintage Park Blvd Suite 100
Houston, TX 77070

5·18·21

EXHIBT "A"



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	4,554.78'	45.44%
ELY UNIT #2	4,790.36'	47.79%
CARTWRIGHT -MOORE	679.23'	6.77%
TOTAL	10,024.37'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
CARTWRIGHT-MOORE UNIT	772.54 AC.
(ALLOCATION) UNIT TOTAL	2,157.01 AC.
ELLA MARIE #1HE	

ELLA MARIE #1HE SHL
NAT. GROUND ELEV. 375.8'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77621°	LAT.: 30.77601°
LONG.: -96.63697°	LONG.: -96.63672°
X: 3,457,132	X: 3,160,654
Y: 10,265,319	Y: 422,737

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77631°
LONG.: -96.63936°
X: 3,159,820
Y: 422,817

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77521°
LONG.: -96.63882°
X: 3,160,004
Y: 422,423

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74942°
LONG.: -96.62758°
X: 3,163,845
Y: 413,167

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.74891°
LONG.: -96.62736°
X: 3,163,920
Y: 412,984

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/16/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
ELLA MARIE #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

T190397 – ELLA MARIE #1HE AS-DRILLED PLAT

5·18·21

FILE C

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

1. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
2. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and
3. **Cartwright-Moore No. 1, ,** as more particularly described in that certain Designation of Unit dated July 10, 1997, from Union Pacific Resources Company containing 772.54 acres, more or less, and recorded in Volume 752, Page 718, Milam County, Texas, as amended by Amended Designation of Unit dated July 24, 1997 recorded in Volume 753, Page 550 Milam County, Texas, as amended by Second Amendment to Designation of Unit dated April 18, 2000 recorded in Volume 818, Page 857 Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Ella Marie 1HE Well (API No. 42-331-35086), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Ella Marie 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Ella Marie 1HE Well.
2. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Ella Marie 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the Ella Marie 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Ella Marie 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
    d. As evidenced by the Division Order for the Cartwright-Moore Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Cartwright-Moore Unit No. 1-1 Well. The decimal interests for the Cartwright-Moore Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Cartwright-Moore No. 1-1 Well, the royalty owners in and under the Cartwright-Moore Unit No. 1 shall also receive the same decimal interest of production from the Ella Marie 1HE Well that is allocated to the Cartwright-Moore Unit No. 1 as set forth under Article 2 a. above.
    e. By drilling the Ella Marie 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be

5·18·21

deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.

3. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Ella Marie 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty owner, to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT, and CONFIRM the Units and the lease or leases under which such party's interest is derived (individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Ella Marie 1HE Well under the terms and provisions set forth herein.
5. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Ella Marie 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Ella Marie 1HE Well continues to produce in paying quantities.
6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

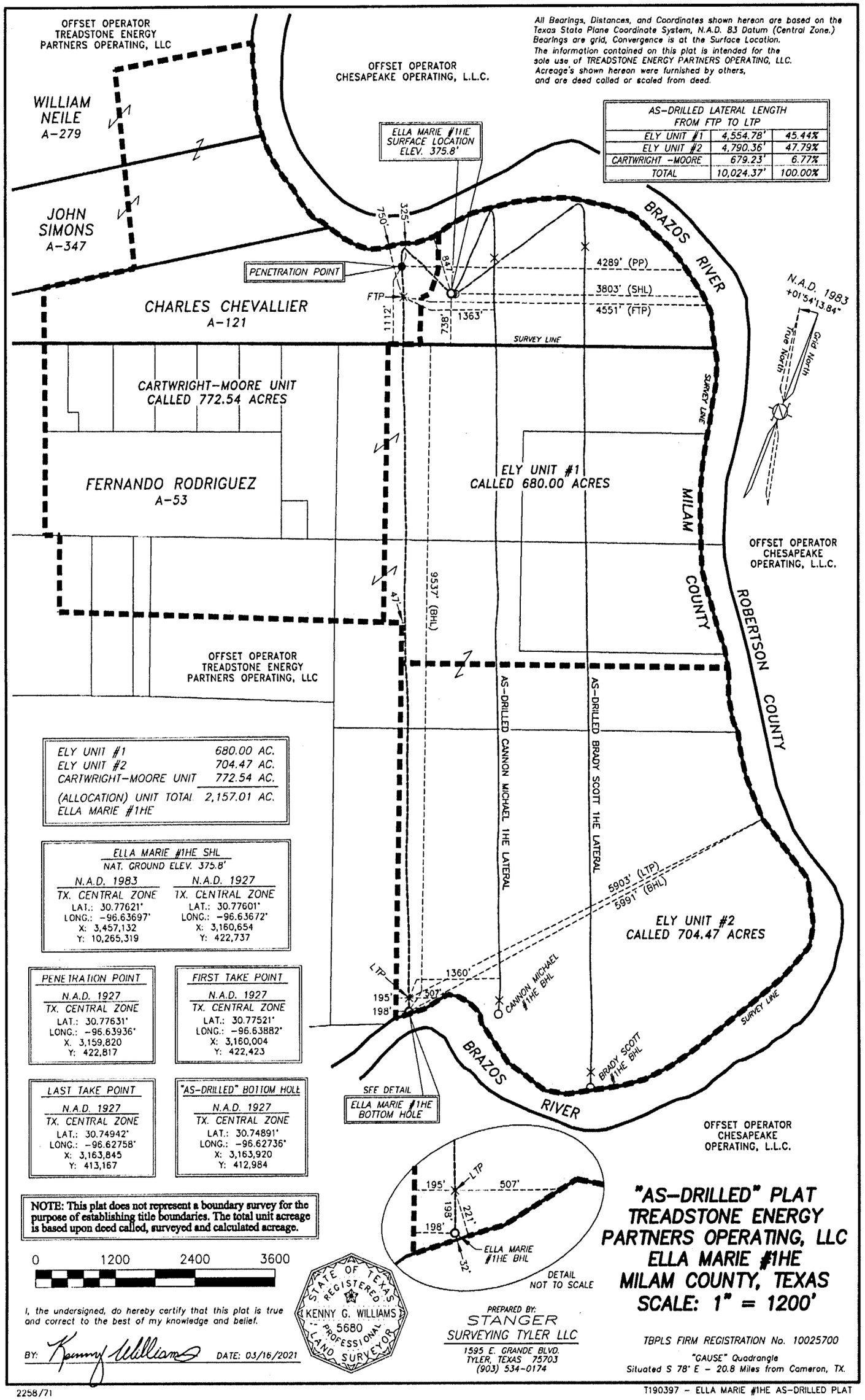
ROYALTY OWNER:

_____

STATE OF TEXAS
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436

5·18·21

EXHIBIT "A"



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(ALLOCATION) UNIT TOTAL ELLA MARIE #1HE	2,157.01 AC.

ELLA MARIE #1HE SHL
NAT. GROUND ELEV. 375.8'

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Y: 10,265,319	Y: 422,737

PENETRATION POINT
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LONG.: -96.63936°
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Y: 422,817

FIRST TAKE POINT
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LONG.: -96.63882°
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LAST TAKE POINT
N.A.D. 1927
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I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/16/2021

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
ELLA MARIE #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E - 20.8 Miles from Cameron, TX.

5·13·21

TREADSTONE
ENERGY PARTNERS

TreadStone Energy Partners, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Chris Herrin
Contract Division Order Analyst
Telephone: (713) 482-2990
Email: Chris.Herrin@treadstone-ep.com

DATE: May 12, 2021

TO: Royalty Owners in the Ely #1, Ely #2 and Cartwright-Moore Units.

RE: Division Orders for:
Ella Marie 1HE (API# 42-331-35086)

Ladies and Gentlemen,

Enclosed you will find two (2) originals of our Division Order with your associated interest in the production revenues from the above referenced well. Also included are two (2) originals of our Production Sharing Agreement (PSA) which explains the revenue pay structure of the new well.

Please review the Division Order and PSA. If acceptable, please sign and return **One** original of each to the undersigned at the letterhead address. The remaining copy is for **Your** personal records.

Should you have any questions or comments, please do not hesitate to contact me at (832) 619-7876 or via email at Chris.Herrin@treadstone-ep.com.

Sincerely,

CHerrin

Chris Herrin
Divison Order Analyst

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 12, 2022

Chris Herrin
Division Order Analyst
TreadStone Energy Partners
106 Vintage Park Blvd, Suite 100
Houston, TX 77070

Re: State Lease No. MF097541 Ella Marie 1HE iNut 11214

Dear Mr. Herrin:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. This Division Order has been filed in the appropriate mineral file.

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 Zamora

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

#23

File No. MF097541

Milam County

Division Order

Date Filed: 8-16-2022

George P. Bush, Commissioner

By VB

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

DATE: **September 6, 2022** **PSA# 00481**

TO: **School Land Board**

FROM: **Pooling Committee**

SUBJECT: **Request from Lime Rock Resources Operating Company, Inc. to have the State enter into a Production Sharing Agreement for the drilling of the Cutter 1HA allocation well.**

- **Lime Rock Resources Operating Company, Inc.** is the operator of State Lease MF097541 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.

- The Production Sharing Agreement will allow the operator to drill the Cutter 1HA allocation well which will traverse State Lease MF097541.

- The State's participation in the sharing well will be based on productive lateral length from first take point to last take point.

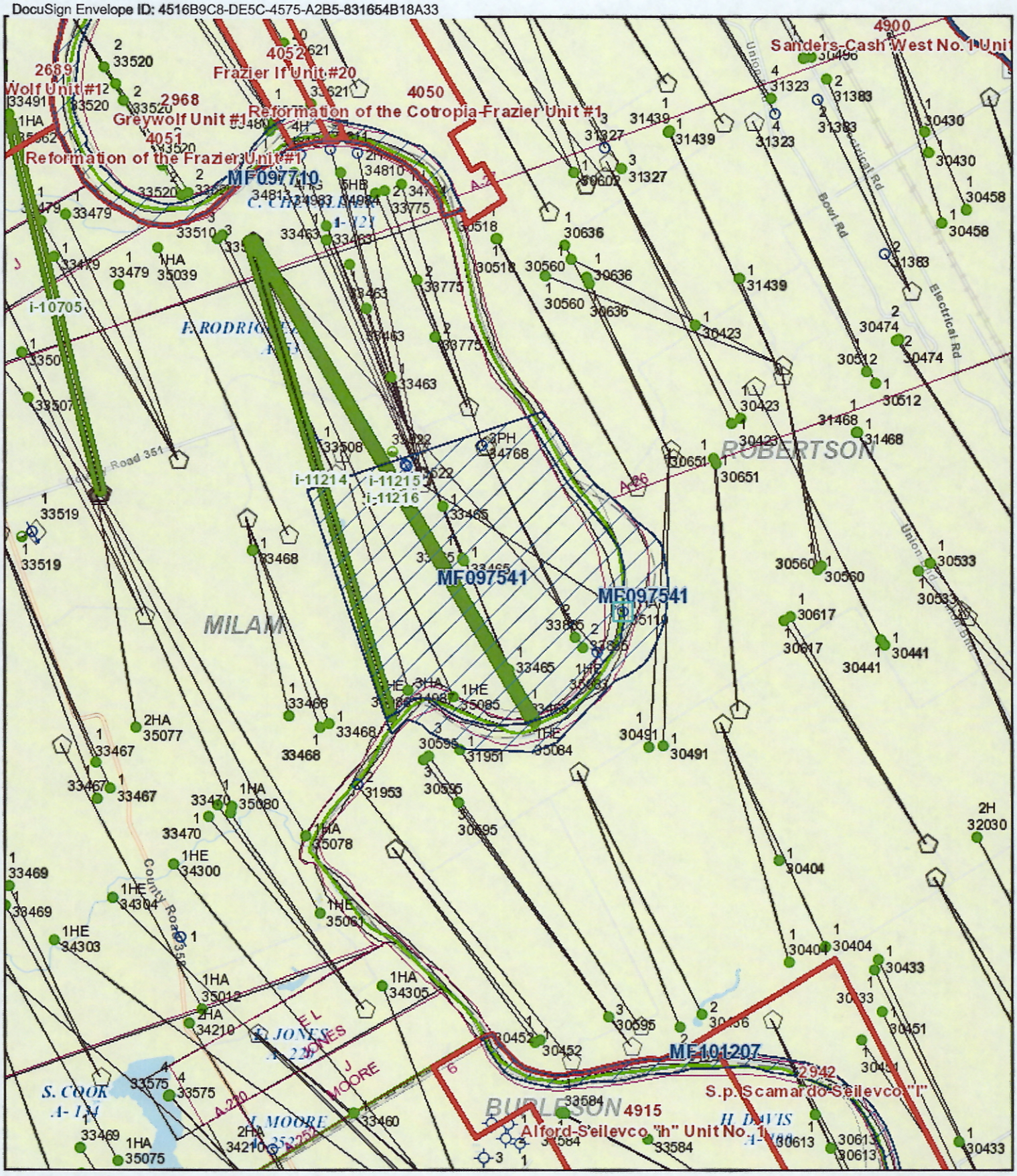
POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

DocuSigned by:
RJH
0C1030CF0F2E4D3...
General Land Office — 8/24/2022
Date

DocuSigned by:
Catarina Gonzales
EE8EA19C5EF04CC...
Office of the Governor — 8/30/2022
Date

Office of the Governor — Date

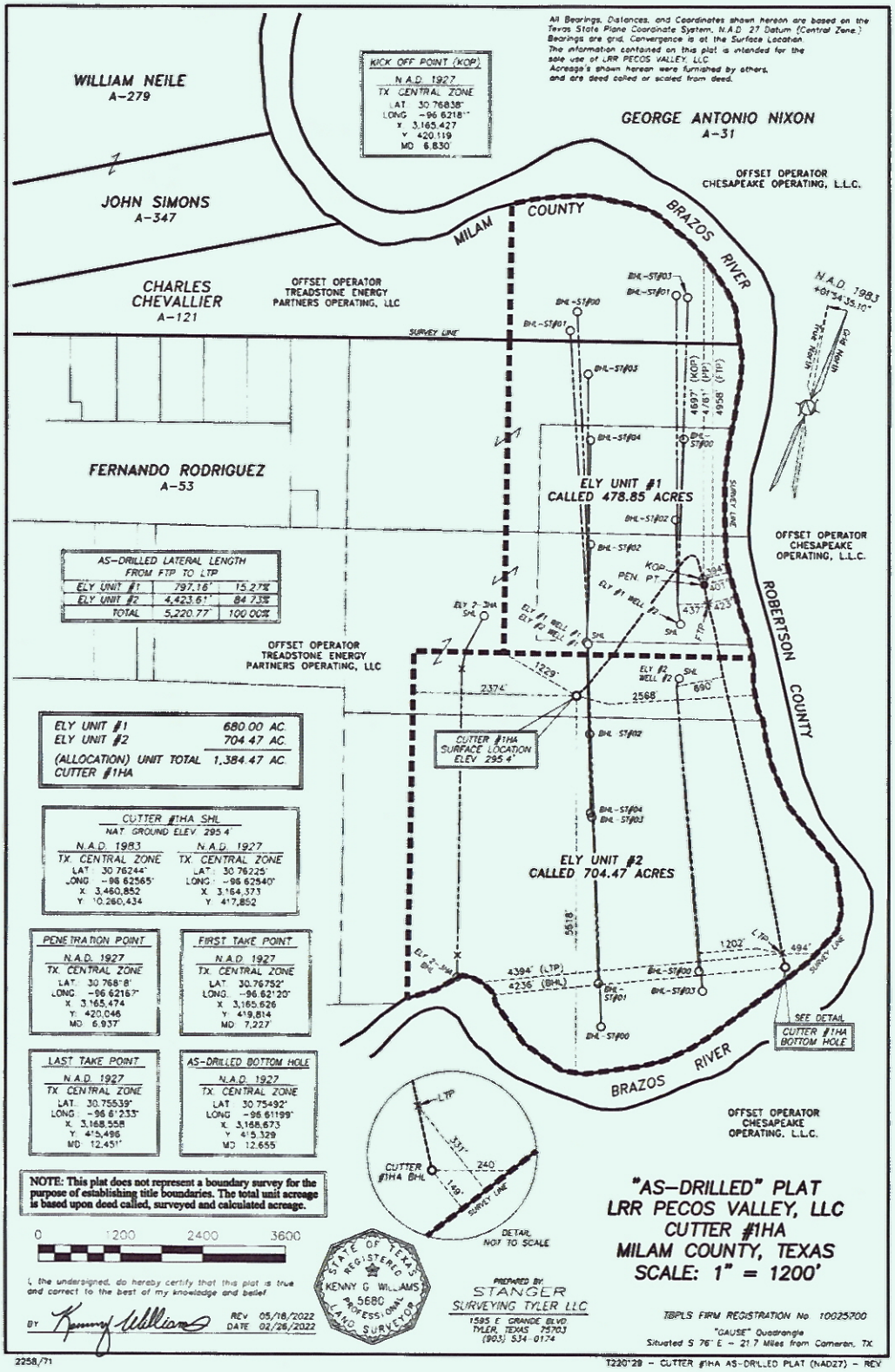


PSA #00481

0 0.28 0.55 1.1 mi

Print Date: 8/16/2022

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid. Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of LRR PECOS VALLEY, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.



KICK OFF POINT (KOP)
N.A.D. 1927
TX. CENTRAL ZONE
LAT. 30.76838°
LONG. -96.62181°
X. 3,165,427
Y. 420,119
MD. 6,830'

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CUTTER #1HA	1,384.47 AC.

CUTTER #1HA SHL	
NAT. GROUND ELEV. 295.4'	
N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT. 30.76244°	LAT. 30.76225°
LONG. -96.62565°	LONG. -96.62540°
X. 3,460,852	X. 3,164,373
Y. 10,260,434	Y. 417,852

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT. 30.76818°
LONG. -96.62167°
X. 3,165,474
Y. 420,046
MD. 6,937'

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT. 30.76752°
LONG. -96.62120°
X. 3,165,626
Y. 419,814
MD. 7,227'

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT. 30.75539°
LONG. -96.61233°
X. 3,168,558
Y. 415,496
MD. 12,451'

AS-DRILLED BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT. 30.75492°
LONG. -96.61199°
X. 3,168,673
Y. 415,329
MD. 12,655

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief

BY Kenny Williams REV. 05/18/2022 DATE 02/26/2022

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANGE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
LRR PECOS VALLEY, LLC
CUTTER #1HA
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 76° E - 21.7 Miles from Cameron, TX

2258/71

T220'29 - CUTTER #1HA AS-DRILLED PLAT (NAD27) - REV

DocuSign

Certificate Of Completion

Envelope Id: 4516B9C8DE5C4575A2B5831654B18A33

Status: Completed

Subject: Please DocuSign - Energy Resources: Pooling Committee Recommendations (Texas GLO)

Source Envelope:

Document Pages: 31

Signatures: 20

Initials: 0

Certificate Pages: 2

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 136.226.13.67

Record Tracking

Status: Original
8/24/2022 6:06:49 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
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	Signature Adoption: Pre-selected Style Using IP Address: 204.65.226.3	

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Robert Hatter robert.hatter@glo.texas.gov Deputy Director Texas General Land Office Security Level: Email, Account Authentication (None)	DocuSigned by: 8C1630CF0F2E4D3...	Sent: 8/24/2022 6:10:06 AM Viewed: 8/24/2022 7:24:43 AM Signed: 8/24/2022 7:25:12 AM
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None)	COPIED	Sent: 8/24/2022 6:10:06 AM Viewed: 8/30/2022 11:18:54 AM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	8/24/2022 7:24:43 AM
Signing Complete	Security Checked	8/24/2022 7:25:12 AM
Completed	Security Checked	8/30/2022 10:29:24 AM

Payment Events	Status	Timestamps

File No. MF 097541

Milam County

Memo to SLB

Date Filed: 9/29/22

George P. Bush, Commissioner

By MB Barnstorf

MEMORANDUM

TEXAS GENERAL LAND OFFICE • GEORGE P. BUSH • COMMISSIONER

TIME SENSITIVE: Action Required by: (September 27, 2022)

DATE: **September 6, 2022**

TO: **Chief Clerk/Deputy Commissioner Havens**

FILE COPY

FROM: **Mary Beth Barnstone**

SUBJECT: **Production Sharing Agreement for signature**

.....

SUMMARY: Attached for your approval and signature are duplicate originals of a Production Sharing Agreement that was approved by the School Land Board on September 6, 2022.

DETAILS: The Production Sharing Agreement will allow for the drilling of additional horizontal development wells on existing units or leases that include State mineral or royalty interests. §52.154 of the Texas Natural Resources Code gives the School Land Board authority to approve, and gives the Commissioner authority to execute agreements that commit the royalty interest of the State for the benefits of production of oil and/or gas. This agreement has been reviewed and approved by Energy Resources staff and the Legal Services Division.

Document Name	**Recipient**
Production Sharing Agreement Cutter 1HA allocation well State Lease M-097541 Milam County, Texas	Lime Rock Resources Operating Company, Inc.

Recommendation: Please sign and return to Mary Beth Barnstone in Energy Resources

Attachment: Two Production Sharing Agreements

Thru: Ken Mills

File No. MF097541

Milam County

Memo to Commissioner

Date Filed: 9/29/22

George P. Bush, Commissioner

By MB Barnstar

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 29, 2022

Ms. Cheryl Hampton
Lime Rock Resources
1111 Bagby Street
Suite 4600
Houston, Texas 77002

Re: Production Sharing Agreement
Cutter 1HA allocation well
State Lease M-097541
Milam County, Texas

FILE COPY

Dear Ms. Hampton:

On September 6, 2022, the School Land Board of the State of Texas approved your application to have the State enter into a Production Sharing Agreement ("PSA") for the referenced State Lease. Enclosed is a duplicate original of the PSA that has been executed by Mark Havens, Chief Clerk and Deputy Commissioner of the Texas General Land Office. We have retained the other original of the PSA for our files.

Please provide our office with a recorded copy of the PSA, or a fully executed copy if it is not going to be recorded as soon as it is available. After a Sharing Well is drilled, please provide a copy of the final, "as-drilled" plat showing the "Productive Drainhole Length / Allocation Factor" information, and the State tract participation and Net Revenue Interest in the well so we can get our records set up for the payment of royalties on the well.

Thank you for your assistance with this matter, if you have any questions or need anything further, please feel free to call.

Sincerely,

Mary Beth Barnstone
Geotech / Landman
Energy Resources Division
Texas General Land Office
Direct number: (512)463-6818
Email: mary.barnstone@glo.texas.gov

Enclosure

File No. MF 097541

Milam County

letter to Lime Rock

Date Filed: 9/29/22

George P. Bush, Commissioner

By MB Barnstone

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in **MILAM** County, Texas:

1. **Ely Unit #1,** as more particularly described in that certain Designation of Unit dated June 12, 1996, as amended August 13, 1996 and as Amended December 8, 1998, from the Union Pacific Resources Company, containing 680 acres of land more or less, recorded in Volume 729, Page 231 and as amended Volume 732, Page 428, and as amended Volume 787, Page 748, Milam County, Texas; and
2. **Ely Unit #2,** as more particularly described in that certain Designation of Unit dated June 12, 1996, as amended August 13, 1996, from the Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 729, Page 225 and as amended Volume 732 Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II, LLC, or its successor in interest, as the successor in interest to **Ely Unit #1,** and **Ely Unit #2,** desires to drill, or cause to be drilled, the CUTTER 1HA (API# 4233135110), at a location in the Fernando Rodriguez Survey, A-53, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Austin Chalk-3) Field in, through and under a portion of each of the above described Units; and

WHEREAS, Lime Rock Resources Operating Company, Inc. ("LRR"), is successor in interest to TreadStone Energy Partners II, LLC; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said CUTTER 1HA Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021, TreadStone Energy Partners II, LLC, or its successor in interest commences, or causes to be commenced, operations for the drilling of the CUTTER 1HA Well.
2. In the event that TreadStone Energy Partners II, LLC, or its successor in interest, or its operating agent, TreadStone Energy Partners Operating, LLC (or its successor in interest), drills and completes the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the CUTTER 1HA shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the CUTTER 1HA Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit #1 Lessee allocates production according to certain decimal interests in production from the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells. The decimal interests for the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells, the royalty owners in and under the Ely Unit #1 shall also receive the same decimal interest of production from the CUTTER 1HA Well that is allocated to the Ely Unit #1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit #2 Lessee allocates production according to certain decimal interests in production from the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells. The decimal interests for the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells, the royalty owners in and under the Ely Unit #2 shall also receive the same decimal interest of production from the CUTTER 1HA Well that is allocated to the Ely Unit #2 as set forth under Article 2 a. above.
    d. By drilling the CUTTER 1HA Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC, or its successor in interest shall be deemed to be in compliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
3. The parties recognize that TreadStone Energy Partners II, LLC's, or its successor in interest ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC, or its successor in interest obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the CUTTER 1HA Well. In the event TreadStone Energy Partners II, LLC, or its successor in interest is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC, or its successor in interest deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC, or its successor in interest may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty owner, to the extent he/she owns an interest in any or all of the Units described above, ~~does hereby RATIFY, ADOPT, and~~ CONFIRM the Units and the lease or leases under which such party's ~~interest is derived~~ (individually and/or collectively the "Ratified Lease"), and does ~~hereby GRANT,~~ LEASE and LET unto the current lessee of the Ratified Lease, all of ~~such Interest~~ Owner's interest in the acreage covered by the Ratified Lease, subject to the ~~same terms and~~ conditions provided for therein, as same may have been previously amended, or ~~amended herein, and further~~ does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the CUTTER 1HA Well under the terms and provisions set forth herein.
5. Unless terminated by TreadStone Energy Partners II, LLC, or its successor in interest, this document shall be

effective as of the date of completion of the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the CUTTER 1HA Well continues to produce in paying quantities.

6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

Date Executed _____

STATE OF TEXAS

_____
Mark Havens, Chief Clerk/Deputy Commissioner
Texas General Land Office

Approved:
leas. MH
cont. MB
legal MH

CERTIFICATE

I, Linda Quintanilla, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on _____, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian. IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 20____.

_____
Secretary of the School Land Board

effective as of the date of completion of the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the CUTTER 1HA Well continues to produce in paying quantities.

6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

Date Executed 9/22/2022

STATE OF TEXAS

Mark Havens, Chief Clerk/Deputy Commissioner
Texas General Land Office

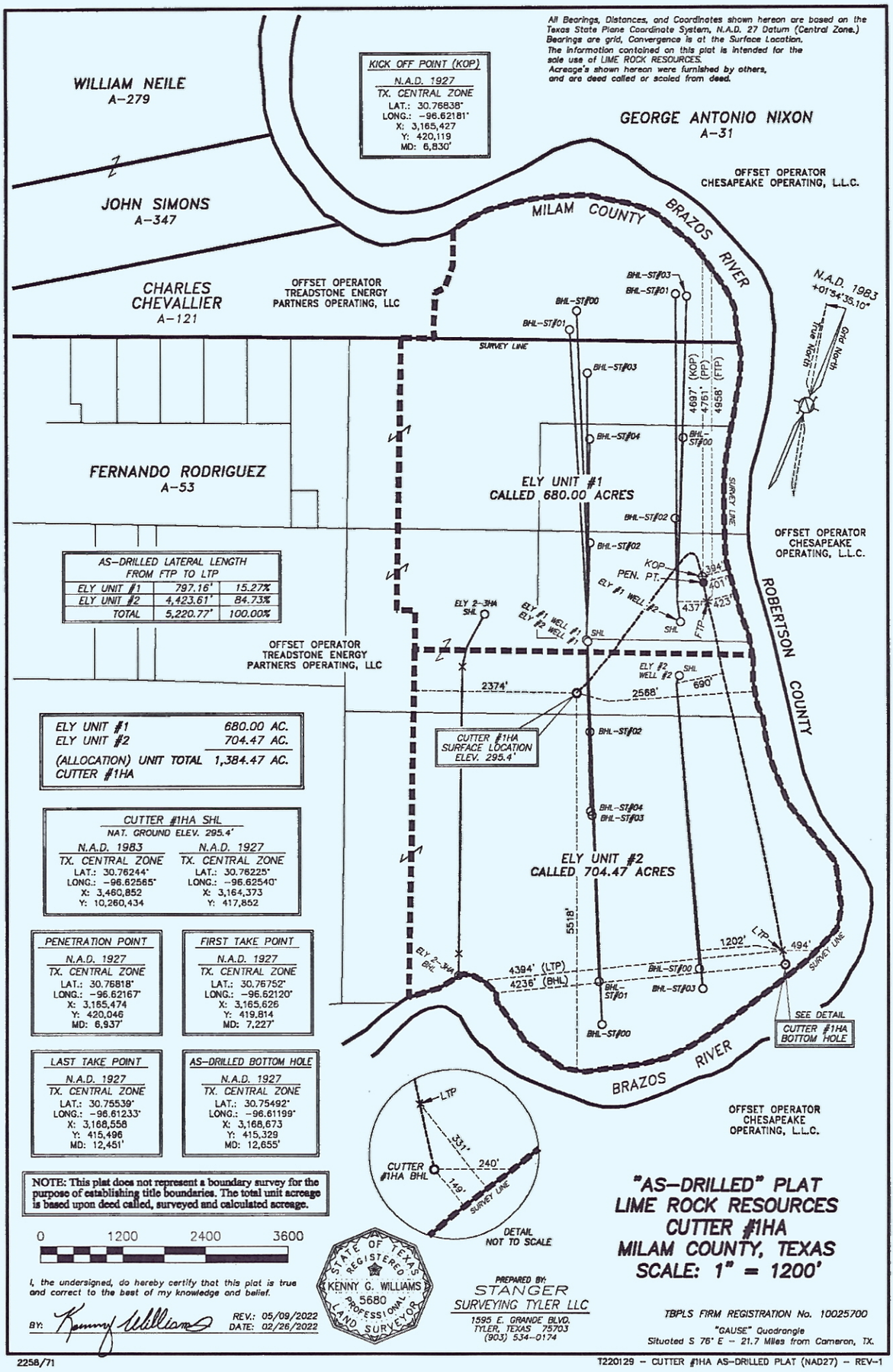
Approved:
leas. _____
cont. MB
legal _____

CERTIFICATE

I, Linda Quintanilla, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on _____, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian. IN TESTIMONY WHEREOF, witness my hand this the 22nd day of September, 2022.

Linda Quintanilla
Secretary of the School Land Board

EXHIBIT "A"



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL	1,384.47 AC.
CUTTER #1HA	

CUTTER #1HA SHL
NAT. GROUND ELEV. 295.4'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.76244°	LAT.: 30.76225°
LONG.: -96.62565°	LONG.: -96.62540°
X: 3,460,852	X: 3,164,373
Y: 10,260,434	Y: 417,852

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76818°
LONG.: -96.62167°
X: 3,165,474
Y: 420,046
MD: 6,937'

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76752°
LONG.: -96.62120°
X: 3,165,626
Y: 419,814
MD: 7,227'

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75539°
LONG.: -96.61233°
X: 3,168,558
Y: 415,496
MD: 12,451'

AS-DRILLED BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75492°
LONG.: -96.61199°
X: 3,168,673
Y: 415,329
MD: 12,655'

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams

REV.: 05/09/2022
DATE: 02/26/2022

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
LIME ROCK RESOURCES
CUTTER #1HA
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 76° E – 21.7 Miles from Cameron, TX.

2258/71

T220129 – CUTTER #1HA AS-DRILLED PLAT (NAD27) – REV-1

DocuSign

Certificate Of Completion

Envelope Id: F3E55E9A4D1D4F30BF8D8F9695174F7A

Status: Completed

Subject: Please DocuSign - Energy Resources: PSA - Lime Rock (Texas GLO)

Source Envelope:

Document Pages: 4

Signatures: 0

Initials: 2

Certificate Pages: 2

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 136.226.13.67

Record Tracking

Status: Original
9/6/2022 11:34:44 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
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Ken Mills Ken.Mills@GLO.TEXAS.GOV Attorney Texas General Land Office Security Level: Email, Account Authentication (None)	DS KM Signature Adoption: Pre-selected Style Using IP Address: 136.226.12.84	Sent: 9/6/2022 1:07:47 PM Resent: 9/13/2022 4:11:18 PM Viewed: 9/17/2022 2:44:09 PM Signed: 9/17/2022 2:45:31 PM

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In Person Signer Events	Signature	Timestamp
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Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None)	COPIED	Sent: 9/6/2022 11:35:45 AM Viewed: 9/6/2022 11:36:39 AM

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Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	9/17/2022 2:45:31 PM

Payment Events	Status	Timestamps

(27)

File No. MF 097541

Milam County

PSA for Cutter 1HA

Date Filed: 9/29/22

George P. Bush, Commissioner

By MBBarnstone

Information for processing an Internal Non-Unit Transaction (iNut)
Length of Lateral

iNut No. 11974

GENERAL INFORMATION

Name of Well: Cutter #1HA (alloc) API # 42-331-35110

Name of Operator: Lime Rock Resources Operating, Inc. RRC # 03-872996

Operator Contact Person: Cheryl Hampton Phone: 713-360-5846

Counties: Milam

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON PRODUCTIVE LATERAL LENGTH

Lease Type	Unit/Lease No	TOTAL PRODUCTIVE LATERAL LENGTH	LATERAL LENGTH ON UNIT	Unit or Lease Rylty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Particpation by Unit/Lease
ORRI	MF097541	5,220.77	4,423.61	0.01700000	0.017	0.84730988	0.01440427
Totals:						0.84730988	0.01440427
Effective Date:	10/8/2021						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any:

Comments: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 10/8/2021. First production 12/2021. Final plat received 8/16/2022. Subject to PSA #00481.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: MB Alamo updated by: MB WI updated by: MB

RAM approval by: VD GIS updated by: RL

DO NOT DESTROY

Texas General Land Office

UNIT AGREEMENT MEMO

INU220001

Unit Number	*11974*		
Operator Name	*Lime Rock Resources V-A, L.P.*	*Effective Date*	*10/08/2021*
Customer ID	*C000092399*	*Unitized For*	*Oil And Gas*
Unit Name	*Cutter #1HA (alloc)*	*Unit Term*	
County 1	*Milam*	*RRC District 1*	*01*
County 2		*RRC District 2*	
County 3		*RRC District 3*	
County 4		*RRC District 4*	
Unit type	*iNut*		
State Net Revenue Interest	*Oil* *0.01440427*		
State Part in Unit	*0.84730988*		
Unit Depth	*Allow All Depths*	*Well*	
From Depth		*Formation*	
To Depth		*Participation Basis*	*Length of Lateral*
		If Excluions Apply: See Remarks	

Old Unit Number *Inactive Status Date*

Lease Number	*Tract No*	*Lease Acres in Unit*	*Total Unit Acres*	*Tract Participation*	*O/G*	*Lease Royalty*	*NRI of Lease in Unit*	*Royalty Rate Reduction Clause*
MF097541		0.000000	0.000000	0.84730988	O/G	0.01700000	0.01440427	No

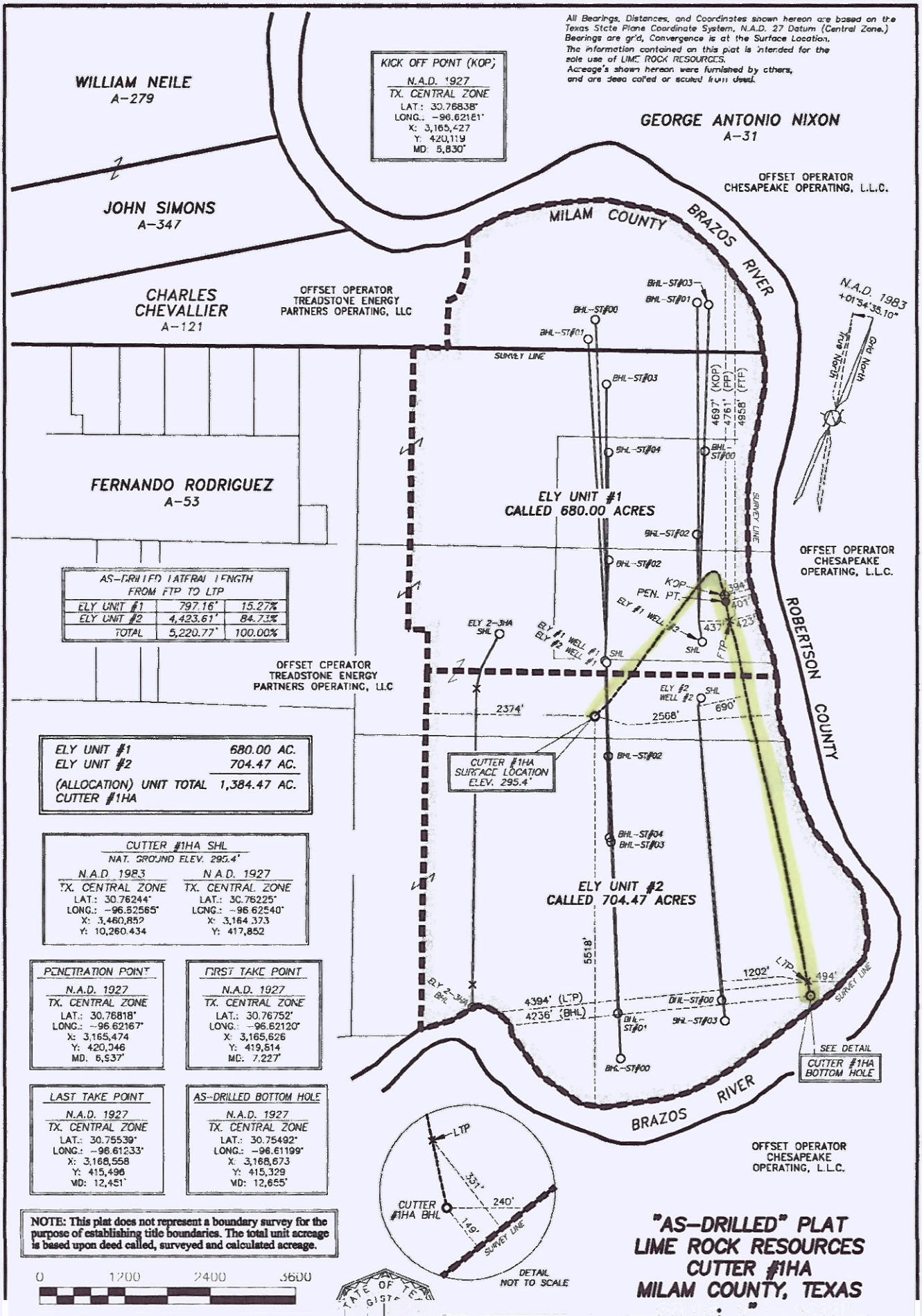
API Number

4233135110

Remarks: iNut crosses Ely Unit which has an ORRI from the Brazos River. Well spud 10/8/2021. First production 12/2021. Final plat received 8/16/2022. Subject to PSA #00481.

Prepared By:	MB	*Prepared Date:*	9/29/22
GLO Base Updated By:	MB	*GLO Base Date:*	9/29/22
RAM Approval By:	VD	*RAM Approval Date:*	9/29/22
GIS By:	RC	*GIS Date:*	10/3/22
Well Inventory By:	MB	*WI Date:*	9/29/22

EXHIBIT "A"



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CUTTER #1HA	1,384.47 AC.

CUTTER #1HA SHL
NAT. GROUND ELEV. 295.4'

N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT.: 30.76244°	LAT.: 30.76225°
LONG.: -96.62565°	LONG.: -96.62540°
X: 3,460,852	X: 3,164,373
Y: 10,260,434	Y: 417,852

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76818°
LONG.: -96.62167°
X: 3,165,474
Y: 420,046
MD: 6,937'

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76752°
LONG.: -96.62120°
X: 3,165,626
Y: 419,814
MD: 7,227'

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75539°
LONG.: -96.61233°
X: 3,168,558
Y: 415,496
MD: 12,451'

AS-DRILLED BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75492°
LONG.: -96.61199°
X: 3,168,673
Y: 415,329
MD: 12,655'

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

MF097541 ORRI

42-331-35110

Unit	Owner	Pooled Interest	Allocation Factor	Allocated Interest	Type
Ely Unit No. 2			4423.61/5220.77 = .84730988		
	Commissioner of the General Land Office, State of Texas, f/b/o the Permanent School Fund of the State of Texas	0.01700000	0.84730988	0.01440427	ORRI

Cutter #1HA Well	**Owner**	**Ely Unit No. 1**	**Ely Unit No. 2**	**Totals**
	Commissioner of the General Land Office, State of Texas, f/b/o the Permanent School Fund of the State of Texas		0.01440427	0.01440427

Cutter #1HA	**Unit**	**Traversing Lateral Length**	**Total Lateral Length**	**Allocation Factor**
	Ely Unit No. 1	797.16	5220.77	0.15269012
	Ely Unit No. 2	4423.61	5220.77	0.84730988
	TOTAL:	**5220.77**		**1.00000000**

DIVISION ORDER

TO: Lime Rock Resources Operating Company, Inc.
1111 Bagby Street Suite 4600
Houston, TX 77002

Property No.: **5302200310**
Effective Date: **First Production**

The undersigned severally and not jointly certifies it is the legal Owner of the interest set out below of all the oil, gas, and related liquid hydrocarbons produced and sold from the property described below:

Property Name:	**CUTTER 1HA**
County:	**MILAM**
State:	**TX**
Legal Description:	The **CUTTER 1HA** (API# 4233135110), at a location in the Fernando Rodriguez Survey Survey,A-53. **MILAM** County, Texas, more particularly described by the plat located on Exhibit "A".
Owner No.:	**COM004**
Name & Address:	COMMISSIONER GENERAL LAND OFFICE FBO PERMANENT SCHOOL FUND STEPHEN F. AUSTIN BLDG 1700 N CONGRESS AUSTIN, TEXAS 78701

DIVISION OF INTEREST

Interest Type:	**OVERRIDE**
Interest:	.01440427

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest Owner ("Owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The Payor shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order. The purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil. The proceeds for the sale of gas shall be calculated as to price and quality on the basis of and in the manner provided for in the contract with the purchaser of such gas product.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based of this division of interest, for oil runs and gas produced and sold not later than 60 days after the end of the calendar month in which the oil and/or gas was sold from the property listed above, less taxes required by law to be deducted and remitted by Payor as purchaser. Payment of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until December 31st of each year, whichever occurs first. Payee agrees to refund to Payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney's fees or judgements in connection with any suit that affects the Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

Any change of interest shall be made on the first day of the month following receipt of such notice to Payor.

Any correspondence regarding this agreement shall be furnished to the addresses as provided herein unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an Owner may have certain statutory rights under the laws of the State of Texas.

WITNESS: **OWNER SIGNATURE:** **ADDRESS/TAX ID NUMBER:**
(There must be two witnesses to each signature)

42-331-35110
03-872996

Mary Barnstone

From: Cheryl Hampton <champton@limerockresources.com>
Sent: Monday, August 15, 2022 6:17 PM
To: Mary Barnstone
Cc: Verdis Daniels; Roy Attaway; Seth Collins; Katie LaRue; Jennifer Helton; KT Niland; Melisa Bell
Subject: [EXTERNAL] FW: Cutter 1HA (API 42-331-35110)
Attachments: CUTTER - COM004.docx; COM GLO.xlsx

Giddings (AC-3)

spud 10/8/2021

Mary,

Please find attached a copy of the PSA and plat attached to our division order. I have also attached the calculations as per your request. If you need any other information, please let me know.

Regards,

first production 12/2021

Cheryl Hampton

Cheryl Hampton
Division Order Analyst

LIME ROCK RESOURCES

Heritage Plaza
1111 Bagby Street, Suite 4600
Houston, Texas 77002
PH: 713.360.5846
Fax: 713.360.5896
champton@limerockresources.com

From: Roy Attaway <rattaway@limerockresources.com>
Sent: Monday, August 15, 2022 9:52 AM
To: Cheryl Hampton <champton@limerockresources.com>; Katie LaRue <klarue@limerockresources.com>; Jennifer Helton <jhelton@limerockresources.com>
Cc: KT Niland <kniland@limerockresources.com>; Seth Collins <scollins@limerockresources.com>; Melisa Bell <mbell@limerockresources.com>
Subject: FW: Cutter 1HA (API 42-331-35110)

Cheryl/Katie/Jennifer,

Please see the note below from the GLO. They need the PSA, the final as-drilled plat, and allocation factor and NRI for the Cutter 1HA well.

Based on their response, this appears to be a well Lime Rock will need to report on monthly (COM048 will need to be transferred to COM004).

From: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>
Sent: Monday, August 15, 2022 9:46 AM
To: Roy Attaway <rattaway@limerockresources.com>; **Verdis Daniels** <verdis.daniels@glo.texas.gov>
Cc: Seth Collins <scollins@limerockresources.com>
Subject: RE: Cutter 1HA (API 42-331-35110)

EXTERNAL SENDER

Good morning, Roy.

We do not yet have this well in our well inventory. Per records on file at the RRC, this is an allocation well. We do not yet have a PSA on file. Below is a link to the scanned Mineral File.

293182.pdf (texas.gov)

To get this well set up for reporting, I need a PSA and the final, as-drilled plat, allocation factor and NRI. The deadline to get the PSA on the September 6th School Land Board meeting is COB tomorrow. Please submit the PSA etc... to me via email, and then follow up with the Hard copies to the address below.

and as to those depths below 100 feet below the unitized interval (described in paragraph 3 above) (texas.gov)

glo-signature-block-page---psf-with-slb-certificate.pdf (texas.gov)

Thank you,

Mary Beth

Mary Beth Barnstone
Landman/GeoTech
Energy Resources
Texas General Land Office
1700 North Congress Ave. Ste.840
Austin, Texas 78701
(512)463-6818

From: Roy Attaway <rattaway@limerockresources.com>
Sent: Monday, August 15, 2022 9:27 AM
To: Mary Barnstone <Mary.Barnstone@GLO.TEXAS.GOV>; **Verdis Daniels** <verdis.daniels@glo.texas.gov>
Cc: Seth Collins <scollins@limerockresources.com>
Subject: [EXTERNAL] Cutter 1HA (API 42-331-35110)

Mary/Verdis,

The GLO (FBO Permanent School Fund) has an interest in the Cutter 1HA well operated by Lime Rock. We currently are paying this owner separately from the other GLO interests and not reporting GLO 1, 2, and 3 reports. Can you confirm this is correct? If you need additional information, please let me know.

WELL NAME	Operating Group	LEGAL DESCRIPTION
CUTTER 1HA	LRR PECOS VALLEY LLC	Survey RODRIGUEZ F, Al

File No. MF 097541

Milam County

iNut 11974

Date Filed: 9/29/22

George P. Bush, Commissioner

By MB Barnstone

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DIVISION ORDER

iNut 11215
MF D97541

TO: **TreadStone Energy Partners Operating, LLC**
106 Vintage Park Blvd Suite 100
Houston, TX 77070

Property No.: **Cannon Michael 1HE**
Effective Date: **First Production**

The undersigned severally and not jointly certifies it is the legal Owner of the interest set out below of all the oil, gas, and related liquid hydrocarbons produced and sold from the property described below:

Property Name:	Cannon Michael 1HE
County:	***Milam***
State:	***TX***
Legal Description:	The Cannon Michael 1HE (API# 42-331-35085), at a location in the Fernado Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, Milam County, Texas, more particularly dexcribed by the plat on Exhibit "A".
Owner No.:	**O:2994**
Name & Address:	STATE OF TEXAS 1700 N CONGRESS AVENUE STEPHEN F AUSTIN BLDG AUSTIN, TX 78701-1436
Owner Tax ID #	74-6000108

DIVISION OF INTEREST

Interest Type:	**OVERRIDE**
Interest:	0.007695743

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest Owner ("Owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The Payor shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order. The purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil. The proceeds for the sale of gas shall be calculated as to price and quality on the basis of and in the manner provided for in the contract with the purchaser of such gas product.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based of this division of interest, for oil runs and gas produced and sold not later than 60 days after the end of the calendar month in which the oil and/or gas was sold from the property listed above, less taxes required by law to be deducted and remitted by Payor as purchaser. Payment of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until December 31st of each year, whichever occurs first. Payee agrees to refund to Payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney's fees or judgements in connection with any suit that affects the Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

Any change of interest shall be made on the first day of the month following receipt of such notice to Payor.

Any correspondence regarding this agreement shall be furnished to the addresses as provided herein unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an Owner may have certain statutory rights under the laws of the State of Texas.

WITNESS: (*There must be two witnesses to each signature*)	**OWNER SIGNATURE:**	**ADDRESS/TAX ID NUMBER:**
Signature of Witness #1	STATE OF TEXAS	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security Number or Tax Identification Number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by Payor.

Return To: **TreadStone Energy Partners Operating, LLC**
106 Vintage Park Blvd Suite 100
Houston, TX 77070

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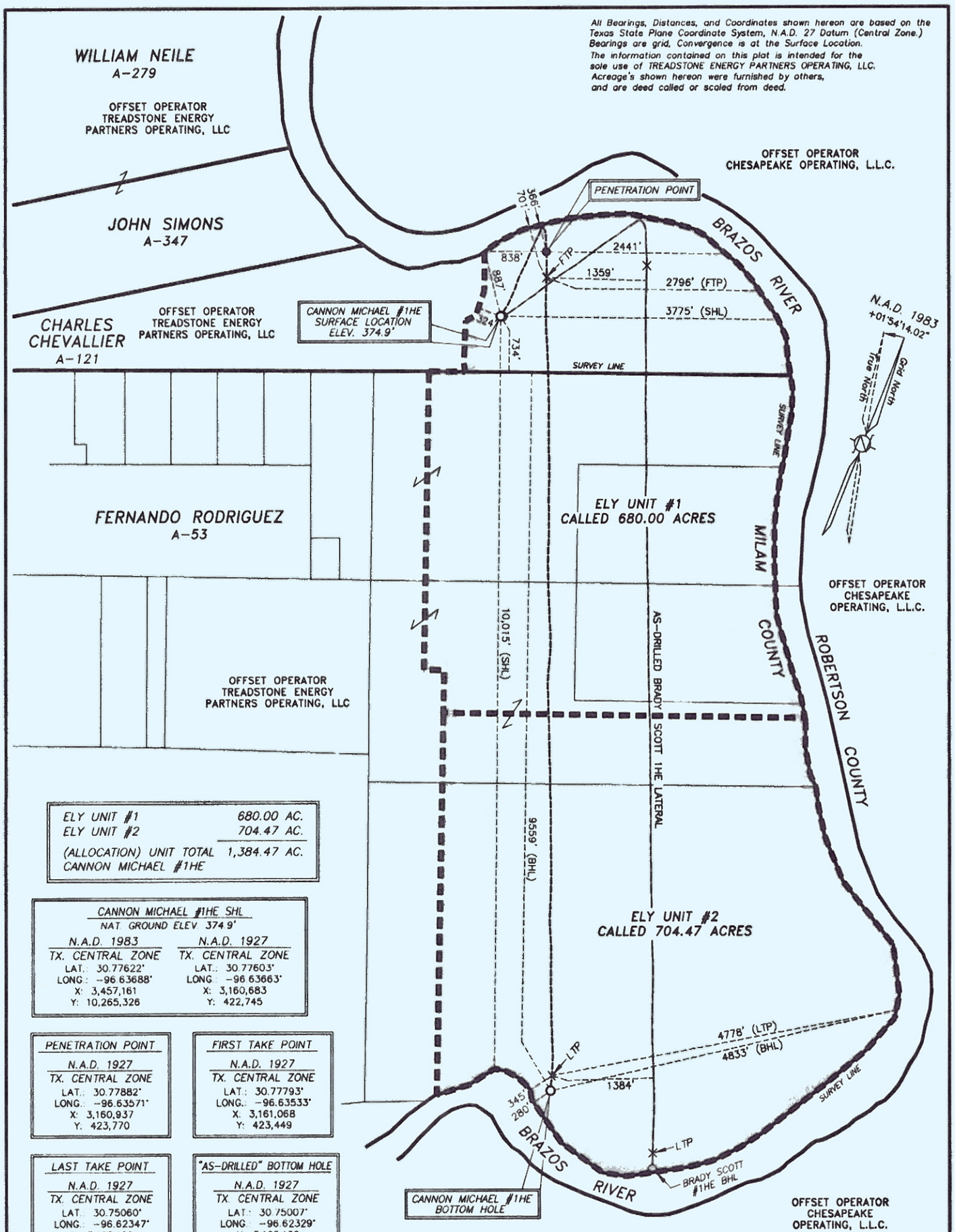
EXHIBT "A"

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.



ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL	1,384.47 AC.
CANNON MICHAEL #1HE	

CANNON MICHAEL #1HE SHL
NAT. GROUND ELEV. 374.9'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77622°	LAT.: 30.77603°
LONG.: -96.63688°	LONG.: -96.63663°
X: 3,457,161	X: 3,160,683
Y: 10,265,326	Y: 422,745

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77882°
LONG.: -96.63571°
X: 3,160,937
Y: 423,770

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77793°
LONG.: -96.63533°
X: 3,161,068
Y: 423,449

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75060°
LONG.: -96.62347°
X: 3,165,120
Y: 413,641

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75007°
LONG.: -96.62329°
X: 3,165,182
Y: 413,449

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP

ELY UNIT #1	5,811.74'	54.73%
ELY UNIT #2	4,807.01'	45.27%
TOTAL	10,618.75'	100.00%

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/12/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
CANNON MICHAEL #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E - 20.8 Miles from Cameron, TX.

2258/71

T190396 - CANNON MICHAEL #1HE AS-DRILLED PLAT

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PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in Milam County, Texas:

3. **Ely Unit No. 1,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 680.00 acres of land more or less, recorded in Volume 732, Page 428, Milam County, Texas; and
4. **Ely Unit No. 2,** as more particularly described in that certain Amended Designation of Unit dated August 14, 1996, from Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 732, Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II LLC, as the successor in interest to Union Pacific Resources Company, desires to drill, or cause to be drilled, the Cannon Michael 1HE Well (API No. 42-331-35085), at a location in the Fernando Rodriguez Survey, A-53 and Charles Chevallier Survey, A-121, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Eagleford) Field in, through and under a portion of each of the above-described Units; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said Cannon Michael 1HE Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

7. This consent and ratification shall terminate unless, on or before December 31, 2021 TreadStone Energy Partners II, LLC commences, or causes to be commenced, operations for the drilling of the Cannon Michael 1HE Well.
8. In the event that TreadStone Energy Partners II, LLC, or its operating agent, TreadStone Energy Partners Operating, LLC, drills and completes the Cannon Michael 1HE Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
    a. All production from the Cannon Michael 1HE shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the Cannon Michael 1HE Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
    b. As evidenced by the Division Order for the Ely Unit No. 1 Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 1-1 Well. The decimal interests for the Ely Unit No. 1-1 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely No. 1-1 Well, the royalty owners in and under the Ely Unit No. 1 shall also receive the same decimal interest of production from the Cannon Michael 1HE Well that is allocated to the Ely Unit No. 1 as set forth under Article 2 a. above.
    c. As evidenced by the Division Order for the Ely Unit No. 2, Lessee allocates production according to certain decimal interests in production from the Ely Unit No. 2 Well. The decimal interests for the Ely Unit No. 2 Well will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit No. 2 Well, the royalty owners in and under the Ely Unit No. 2 shall also receive the same decimal interest of production from the Cannon Michael 1HE Well that is allocated to the Ely Unit No. 2 Well as set forth under Article 2 a. above.
    d. By drilling the Cannon Michael 1HE Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC shall be deemed to be incompliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
9. The parties recognize that TreadStone Energy Partners II, LLC's ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC's obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the Cannon Michael 1HE Well. In the event TreadStone Energy Partners II, LLC is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
10. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty owner, to the extent he/she owns an interest in any or all of the Units described above, does hereby RATIFY, ADOPT, and CONFIRM the Units and the lease or leases under which such party's interest is derived

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(individually and/or collectively the "Ratified Lease"), and does hereby GRANT, LEASE and LET unto the current lessee of the Ratified Lease, all of such Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein, and further does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the Cannon Michael 1HE Well under the terms and provisions set forth herein.

11. Unless terminated by TreadStone Energy Partners II, LLC, this document shall be effective as of the date of completion of the Cannon Michael 1HE Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the Cannon Michael 1HE Well continues to produce in paying quantities.
12. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS _____ DAY OF _____, 2021

ROYALTY OWNER:

_____

STATE OF TEXAS
1700 N CONGRESS AVENUE
STEPHEN F AUSTIN BLDG
AUSTIN, TX 78701-1436

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EXHIBIT "A"

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of TREADSTONE ENERGY PARTNERS OPERATING, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

WILLIAM NEILE
A-279

OFFSET OPERATOR
TREADSTONE ENERGY
PARTNERS OPERATING, LLC

JOHN SIMONS
A-347

CHARLES CHEVALLIER
A-121

OFFSET OPERATOR
TREADSTONE ENERGY
PARTNERS OPERATING, LLC

CANNON MICHAEL #1HE
SURFACE LOCATION
ELEV. 374.9'

OFFSET OPERATOR
CHESAPEAKE OPERATING, L.L.C.

PENETRATION POINT

366'
701'
838'
887'
324'
734'
FTP
2441'
1359'
2796' (FTP)
3775' (SHL)

BRAZOS RIVER

N.A.D. 1983
+01°54'14.02"
True North
Grid North

SURVEY LINE

FERNANDO RODRIGUEZ
A-53

ELY UNIT #1
CALLED 680.00 ACRES

MILAM COUNTY

ROBERTSON COUNTY

OFFSET OPERATOR
CHESAPEAKE
OPERATING, L.L.C.

10,015' (SHL)

AS-DRILLED BRADY SCOTT 1HE LATERAL

OFFSET OPERATOR
TREADSTONE ENERGY
PARTNERS OPERATING, LLC

9559' (BHL)

ELY UNIT #2
CALLED 704.47 ACRES

4778' (LTP)
4833' (BHL)
LTP
1384'
345'
280'
LTP
BRADY SCOTT
#1HE BHL

CANNON MICHAEL #1HE
BOTTOM HOLE

OFFSET OPERATOR
CHESAPEAKE
OPERATING, L.L.C.

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CANNON MICHAEL #1HE	1,384.47 AC.

CANNON MICHAEL #1HE SHL
NAT. GROUND ELEV. 374.9'

N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.77622°	LAT.: 30.77603°
LONG.: -96.63688°	LONG.: -96.63663°
X: 3,457,161	X: 3,160,683
Y: 10,265,326	Y: 422,745

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77882°
LONG.: -96.63571°
X: 3,160,937
Y: 423,770

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.77793°
LONG.: -96.63533°
X: 3,161,068
Y: 423,449

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75060°
LONG.: -96.62347°
X: 3,165,120
Y: 413,641

"AS-DRILLED" BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75007°
LONG.: -96.62329°
X: 3,165,182
Y: 413,449

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP

ELY UNIT #1	5,811.74'	54.73%
ELY UNIT #2	4,807.01'	45.27%
TOTAL	10,618.75'	100.00%

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams DATE: 03/12/2021

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
TREADSTONE ENERGY PARTNERS OPERATING, LLC
CANNON MICHAEL #1HE
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle
Situated S 78° E – 20.8 Miles from Cameron, TX.

2258/71

T190396 – CANNON MICHAEL #1HE AS-DRILLED PLAT

5·11·21

TREADSTONE
ENERGY PARTNERS

TreadStone Energy Partners, LLC
106 Vintage Park Blvd, Suite 100
Houston, Texas 77070

Chris Herrin
Contract Division Order Analyst
Telephone: (713) 482-2990
Email: Chris.Herrin@treadstone-ep.com

DATE: May 5, 2021

TO: Royalty Owners in the Ely #1 and Ely #2 Units.

RE: Division Orders for:
Cannon Michael 1HE (API# 42-331-35085)

Ladies and Gentlemen,

Enclosed you will find two (2) originals of our Division Order with your associated interest in the production revenues from the above referenced well. Also included are two (2) originals of our Production Sharing Agreement (PSA) which explains the revenue pay structure of the new well.

Please review the Division Order and PSA. If acceptable, please sign and return **One** original of each to the undersigned at the letterhead address. The remaining copy is for **Your** personal records.

Should you have any questions or comments, please do not hesitate to contact me at (832) 619-7876 or via email at Chris.Herrin@treadstone-ep.com.

Sincerely,

CHerrin

Chris Herrin
Divison Order Analyst

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 15, 2022

Chris Herrin
Division Order Analyst
TreadStone Energy Partners
106 Vintage Park Blvd, Suite 100
Houston, TX 77070

Re: State Lease No. MF097541 Cannon Michael 1HE iNut 11215

Dear Mr. Herrin:

The Texas General Land Office (GLO) has received your Division Order for the referenced iNut. This Division Order has been filed in the appropriate mineral file.

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 Zamora

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF097541

_____ County

Division Order

Date Filed: 11/2/2022

George P. Bush, Commissioner

By VB

Verified
iNut11974-MF097541

DIVISION ORDER

TO: **Lime Rock Resources Operating Company, Inc.**
1111 Bagby Street Suite 4600
Houston, TX 77002

Property No.: **CUTTER 1HA**
Effective Date: **First Production**

The undersigned severally and not jointly certifies it is the legal Owner of the interest set out below of all the oil, gas, and related liquid hydrocarbons produced and sold from the property described below:

Property Name:	**CUTTER 1HA**
County:	**MILAM**
State:	**TX**
Legal Description:	The **CUTTER 1HA (API# 4233135110),** at a location in the Fernando Rodriguez Survey Survey,A-53. **MILAM** County, Texas, more particularly described by the plat located on Exhibit "A".
Owner No.:	**O:COM048**
Name & Address:	COMMISSIONER OF THE GENERAL LAND OFFICE FBO PERMANENT SCHOOL FUND 1700 N CONGRESS AUSTIN, TX 78701

DIVISION OF INTEREST

Interest Type:	**ORRI**
Interest:	0.01440427 ✓

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest Owner ("Owner") who executes this Agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The Payor shall pay all parties at the price agreed to by the operator for oil, gas and related liquid hydrocarbons to be sold pursuant to this division order. The purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil. The proceeds for the sale of gas shall be calculated as to price and quality on the basis of and in the manner provided for in the contract with the purchaser of such gas product.

PAYMENT: From the effective date, payment is to be made monthly by Payor's check, based of this division of interest, for oil runs and gas produced and sold not later than 60 days after the end of the calendar month in which the oil and/or gas was sold from the property listed above, less taxes required by law to be deducted and remitted by Payor as purchaser. Payment of less than $100 may be accrued before disbursement until the total amount equals $100 or more, or until December 31st of each year, whichever occurs first. Payee agrees to refund to Payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to the Owner in accordance with such division of interest, including but not limited to attorney's fees or judgements in connection with any suit that affects the Owner's interest to which Payor is made a party.

DISPUTE; WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the Owner, written notice shall be given to Payor by the Owner together with a copy of the complaint or petition filed.

In the event of a claim or dispute that affects title to the division of interest credited herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time.

No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

Any change of interest shall be made on the first day of the month following receipt of such notice to Payor.

Any correspondence regarding this agreement shall be furnished to the addresses as provided herein unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of this division order, an Owner may have certain statutory rights under the laws of the State of Texas.

WITNESS: *(There must be two witnesses to each signature)*	**OWNER SIGNATURE:**	**ADDRESS/TAX ID NUMBER:**
Signature of Witness #1	COMMISSIONER OF THE GENERAL LAND OFFICE	Address if different from above
Signature of Witness #2	Owner Signature/Corporate Title	City, State, Zip Code
Owner Email Address	Owner Phone #	Tax ID Number if different from above

Failure to furnish your Social Security Number or Tax Identification Number will result in withholding tax in accordance with federal law and any tax withheld will not be refundable by Payor.

PLEASE RETAIN ONE COPY FOR YOUR RECORDS

Return To: **Lime Rock Resources Operating Company, Inc.**
1111 Bagby Street Suite 4600
Houston, TX 77002

5.19.22

EXHIBIT "A"

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of LIME ROCK RESOURCES. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

WILLIAM NEILE
A-279

JOHN SIMONS
A-347

CHARLES CHEVALLIER
A-121

FERNANDO RODRIGUEZ
A-53

GEORGE ANTONIO NIXON
A-31

OFFSET OPERATOR
CHESAPEAKE OPERATING, L.L.C.

OFFSET OPERATOR
TREADSTONE ENERGY PARTNERS OPERATING, LLC

MILAM COUNTY

ROBERTSON COUNTY

BRAZOS RIVER

KICK OFF POINT (KOP)	
N.A.D. 1927	
TX. CENTRAL ZONE	
LAT.:	30.76838°
LONG.:	-96.62181°
X:	3,165,421
Y:	420,119
MD:	6,830'

AS-DRILLED LATERAL LENGTH FROM KTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CUTTER #1HA	1,384.47 AC.

CUTTER #1HA SHL	
NAT. GROUND ELEV. 295.4'	
N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT.: 30.76244°	LAT.: 30.76225°
LONG.: -96.62565°	LONG.: -96.62540°
X: 3,460,852	X: 3,164,373
Y: 10,260,434	Y: 417,852

PENETRATION POINT	
N.A.D. 1927	
TX. CENTRAL ZONE	
LAT.:	30.76818°
LONG.:	-96.62167°
X:	3,165,474
Y:	420,046
MD:	6,937'

FIRST TAKE POINT	
N.A.D. 1927	
TX. CENTRAL ZONE	
LAT.:	30.76752°
LONG.:	-96.62120°
X:	3,165,626
Y:	419,814
MD:	7,227'

LAST TAKE POINT	
N.A.D. 1927	
TX. CENTRAL ZONE	
LAT.:	30.75539°
LONG.:	-96.61233°
X:	3,168,568
Y:	415,496
MD:	12,451

AS-DRILLED BOTTOM HOLE	
N.A.D. 1927	
TX. CENTRAL ZONE	
LAT.:	30.75492°
LONG.:	-96.61199°
X:	3,168,673
Y:	415,329
MD:	12,655

ELY UNIT #1
CALLED 680.00 ACRES

ELY UNIT #2
CALLED 704.47 ACRES

CUTTER #1HA
SURFACE LOCATION
ELEV. 295.4'

SEE DETAIL
CUTTER #1HA
BOTTOM HOLE

DETAIL
NOT TO SCALE

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

By: Kenny Williams REV: 05/09/2022 DATE: 02/26/2022

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD
TYLER, TEXAS 75703
(903) 534-0174

"AS-DRILLED" PLAT
LIME ROCK RESOURCES
CUTTER #1HA
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUGE" Quadrangle
Situated S 76° E - 21.7 Miles from Cameron, TX

2758/71

T230129 - CUTTER #1HA AS-DRILLED PLAT (NAD27) - REV-1

TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

December 30, 2022

Kevin Kindrick
Division Order Analyst
Lime Rock Resources Operating Company, Inc.
1111 Bagby Street, Suite 4600
Houston, TX 77002

Re: State Lease No. MF097541 Cutter 1HA iNut 11974

Dear Mr. Kindrick:

The Texas General Land Office (GLO) has received your Division Order for the referenced unit. This Division Order has been filed in the appropriate mineral file.

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 Zamora

Vivian Zamora
Landman, Energy Resources
512-475-0428
512-475-1404 (fax)
vivian.zamora@glo.texas.gov

File No. MF097541

DIVISION ORDER

County

Date Filed: 12\30\2022

George P. Bush, Commissioner

By VQ

LIME ROCK RESOURCES

1·17·23

January 12, 2023

Texas General Land Office
Energy Resources Division
Attn: Mary Beth Barnstone,
1700 North Congress Avenue
Austin, TX 78701

RE: Production Sharing Agreement
Cutter 1HA allocation well
State Lease M-097541
Milam County, Texas

Dear Ms. Barnstone:

We respectfully enclose the fully executed copy of the Production Sharing Agreement ("PSA") for the referenced State Lease and the Cutter 1HA well. We have kept the original for our files. The PSA will not be recorded.

Also, as requested, please find enclosed the final 'as drilled' plat showing the Productive Drainhole Length / Allocation Factor for the Cutter 1HA well.

If you have any questions or need anything else for this matter, please do not hesitate to contact me by phone at 281-635-1398 or by email at klarue@limerockresources.com.

Regards,

LIME ROCK RESOURCES

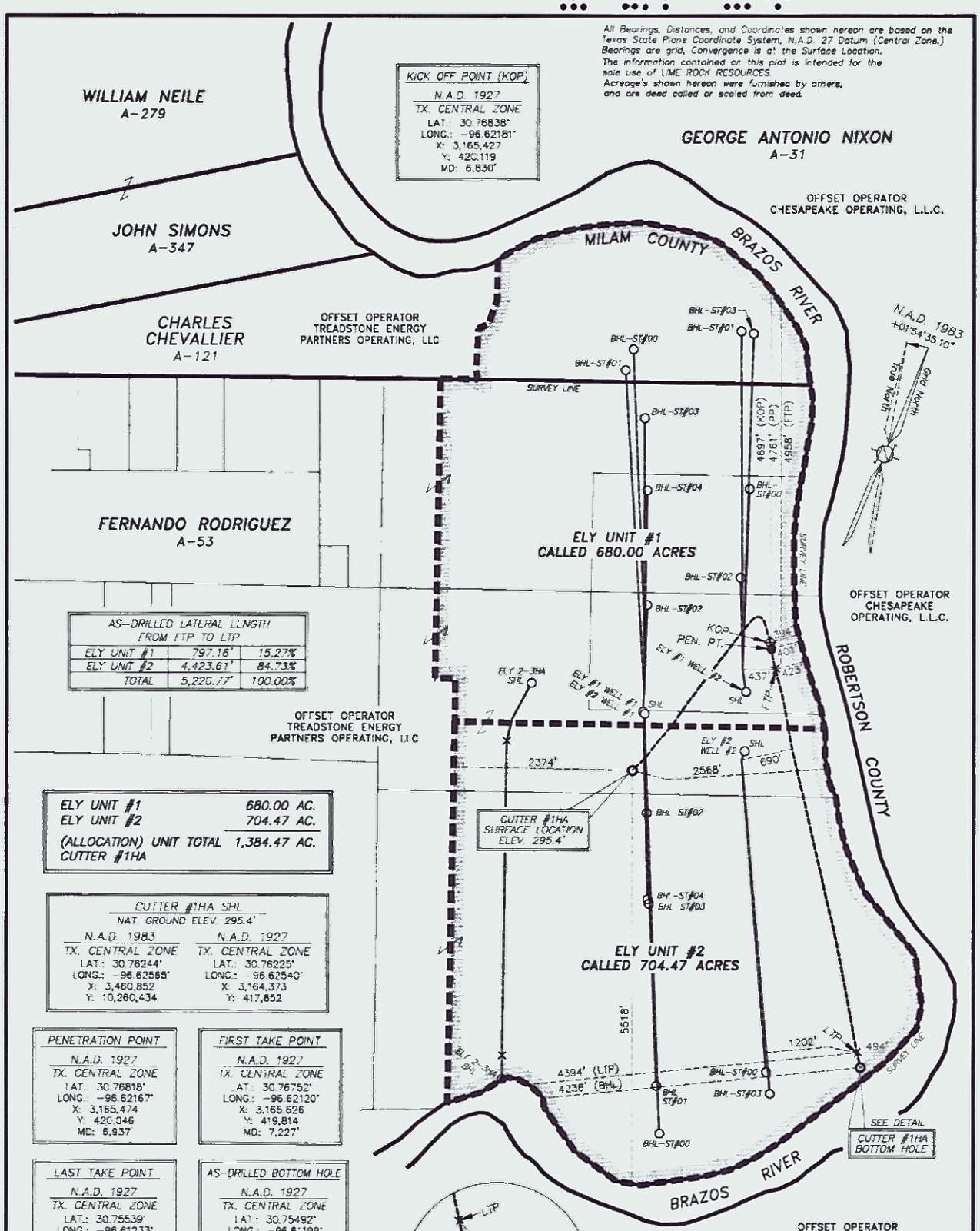
Katie LaRue

Katie LaRue
Landman

Enclosure

1.17.23

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 27 Datum (Central Zone.) Bearings are grid, Convergence is at the Surface Location. The information contained on this plat is intended for the sole use of LIME ROCK RESOURCES. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.



KICK OFF POINT (KOP)
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76838°
LONG.: -96.62181°
X: 3,165,427
Y: 420,119
MD: 6,830'

AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CUTTER #1HA	1,384.47 AC.

CUTTER #1HA SHL	
NAT. GROUND ELEV. 295.4'	
N.A.D. 1983	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT.: 30.76244°	LAT.: 30.76225°
LONG.: -96.62555°	LONG.: -96.62540°
X: 3,460,852	X: 3,164,373
Y: 10,260,434	Y: 417,852

PENETRATION POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76818°
LONG.: -96.62167°
X: 3,165,474
Y: 420,046
MD: 5,937'

FIRST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.76752°
LONG.: -96.62120°
X: 3,165,626
Y: 419,814
MD: 7,227'

LAST TAKE POINT
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75539°
LONG.: -96.61233°
X: 3,168,558
Y: 415,496
MD: 12,45"

AS-DRILLED BOTTOM HOLE
N.A.D. 1927
TX. CENTRAL ZONE
LAT.: 30.75492°
LONG.: -96.61199°
X: 3,168,673
Y: 415,329
MD: 12,655'

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

0 1200 2400 3600

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny G. Williams

REV.: 05/09/2022
DATE: 02/26/2022

STATE OF TEXAS REGISTERED KENNY G. WILLIAMS 5680 PROFESSIONAL LAND SURVEYOR

PREPARED BY:
STANGER SURVEYING TYLER LLC
1595 E. GRANDE BLVD.
TYLER, TEXAS 75703

"AS-DRILLED" PLAT
LIME ROCK RESOURCES
CUTTER #1HA
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

TBPLS FIRM REGISTRATION No. 10025700

"GAUSE" Quadrangle

PRODUCTION SHARING AGREEMENT

WHEREAS, the undersigned is the owner of a royalty interest in one or more of the following described units, located in **MILAM** County, Texas:

1. **Ely Unit #1,** as more particularly described in that certain Designation of Unit dated June 12, 1996, as amended August 13, 1996 and as Amended December 8, 1998, from the Union Pacific Resources Company, containing 680 acres of land more or less, recorded in Volume 729, Page 231 and as amended Volume 732, Page 428, and as amended Volume 787, Page 748, Milam County, Texas; and
2. **Ely Unit #2,** as more particularly described in that certain Designation of Unit dated June 12, 1996, as amended August 13, 1996, from the Union Pacific Resources Company, containing 704.47 acres of land more or less, recorded in Volume 729, Page 225 and as amended Volume 732 Page 435, Milam County, Texas; and

WHEREAS, TreadStone Energy Partners II, LLC, or its successor in interest, as the successor in interest to **Ely Unit #1,** and **Ely Unit #2,** desires to drill, or cause to be drilled, the CUTTER 1HA (API# 4233135110), at a location in the Fernando Rodriguez Survey, A-53, which well is intended to be a horizontal drainhole drilled within the stratigraphic limits of the Giddings (Austin Chalk-3) Field in, through and under a portion of each of the above described Units; and

WHEREAS, Lime Rock Resources Operating Company, Inc. ("LRR"), is successor in interest to TreadStone Energy Partners II, LLC; and

WHEREAS, to avoid any uncertainties concerning the manner in which the owners of the royalty interests will share the proceeds of production attributable to that portion of the horizontal drainhole traversing any portion of the Units and the respective oil, gas and mineral leases and interests which contribute thereto, the undersigned royalty interest owner and the operator of said CUTTER 1HA Well desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of hydrocarbons attributable to that portion of the horizontal drainhole traversing any portion of the lands covered by the Units.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty interest owner hereby covenants and agrees to the following terms, conditions and provisions:

1. This consent and ratification shall terminate unless, on or before December 31, 2021, TreadStone Energy Partners II, LLC, or its successor in interest commences, or causes to be commenced, operations for the drilling of the CUTTER 1HA Well.
2. In the event that TreadStone Energy Partners II, LLC, or its successor in interest, or its operating agent, TreadStone Energy Partners Operating, LLC (or its successor in interest), drills and completes the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities, the following shall apply:
   a. All production from the CUTTER 1HA shall be allocated between the respective Units based upon the length of productive horizontal drainhole underlying each respective Unit in proportion to the total length of the productive horizontal drainhole in the entirety of the CUTTER 1HA Well, as determined by an "As Drilled" survey (generated by a licensed Surveyor in the State of Texas) to be provided upon the completion of the well.
   b. As evidenced by the Division Order for the Ely Unit #1 Lessee allocates production according to certain decimal interests in production from the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells. The decimal interests for the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit 1-1, Ely Unit 1-2, Ely Unit 1-4HG, Ely Unit 1-5HB Wells, the royalty owners in and under the Ely Unit #1 shall also receive the same decimal interest of production from the CUTTER 1HA Well that is allocated to the Ely Unit #1 as set forth under Article 2 a. above.
   c. As evidenced by the Division Order for the Ely Unit #2 Lessee allocates production according to certain decimal interests in production from the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells. The decimal interests for the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells will not change as a result of this document, however, in addition to receiving that decimal interest in production from the Ely Unit 2 - 1, Ely Unit 2-2, Ely Unit 2 - 3HA Wells, the royalty owners in and under the Ely Unit #2 shall also receive the same decimal interest of production from the CUTTER 1HA Well that is allocated to the Ely Unit #2 as set forth under Article 2 a. above.
   d. By drilling the CUTTER 1HA Well and paying the mineral and royalty interest owners on production therefrom in accordance with the foregoing provisions, TreadStone Energy Partners II, LLC, or its successor in interest shall be deemed to be in compliance with the terms and provisions, specifically the pooling provisions, contained in the oil, gas and mineral leases covering the tracts which comprise the Units.
3. The parties recognize that TreadStone Energy Partners II, LLC's, or its successor in interest ability to accomplish the foregoing may be contingent upon TreadStone Energy Partners II, LLC, or its successor in interest obtaining the ratifications of other mineral and/or royalty owners in the vicinity of the CUTTER 1HA Well. In the event TreadStone Energy Partners II, LLC, or its successor in interest is unable to obtain the ratification of any mineral owner and/or royalty owner that TreadStone Energy Partners II, LLC, or its successor in interest deems necessary in order to accomplish the objectives of this Production Sharing Agreement, TreadStone Energy Partners II, LLC, or its successor in interest may notify the undersigned in writing of that fact and this agreement shall have and be of no effect.
4. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned royalty owner, to the extent he/she owns an interest in any or all of the Units described above, ~~does hereby RATIFY, ADOPT, and~~ CONFIRM the Units and the lease or leases under which such party's ~~interest is derived~~ (individually and/or collectively the "Ratified Lease"), and does ~~hereby GRANT~~, LEASE and LET unto the current lessee of the Ratified Lease, ~~all of such interest~~ Owner's interest in the acreage covered by the Ratified Lease, subject to the ~~same terms~~ and conditions provided for therein, as same may have been previously amended, or ~~amended herein, and further~~ does hereby CONSENT and AGREE to the inclusion of the undersigned's interest in participating in the CUTTER 1HA Well under the terms and provisions set forth herein.
5. Unless terminated by TreadStone Energy Partners II, LLC, or its successor in interest, this document shall be

effective as of the date of completion of the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the CUTTER 1HA Well continues to produce in paying quantities.

6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

Date Executed _____

STATE OF TEXAS

_____
Mark Havens, Chief Clerk/Deputy Commissioner
Texas General Land Office

Approved:
leas. MB
cont. MB
legal MB

CERTIFICATE

I, Linda Quintanilla, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on _____, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian. IN TESTIMONY WHEREOF, witness my hand this the _____ day of _____, 20____.

_____
Secretary of the School Land Board

effective as of the date of completion of the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the CUTTER 1HA Well continues to produce in paying quantities.

6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

Date Executed 9/22/2022

STATE OF TEXAS

Mark Havens, Chief Clerk/Deputy Commissioner
Texas General Land Office

Approved:
leas. _____
cont. MB
legal _____

CERTIFICATE

I, Linda Quintanilla, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on _____, the foregoing instrument was approved by said Board under the provisions of Chapter 32 and 52 of the Natural Resources Code all of which is set forth in the Minutes of the Board of which I am custodian. IN TESTIMONY WHEREOF, witness my hand this the 22nd day of September, 20 22

Linda Quintanilla
Secretary of the School Land Board

effective as of the date of completion of the CUTTER 1HA Well as a well capable of producing oil and/or gas in paying quantities and shall continue in effect for so long as the CUTTER 1HA Well continues to produce in paying quantities.

6. The terms and provisions of this agreement and the covenants made herein shall be binding upon the undersigned, its heirs, successors and/or assigns.

EXECUTED THIS 11 DAY OF January, 2023

OPERATOR

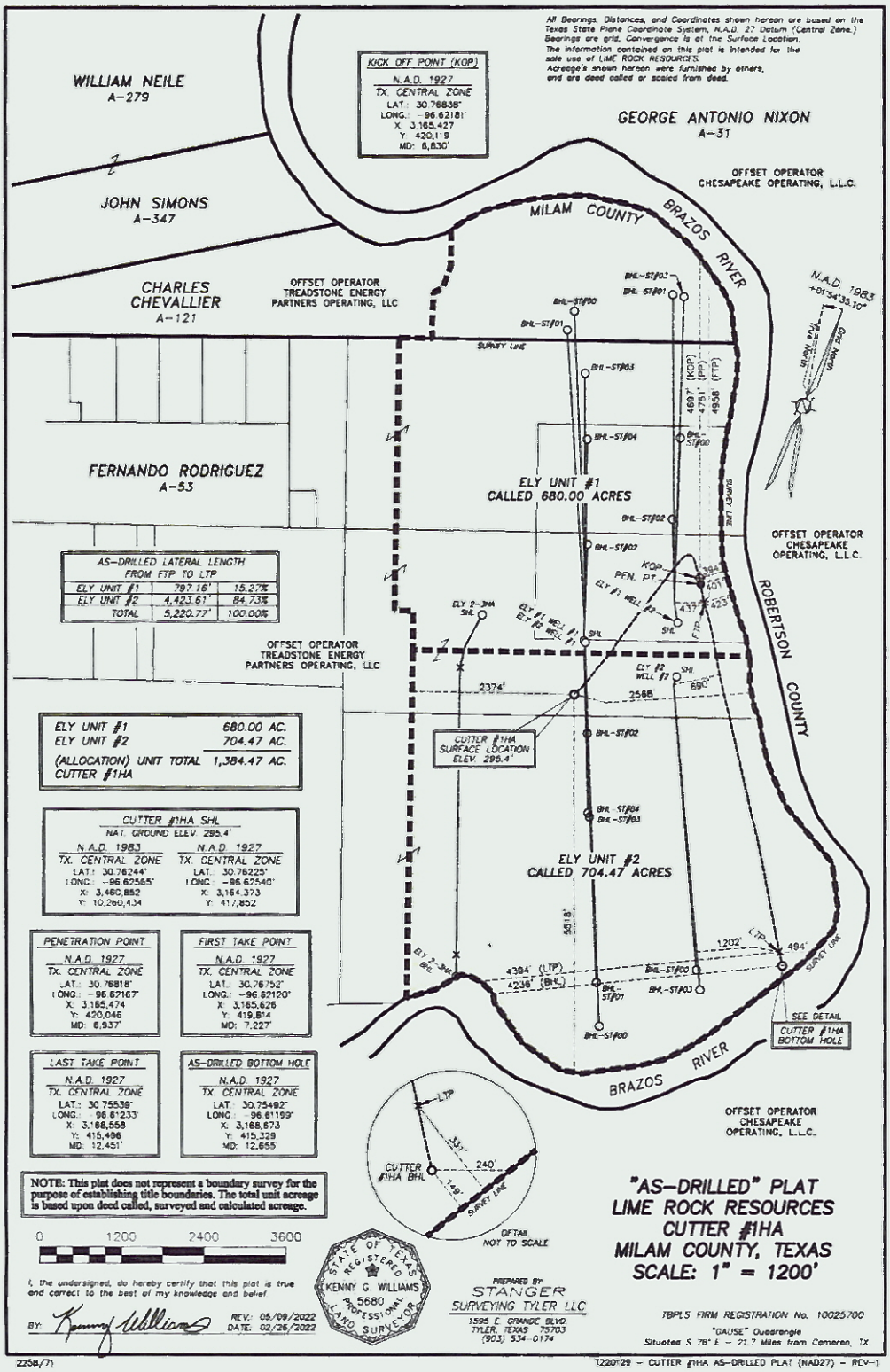
LRR PECOS VALLEY, LLC
By: Lime Rock Resources GP V, L.P.,
its managing member
By: LRR GP V, LLC,
it's general partner

Name: Kevin Kindrick
Title: Vice President of Land

KK

EXHIBIT "A"

1·17·23



AS-DRILLED LATERAL LENGTH FROM FTP TO LTP		
ELY UNIT #1	797.16'	15.27%
ELY UNIT #2	4,423.61'	84.73%
TOTAL	5,220.77'	100.00%

ELY UNIT #1	680.00 AC.
ELY UNIT #2	704.47 AC.
(ALLOCATION) UNIT TOTAL CUTTER #1HA	1,384.47 AC.

CUTTER #1HA SHL NAT. GROUND ELEV. 295.4'	
N.A.D. 1983 TX. CENTRAL ZONE	N.A.D. 1927 TX. CENTRAL ZONE
LAT.: 30.76244°	LAT.: 30.76225°
LONG.: -96.62565°	LONG.: -96.62540°
X: 3,460,852	X: 3,164,373
Y: 10,260,434	Y: 417,852

PENETRATION POINT	FIRST TAKE POINT
N.A.D. 1927	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT.: 30.76818°	LAT.: 30.76752°
LONG.: -96.62167°	LONG.: -96.62120°
X: 3,165,474	X: 3,165,626
Y: 420,046	Y: 419,814
MD: 6,937'	MD: 7,227'

LAST TAKE POINT	AS-DRILLED BOTTOM HOLE
N.A.D. 1927	N.A.D. 1927
TX. CENTRAL ZONE	TX. CENTRAL ZONE
LAT.: 30.75539°	LAT.: 30.75492°
LONG.: -96.61233°	LONG.: -96.61199°
X: 3,168,558	X: 3,168,673
Y: 415,496	Y: 415,329
MD: 12,451'	MD: 12,655'

NOTE: This plat does not represent a boundary survey for the purpose of establishing title boundaries. The total unit acreage is based upon deed called, surveyed and calculated acreage.

"AS-DRILLED" PLAT
LIME ROCK RESOURCES
CUTTER #1HA
MILAM COUNTY, TEXAS
SCALE: 1" = 1200'

DocuSign

1·17·23

Certificate Of Completion

Envelope Id: F3E55E9A4D1D4F30BF8D8F9695174F7A

Status: Completed

Subject: Please DocuSign - Energy Resources: PSA - Lime Rock (Texas GLO)

Source Envelope:

Document Pages: 4

Signatures: 0

Initials: 2

Certificate Pages: 2

AutoNav: Enabled

EnvelopeId Stamping: Enabled

Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
David Villafranca
1700 Congress Ave
Austin, TX 78701
david.villafranca@glo.texas.gov
IP Address: 136.226.13.67

Record Tracking

Status: Original
9/6/2022 11:34:44 AM

Holder: David Villafranca
david.villafranca@glo.texas.gov

Location: DocuSign

Signer Events	Signature	Timestamp
Matt Bruns Matt.Bruns@glo.texas.gov Security Level: Email, Account Authentication (None)	DS MB Signature Adoption: Pre-selected Style Using IP Address: 136.226.12.198	Sent: 9/6/2022 11:35:46 AM Viewed: 9/6/2022 1:05:36 PM Signed: 9/6/2022 1:07:46 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Ken Mills Ken.Mills@GLO.TEXAS.GOV Attorney Texas General Land Office Security Level: Email, Account Authentication (None)	DS KM Signature Adoption: Pre-selected Style Using IP Address: 136.226.12.84	Sent: 9/6/2022 1:07:47 PM Resent: 9/13/2022 4:11:18 PM Viewed: 9/17/2022 2:44:09 PM Signed: 9/17/2022 2:45:31 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**

Carbon Copy Events	Status	Timestamp
Mary Barnstone Mary.Barnstone@GLO.TEXAS.GOV Texas General Land Office Security Level: Email, Account Authentication (None)	COPIED	Sent: 9/6/2022 11:35:45 AM Viewed: 9/6/2022 11:36:39 AM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/6/2022 11:35:45 AM
Certified Delivered	Security Checked	9/17/2022 2:44:09 PM
Signing Complete	Security Checked	9/17/2022 2:45:31 PM
Completed	Security Checked	9/17/2022 2:45:31 PM

Payment Events	Status	Timestamps

File No. MF097541

Milam County

Fully executed PSA

Date Filed: 2/3/23

Commissioner Dawn Buckingham, M.D.

By: MBBarnstone

Texas General Land Office
Reconciliation Billing

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

Commissioner Dawn Buckingham, M.D.

Magnolia Oil & Gas Operating LLC
1001 Fannin St Ste 400
Houston, TX 77002-6759

Billing Date: 2/13/2024
Billing Due Date: 3/14/2024
Customer Number: C000090570

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
24I00397	MF097541	$7,848.61	$0.00	$788.15	$433.40	$9,070.16
Total Due		$7,848.61	$0.00	$788.15	$433.40	**$9,070.16**

Penalty and interest have been calculated thru 2/29/2024. Payment remitted after 2/29/2024 will result in additional penalty and interest charges.

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.

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
Magnolia Oil & Gas Operating LLC
Billing Date: 2/13/2024
Billing Due Date: 3/14/2024
Customer Number: C000090570

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
24I00397	MF097541	$7,848.61	$0.00	$788.15	$433.40	$9,070.16
Total Due		$7,848.61	$0.00	$788.15	$433.40	**$9,070.16**
Amt. Paid						

Customer ID: C000090570
Invoice Number:
GLO Lease: MF097541
GLO Review: MAGNOLIA OIL & GAS OPERATING LLC
Review Period: Sept 2022 - Aug 2023

Category Gas
Auditor/AE: ECortez
Billing Date: 2/8/2024
P&I Calculation Date: 2/29/2024
Royalty Rate: 1.70%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty Rate From Additional Royalty	Interest Rate From Additional Royalty2	Revenue Due
Sep-22	03-27847	12,854	1	$8.660	1	$111,315.90	$1,892.37	$0.00	$1,892.37	471	4.25%	$189.24	$90.78	$2,172.39
Oct-22	03-27847	13,206	1	$5.270	1	$69,596.53	$1,183.14	$0.00	$1,183.14	441	4.25%	$118.31	$52.63	$1,354.08
Nov-22	03-27847	12,415	1	$4.660	1	$57,856.12	$983.55	$0.00	$983.55	410	8.50%	$98.36	$80.40	$1,162.31
Dec-22	03-27847	9,849	1	$6.050	1	$59,584.97	$1,012.94	$0.00	$1,012.94	379	8.50%	$101.29	$75.48	$1,189.71
Jan-23	03-27847	9,967	1	$4.400	1	$43,853.37	$745.51	$0.00	$745.51	351	8.50%	$74.55	$50.69	$870.75
Feb-23	03-27847	8,565	1	$2.640	1	$22,612.67	$384.42	$0.00	$384.42	320	8.50%	$38.44	$23.37	$446.23
Mar-23	03-27847	9,606	1	$2.120	1	$20,365.02	$346.21	$0.00	$346.21	290	8.50%	$34.62	$18.62	$399.45
Apr-23	03-27847	8,183	1	$1.640	1	$13,420.24	$228.14	$0.00	$228.14	259	8.50%	$25.00	$10.63	$263.77
May-23	03-27847	8,857	1	$1.830	1	$16,208.57	$275.55	$0.00	$275.55	229	8.50%	$27.56	$10.91	$314.02
Jun-23	03-27847	6,890	1	$2.040	1	$14,056.23	$238.96	$0.00	$238.96	198	8.50%	$25.00	$7.74	$271.70
Jul-23	03-27847	6,949	1	$2.440	1	$16,955.53	$288.24	$0.00	$288.24	167	8.50%	$28.82	$7.25	$324.31
Aug-23	03-27847	6,986	1	$2.270	1	$15,857.76	$269.58	$0.00	$269.58	137	8.50%	$26.96	$4.90	$301.44
TOTALS		114,328				$461,682.90	$7,848.61	$0.00	$7,848.61			$788.15	$433.40	$9,070.16

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR UNITS 11214 (03-27847), 11215 (03-27820), 11216 (03-27857), 11974 (03-27966) AND 03-23025

COLUMN (3) UNDER REPORTED VOLUMES: REPORTED RRC VOLUMES MINUS REPORTED GLO2 VOLUMES
COLUMNS (5) & (6) HOUSTON SHIP CHANNEL PRICES WERE USED SINCE REPORTED GLO2 PRICES WERE THE SAME FOR ALL PRODUCTION MONTHS IN REVIEW PERIOD
COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENTS:
http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL: eric.cortez@glo.texas.gov

NOTE 1: PAYMENT OF THIS INVOICE MAY BE MADE BY CHECK OR ACH DEBIT.
PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS.
WHEN PAYMENT IS REMITTED, PLEASE SEND AN EMAIL TO: account.services@glo.texas.gov and eric.cortez@glo.texas.gov
NOTING YOUR COMPANY NAME, CUSTOMER ID, INVOICE NUMBER(S) AND AMOUNT OF PAYMENT.

EMAIL: sblevins@mgyoil.com Robert Bellows rbellows@mgyoil.com

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File No. MF 097541

County

Recon Billing

Date Filed: 3/26/2024

Commissioner Dawn Buckingham, M.D.

By: VD