

STATE LEASE

MF100497

CONTROL	BASEFILE	COUNTY
07-104689	121936 -	REEVES /195
07-104803	121935 -	REEVES /195

SURVEY : PUBLIC SCHOOL LAND
BLOCK : 58
TOWNSHIP : 00
SECTION/TRACT: 3 & 11
PART :
ACRES : 1280.40
DEPTH LIMITS : NO

LESSEE : JOHNSON, CLAY
LEASE DATE : Oct 22 1998
PRIMARY TERM : 5 yrs
BONUS (\$) : 34570.80
RENTAL (\$) : 1.00 - Paid-up
ROYALTY : 0.18750000
VAR ROYALTY :

Rentals:

Lease

Admin:

Mineral

Maps:

EXPIRED

C

M-

F

1

0

0

4

9

7

F960740

CONTENTS OF FILE NO. MF100497

1. Letter & Payment 9/28/98
2. BAL Review + GLO Memo. 10/1/98
3. Letter + Payments 4/20/99
4. Lease 4/20/99
5. GLO letter 5/24/99
- See MF100098 #10 for
Assignment 4/28/03
6. Drilling permit, completion,
attachments, plug 5/17/13

Scanned sm 4/13/15



TITAN RESOURCES, L.P.

September 28, 1998

Mr. Drew Reid
Texas General Land Office
Stephen F. Austin Building
1700 North Congress Avenue
Austin, TX 78701

VIA FEDERAL EXPRESS

Re: Proposed Relinquishment Act Oil and Gas Lease covering land in
Reeves County, Texas
Paragon Prospect

Dear Mr. Reid:

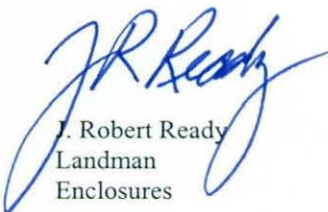
With reference to the following described Oil and Gas Lease covering land in Reeves County, Texas, enclosed herewith please find the following:

1. Copy of Oil and Gas Lease dated September 25, 1998, between the State of Texas, acting by and through its Agent, Huntington National Bank of Columbus Ohio, Trustee, said Agent referred to as owner of the soil, and Clay Johnson, Lessee. The terms of this Lease are as follows:
 - A. The Lease covers 1280.4 gross and 1280.4 net acres;
 - B. Consideration being paid is \$54.00 per net mineral acre;
 - C. Paid-Up Lease, no rentals due;
 - D. Primary term is five (5) years;
 - E. The royalty is 3/16.

With regard to the required processing fee, please find the enclosed copy of request for credit by letter dated September 9, 1998, accepted by the Texas General Land Office September 11, 1998. Per the terms of this letter, we would like to apply the \$100.00 fee for processing this lease to our credit balance thereby leaving a \$30.00 credit for future terms.

Please review the enclosed lease for prior approval. If the terms of this transaction are acceptable to the State of Texas, please acknowledge by signing and returning one copy of this letter. Should you have any questions concerning this matter, please do not hesitate to contact the undersigned.

Very truly yours,


J. Robert Ready
Landman
Enclosures

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 1998.

State of Texas General Land Office

By: _____

WJB/dss

File No. MF100497

Letter + Payment

Date Filed: 9/28/98

By David Dechurra, Commissioner

[Signature]

RAL REVIEW SHEET

Transaction # 2836

Geologist: L. Collier

Lessor: Huntington National Bank of Columbus Ohio, Trustee

Lease Date: 9/25/98

UT ☐

Lessee: Clay Johnson

Acres: 1280.4

LEASE DESCRIPTION

County	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	[REDACTED] 121936	ALL 640.2	3	58	00	PUBLIC SCHOOL LAND	3801
REEVES	[REDACTED] 121935	ALL 640.2	11	58	00	PUBLIC SCHOOL LAND	3800

TERMS OFFERED

Primary Term: 5 years

Bonus/Acre: \$50.00

Rental/Acre: \$1.00

Royalty: 3/16

TERMS RECOMMENDED

Primary Term: 5 years

Bonus/Acre: \$50.00

Rental/Acre: \$1.00

Royalty: 3/16

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
							Last Lease

Comments: Paid up rental.

Approved: CAS 10.5.98

Thursday, October 01, 1998

TEXAS GENERAL LAND OFFICE

GARRY MAURO
COMMISSIONER

MEMORANDUM

DATE: 01-Oct-98

TO: Garry Mauro, Commissioner
Spencer Reid, Senior Deputy Commissioner

FROM: Robert Hatter, Director of Mineral Leasing
Peter Boone, Chief Geologist

RE: Relinquishment Act Lease

Applicant: Clay Johnson

County: REEVES

Base File #: 121936

Section: 3 Block: 58

Abstract: 3801

Survey: PUBLIC SCHOOL LAND

Prim. Term: 5 years Bonus/Acre \$50.00

Royalty: 3/16 Rental/Acre \$1.00

Consideration

Recommended: GAB 10-5-98

Not Recommended: _____

Comments:

Lease Form

Recommended: PSA 10/11/98

Not Recommended: _____

Comments:

Spencer Reid, Senior Deputy

Date: 11/12/98

Recommended: SR

Not Recommended: _____

Garry Mauro, Commissioner

Date: ✓

Approved: GM

Not Approved: _____

2.

File No. MF100497
RA Review and
Geo Memo.
Date Filed: 10/1/98
By David Dewhurst, Commissioner



April 19, 1999

VIA FEDERAL EXPRESS

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

Re: Relinquishment Act Oil and Gas Lease
covering lands in Reeves County, Texas
Titan Lease No. TX299-389-330-000-00
Paragon Prospect

Dear Mr. Reid:

With reference to the following described Oil and Gas Lease covering lands in Reeves County, Texas, enclosed herewith please find the following:

1. Certified copy of Paid-Up Oil & Gas Lease dated October 22, 1999 between the State of Texas, acting by and through its Agent, Huntington National Bank (successor by merger to Huntington National Bank of Columbus), Trustee of the Ruth Norton Harder Trust created and existing by virtue of Trust Agreement of the Ruth Norton Harder Trust dated October 28, 1966, referred to as owner of the soil, and Clay Johnson, Lessee, covering all of Sections 3 & 11, Block 58, PSL Survey, Reeves County, Texas.
2. Titan Resources, L.P. Check Number 3175 made payable to the order of Commissioner of the General Land Office of the State of Texas in the amount of \$34,570.80 representing payment in full of the bonus consideration due the State of Texas for the above lease.
3. Titan Resources, L.P. Check Number 3176 made payable to the order of Commissioner of the General Land Office of the State of Texas in the amount of \$25.00 to cover the required filing fees in this connection.
4. Copy of request for approval of the above lease by letter dated September 28, 1998, accepted by the Texas General Land Office on October 28, 1998.

As soon as the lease transmitted herewith has been approved and filed, please advise this office of the assigned Mineral File Number. If additional information is required, please do not hesitate to contact the undersigned. Thank you for your continued cooperation and courtesy in this matter.

Very truly yours,

J. Robert Ready
Landman

WJB/dss
Enclosures

ACQUISITION CHECKING
COMMISSIONER OF THE GENERAL LAND OFFICE

4/6/99

003176

PARAGON #299:GLO Filing Fee

Payment in full of filing fees due the State of Texas
in connection with Paid-Up Oil & Gas Lease
dated 10/22/98 from the State of Texas by Agent,
Huntington National Bank (successor by merger to
Huntington National Bank of Columbus), Trustee of the Ruth
Norton Harder Trust created and existing by virtue of Trust
Agreement of the Ruth Norton Harder Trust dated 10/28/66,
Lessor, in favor of, Clay Johnson, Lessee, covering all of
Sections 3 & 11, Block 58, PSL Survey,
Reeves County, Texas.

25.00



Checking

Filing Fees

99040028

170

X 25.00

TITAN RESOURCES, L.P.
ACQUISITION CHECKING

COMMISSIONER OF THE GENERAL LAND OFFICE

4/6/99

003176

PARAGON #299:GLO Filing Fee

Payment in full of filing fees due the State of Texas
in connection with Paid-Up Oil & Gas Lease
dated 10/22/98 from the State of Texas by Agent,
Huntington National Bank (successor by merger to
Huntington National Bank of Columbus), Trustee of the Ruth
Norton Harder Trust created and existing by virtue of Trust
Agreement of the Ruth Norton Harder Trust dated 10/28/66,
Lessor, in favor of, Clay Johnson, Lessee, covering all of
Sections 3 & 11, Block 58, PSL Survey,
Reeves County, Texas.

25.00

Checking

Filing Fees

25.00

PAYMENT
RECORDED

ACQUISITION CHECKING
COMMISSIONER OF THE GENERAL LAND OFFICE

4/6/99

003175

34,570.80

PARAGON #299:Lease Bonus

Payment in full of 1/2 lease bonus consideration due the State of Texas for execution of Paid-Up Oil & Gas Lease dated 10/22/98 from the State of Texas by Agent, Huntington National Bank (successor by merger to Huntington National Bank of Columbus), Trustee of the Ruth Norton Harder Trust created and existing by virtue of Trust Agreement of the Ruth Norton Harder Trust dated 10/28/66, Lessor, in favor of, Clay Johnson, Lessee, covering all of Sections 3 & 11, Block 58, PSL Survey, Reeves County, Texas.

3.

File No: MF100499
Data and Payments
Date Filed: 4/20/99
David Dewhurst, Commissioner

Checking

Lease Bonus Consideration

170

99040027

X 34,570.80

TITAN RESOURCES, L.P.
ACQUISITION CHECKING

COMMISSIONER OF THE GENERAL LAND OFFICE

4/6/99

003175

34,570.80

PARAGON #299:Lease Bonus

Payment in full of 1/2 lease bonus consideration due the State of Texas for execution of Paid-Up Oil & Gas Lease dated 10/22/98 from the State of Texas by Agent, Huntington National Bank (successor by merger to Huntington National Bank of Columbus), Trustee of the Ruth Norton Harder Trust created and existing by virtue of Trust Agreement of the Ruth Norton Harder Trust dated 10/28/66, Lessor, in favor of, Clay Johnson, Lessee, covering all of Sections 3 & 11, Block 58, PSL Survey, Reeves County, Texas.

RECEIVED
APR 13 PM 2:12
TITAN RESOURCES

Checking

Lease Bonus Consideration

34,570.80

~~X~~ **Paid-Up**
OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 22 day of October 19 98, between the State of Texas, acting by and through its agent, Huntington National Bank (successor by merger to Huntington National Bank of Columbus), Trustee of the Ruth Norton Harder Trust created and existing by virtue of Trust Agreement of the Ruth Norton Harder Trust dated October 28, 1966, whose address is
Huntington National Bank, Real Estate Department, HC-1011, P.O. Box 1558, Columbus, Ohio 43216
herein referred to as the owner of the soil (whether one or more), and

CLAY JOHNSON of
203 W. Wall, Suite 800, Midland, TX 79701
(Give Permanent Address)

hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in REEVES County, State of Texas, to-wit:

Block 58, Public School Land Survey
Section 3: All
Section 11: All

containing 1280.4 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Thirty Four Thousand Five Hundred Seventy and 80/100--
Dollars (\$ 34,570.80)

To the owner of the soil: Thirty Four Thousand Five Hundred Seventy and 80/100--
Dollars (\$ 34,570.80)

Total bonus consideration: Sixty Nine Thousand One Hundred Forty One and 60/100--
Dollars (\$ 69,141.60)

The total bonus consideration paid represents a bonus of Fifty Four and 00/100-----
Dollars (\$ 54.00) per acre, on ~~XXXXXX net acres~~ 1280.4 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

*See Exhibit "A" attached for Pd-Up Delay Rental Provision shown as Paragraph #4C

3. ~~DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in~~

~~the _____ Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:~~

~~To the owner of the soil: _____ Dollars (\$ _____)~~
~~To the State of Texas: _____ Dollars (\$ _____)~~
~~Total Rental: _____ Dollars (\$ _____)~~

~~In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.~~



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 3/16 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived in writing by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 3/16 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 3/16 part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 3/16 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition



copy of
Original filed in
Reeves County
Clerks Office

and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. **COMPENSATORY ROYALTIES.** If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. **RETAINED ACREAGE.** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) **VERTICAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

~~..... (B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.~~

..... (C) **IDENTIFICATION AND FILING.** The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. **OFFSET WELLS.** Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. **FORCE MAJEURE.** If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.



True and Correct
copy of
Original filed in
Reeves County
Clarks Office

19. **WARRANTY CLAUSE.** The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) **PROPORTIONATE REDUCTION CLAUSE.** If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) **REDUCTION OF PAYMENTS.** If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. **USE OF WATER.** Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

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

23. **PIPELINE DEPTH.** When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

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

25. **POLLUTION.** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutants and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. **REMOVAL OF EQUIPMENT.** Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. (A) **ASSIGNMENTS.** Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) **ASSIGNMENT LIMITATION.** Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil;



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

(6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or

(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. **RELEASES.** Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. **FILING OF ASSIGNMENTS AND RELEASES.** If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. **DISCLOSURE CLAUSE.** All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. **FIDUCIARY DUTY.** The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

32. **FORFEITURE.** If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. **LIEN.** In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. **POOLING.** Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. **INDEMNITY.** Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, AND CORRECT, CONCURRENT, ACTIVE, OR PASSIVE.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

LESSEE

BY: CLAY JOHNSON

TITLE: _____

DATE: 4-9-99

STATE OF TEXAS

BY: ✓

Individually and as agent for the State of Texas Huntington National Bank, Trustee of the Ruth Norton

Date: Julie A. Carroll 4-1-99

By: Julie A. Carroll, Trust Officer

Tax ID# ✓
STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Harder Trust

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF _____
COUNTY OF _____

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____
and acknowledged to me that he executed the same
for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

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

Notary Public in and for _____

STATE OF Ohio
COUNTY OF Franklin

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Julie A. Carroll
known to me to be the person whose name is subscribed to the foregoing instrument, as Trust Officer of
Huntington National Bank and acknowledged to me that he executed the same
for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 1st day of April, 1999.

Notary Public in and for _____

ANN K. FEDERER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES 12-31-2002
(INDIVIDUAL ACKNOWLEDGMENT)

STATE OF Texas
COUNTY OF Midland

Before me, the undersigned authority, on this day personally appeared Clay Johnson
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and
consideration therein expressed.

Given under my hand and seal of office this the 9th day of April, 1999.

Notary Public in and for _____

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

Before me, the undersigned authority, on this day personally appeared _____
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and
consideration therein expressed.

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

Notary Public in and for _____



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED OCTOBER 23, 1998, BY AND BETWEEN HUNTINGTON NATIONAL BANK (SUCCESSOR BY MERGER TO HUNTINGTON NATIONAL BANK OF COLUMBUS), TRUSTEE FO THE RUTH NORTON HARDER TRUST CREATED AND EXISTING BY VIRTUE OF TRUST AGREEMENT OF THE RUTH NORTON HARDER TRUST DATED OCTOBER 28, 1966, AS LESSOR, AND CLAY JOHNSON, AS LESSEE, AND COVERING ALL OF SECTIONS 3 AND 11, BLOCK 58, PUBLIC SCHOOL LAND SURVEY, REEVES COUNTY, TEXAS.

40. Notwithstanding anything to the contrary indicated in Paragraph Three (3) herein this Lease for all purposes shall be considered a fully Paid-Up Oil & Gas Lease. Said Delay Rentals have been paid in full with the Bonus Consideration tendered herein. Delay Rental payment was based on a \$1.00 per net mineral acre per year for Four (4) Years. Concluding a \$4.00 per acre Pd-Up Rental Payment was made in advance for the Four (4) Year Period on the net mineral acres indicated in this Lease.

41. If, at the expiration of the primary term hereof, this lease is being held by production or a shut-in well pursuant to the terms hereof, or Lessee is then engaged in operations on said land or on lands pooled therewith, or Lessee has completed a well as a dry hole or shall have commenced a well within 180 days prior to the expiration of the primary term hereof, Lessee agrees to commence a continuous drilling program on said lands, or on lands pooled therewith, within 180 days after the end of the primary term hereof or within 180 days after the completion of drilling operations being conducted on said land, or lands pooled therewith, at the end of the primary term hereof, whichever is the later date; and thereafter carry on the continuous drilling program until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the next succeeding well. Should Lessee fail to commence the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration units surrounding each well then producing, capable of producing or upon which operations are being conducted. The term "proration unit" as used in this paragraph means any acreage designated as a drilling unit or production unit in accordance with the rules of the Railroad Commission of the State of Texas. Further, the term "commencement" shall mean that point in time when the pertinent well is spudded and the term "completion" shall mean the date upon which the initial potential test report is filed with the Railroad Commission of the State of Texas, if a productive well, or the date of filing the plugging report with the commission, if a dry hole. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from said land still subject to this lease for purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines and other facilities on, over and across all of the lands still subject to this lease and for the gathering or transportation of oil and gas produced from the retained lands. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted in this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

In conducting such continuous drilling program, Lessee shall be entitled to accumulate and later use time, if any, saved between wells, beginning with the second well under this continuous drilling program. If one well is commenced sooner than 180 days after the completion of the last preceding well, the portion of the prescribed 180 day period not used may be carried forward and added to the period between subsequent wells.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

8.

File No. MF 100497
Lease
Date Filed: 4/30/99
By David Dewhurst, Commissioner

2000

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Oil and Gas Lease dated October 22 1998,

filed for record in my office this 14th day of April 1999 at 1:35 P. M., under Clerk's File No. 869, to be recorded in the Official Public Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 14th day of April, 1999.

By (Bochicova), Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

**Texas General
Land Office**



**David Dewhurst
Commissioner**

May 24, 1999

Attn: J. Robert Ready
Titan Resources, L.P.
500 W. Texas, Suite 500
Midland, Texas 79701

Re: RELINQUISHMENT ACT LEASE No. M-100497
Huntington National Bank, Lessor
1280.4 acres of Secs. 3 & 11, Blk. 58, PSL Sur.
Reeves County, Texas

Dear Mr. Ready:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under mineral file number M-100497. Please refer to this number in all future correspondence concerning the lease.

Your remittance of \$34,695.80, has been applied as the state's portion of the bonus, the processing fee and the filing fee. Please let me know if you should have any questions.

Sincerely,

Drew Reid
Minerals Leasing
Energy Resources
(512) 475-1534

MS/DR

Stephen F. Austin Building

1700 North
Congress Avenue

Austin, Texas
78701-1495

512-463-5001

5.

File No. MF 100497

Geo. Loder

Date Filed: 5/24/99

By David Dewhurst, Commissioner

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

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

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

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

► Read Instructions on Back

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

0 - 2000' - 8100,	2001' - 4000' - 8125
4001' - 9000' - 8150	9001' or deeper - 8200

Form W-1

Rev. 3/93

Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Horizontal ☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)										Enter here, if assigned:		API No. 42-389-32192 Permit No. 500277a										
1. Operator's Name (exactly as shown on Form P-5, Organization Report) Pure Resources, L.P.			3. RRC Operator No. 683080		4. RRC District No. 8		5. County of Well Site Reeves			Rule 37 Case No.												
2. Address (including city and zip code) 500 W. Illinois Midland, TX 79701			6. Lease Name (32 spaces maximum) Harder 3			7. RRC Lease/ID No.		8. Well No. 1		9. Total Depth 16,000												
			10. Location • Section 3 Block 58 Survey PSL 1RP Tyler Abstract No. A-3801 • This well is to be located 21 miles in a West direction from Pecos which is the nearest town in the county of the well site.																			
11. Distance from proposed location to nearest lease or unit line 467 ft.			12. Number of contiguous acres in lease, pooled unit, or unitized tract 640 (OUTLINE ON PLAT.)																			
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. Wildcat 18001			14. Completion depth 16,000		15. Spacing pattern (ft.) 467/1200		16. Density pattern (acres) 40		17. Number of acres in drilling unit for this well. 40		18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. No		19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.) NA		20. Oil, gas, or other type well (Specify) O/G		21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>OIL</th> <th>GAS</th> </tr> <tr> <td>1</td> <td>1</td> </tr> </table>		OIL	GAS	1	1
OIL	GAS																					
1	1																					
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit 1440 FSL & 467 FWL • Survey/Section 1440 FSL & 467 FWL										If a directional well, show also projected bottom-hole location: • Lease/Unit • Survey/Section												
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)										24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)												
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒										If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐												
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐										I certify that information stated in this application is true and complete to the best of my knowledge. Signature Jerry Russell Date: 9/29/00 Name and title of operator's representative Laura Clepper, Reg. Anal. Tel.: 915/498-8662												
Remarks										• RRC Use Only •												

RECEIVED
 RRC OF TEXAS
 OCT 02 2000
 OIL & GAS DIVISION
 AUSTIN, TEXAS

REC#58865 201360 500277

008/008

TITAN RESOURCES I, INC.

10/11/00 14:05 FAX 915 886 7862

Return each W-1 with plat and applicable fee. Make a check or money order payable to the State Treasurer.

Address to:

Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Box 12967
Austin, Texas 78711-2907

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

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

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

Read Instructions on Back

EFFECTIVE SEPT. 1, 1991, PERMIT APPLICATION FEE WILL VARY
ACCORDING TO THE TOTAL DEPTH SHOWN IN ITEM NO. 9 BELOW.
0 - 2000' - \$100, 2001' - 4000' - \$125
4001' - 6000' - \$150 6001' or deeper - \$200

FORM W-1
Rev. 3/93

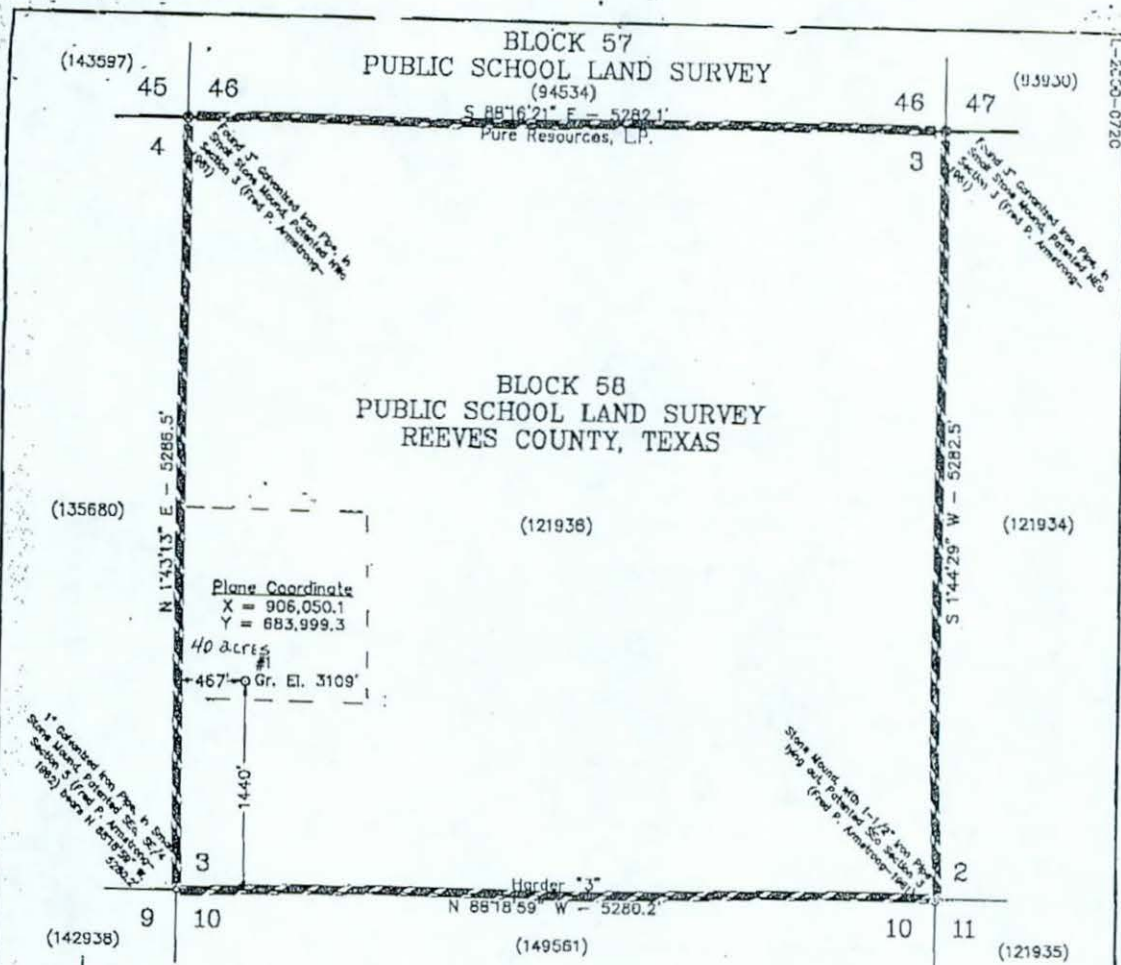
Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Horizontal ☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)		Enter here, if assigned: API No. 42-389-32192 Permit No. Rule 37 Case No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) Pure Resources, L.P.		3. RRC Operator No. 683080	4. RRC District No. 8
2. Address (including city and zip code) 500 W. Illinois Midland, TX 79701		6. Lease Name (32 spaces maximum) Harder 3	7. RRC Lease/ID No.
		8. Well No. 1	9. Total Depth 16,000
10. Location • Section 3 Block 58 Survey PSL 1st 1st Abstract No. A-3801 • This well is to be located 21 miles in a West direction from Pecos which is the nearest town in the county of the well site.			
11. Distance from proposed location to nearest lease or unit line 467 ft.		12. Number of contiguous acres in lease, pooled unit, or unitized tract 640 (OUTLINE ON PLAT.)	
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcard zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. Wildcat 18001	14. Completion depth 16,000	15. Spacing pattern (ft.) 467/1200	16. Density pattern (acres) 40
		17. Number of acres in drilling unit for this well. 40	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. No
		19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.) NA	20. Oil, gas, or other type well (Specify) O/G
		21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. 1	1
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit 1440 FSL & 467 FWL • Survey/Section 1440 FSL & 467 FWL		If a directional well, show also projected bottom-hole location: • Lease/Unit • Survey/Section	
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)		24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)	
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒		If subject to Rule 36, is Form H-0 filed? Yes ☐ No ☐ (If not, attach Form H-0 in Remarks)	
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐		I certify that information stated in this application is true and complete to the best of my knowledge. Jerry Russell Signature 9/29/00 Date: mo. day yr. Laura Clepper, Reg. Anal. Name and title of operator's representative 915/498-8662 Tel.: Area Code Number	
Remarks		• RRC Use Only • Dec # 58865 500 277	

11/11/00 14:05 FAX 915 886 7862

RECEIVED
RRC OF TEXAS

OCT 02 2000

OIL & GAS DIVISION
AUSTIN, TEXAS



NOTE:

- 1) Bearings and Plane Coordinate shown hereon are Lambert Grid and Conform to the "Texas Coordinate System", Texas Central Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.
- 2) Geodetic Coordinate shown hereon references the North American Datum of 1927, (Clarke spheroid of 1866). Reference stations - "ROUND" (CC0817) and "CARRUTHERS" (CC0829).
- 3) See information filed in the office of this Surveyor which describes the reconstruction of this Section.

I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD BY A BONA FIDE SURVEY MADE UNDER MY SUPERVISION.

JOHN WEST SURVEYING CO.
110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(915) 687-0865 - (915) 687-0868 FAX

Geodetic Coordinate
Latitude = 31°29'59.71" N
Longitude = 103°50'38.02" W

1000 0 1000 2000
Graphic Scale in Feet

PURE RESOURCES, L.P.

Location of the
HARDER "3" #1
1440' FSL & 467' FWL
Section 3, Block 58
Public School Land Survey
Reeves County, Texas

Drawn By: LVA	Date: September 22, 2000
Scale: 1"=1000'	Field Book: 204 / 24-28
Revision Date:	Quadrangle: Holmicek Ranch
W.O. No: 2000-0720	Dwg. No.: L-2000-0720

Type or print only

RAILROAD COMMISSION OF TEXAS
Oil and Gas DivisionForm W-2
Rev. 4/1/83
DBC1297

API No. 42- 389-32192				7. RRC District No. 08	
Oil Well Potential Test, Completion or Recompletion Report, and Log				8. RRC Lease No.	
1. FIELD NAME (as per RRC Records or Wildcat) Wildcat		2. LEASE NAME Harder 3		9. Well No. 1	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Pure Resources L.P.			RRC Operator No. 683080		10. County of well site Reeves
4. ADDRESS 500 West Illinois Midland, TX 79701			11. Purpose of filing		
5. If Operator has changed within last 60 days, name former operator			Initial Potential ☒		
6a. Location (Section, Block, and Survey) Sec 3 Blk 58 PSL			6b. Distance and direction to nearest town in this county. 21 miles West from Pecos		
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR			GAS ID or OIL LEASE #	Oil - O Gas - G	WELL NO.
13. Type of electric or other log run <i>Platform Log, Density / Neutron</i>			14. Completion or recompletion date 04/20/2001		
			Retest ☐		
			Reclass ☐		
			Well record only ☒ (explain in Remarks)		

No test

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test	16. No. of hours tested	17. Production method (Flowing, Gas Lift, Jetting, Pumping-- Size & Type of pump)		18. Choke Size
19. Production during Test Period	Oil - BBLS	Gas -- MCF	Water - BBLS	Gas - Oil Ratio
20. Calculated 24- Hour Rate	Oil - BBLS	Gas -- MCF	Water -- BBLS	Oil Gravity--API--60°
21. Was swab used during this test?	Yes ☐ No ☐	22. Oil Produced prior to test (New & Reworked wells)		23. Injection Gas--Oil Ratio

REMARKS **DRY HOLE**

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature : Well Tester

Name of Company

RRC Representative

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
MIDLAND, TEXAS

OPERATOR'S CERTIFICATION

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

Stan Wagner

Typed or printed name of operator's representative

(915) 498-8662

Telephone: Area Code Number

02/04/2002

Date: mo. day year

Regulatory Analyst

Title of Person

Signature

Stan Wagner

SECTION II		DA, /N WELL COMPLETION AND LOG (Not Required or st)	
24. Type of Completion:		25. Permit to Drill, Plug Back or Deepen	
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐		DATE 10/02/2000 PERMIT NO. 500277	
26. Notice of Intention to Drill this well was filed in Name of		Rule 37	
Pure Resources L.P.		Exception	
27. Number of producing wells on this lease in this field (reservoir) including this well		Water Injection	
1		PERMIT NO.	
28. Total number of acres in this lease		Salt Water Disposal	
640		PERMIT NO.	
29. Date Plug Back, Deepening, WorkOver or Drilling Operations:		Other	
Commenced Completed		PERMIT NO.	
11/04/2000 04/20/2001		30. Distance to nearest well, Same Lease & Reservoir	
31. Location of well, relative to nearest lease boundaries of lease on which this well is located		1440 Feet From South Line and 467 Feet from West Line of the Harder 3 Lease	
32. Elevation (DF, RKB, RT, GR, ETC.)		33. Was directional survey made other than inclination (Form W-12)?	
3109 GR		☐ Yes ☒ No	
34. Top of Pay	35. Total Depth	36. P.B. Depth	37. Surface Casing Determined by:
9783	15390	11865	Field ☐ Rules ☐
		6-950' / 1150'-1550' ☒ Recommendation of T.D.W.R.	
		Railroad Commission (Special) ☐	
38. Is well multiple completion?		Dt. of Letter 10/02/2000	
No		Dt. of Letter	
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.		40. Intervals Drilled by:	
FIELD & RESERVOIR		Rotary Tools Cable Tools	
		☒ ☐	
41. Name of Drilling Contractor		42. Is Cementing Affidavit Attached?	
Patterson		☒ Yes ☐ No	
43. CASING RECORD (Report All Strings Set in Well)			
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH
13 3/8	54.5	1613	TYPE & AMOUNT CEMENT (sacks)
9 5/8	36	3650	1350 C
7	32	11945	1900 C
			600 2 1/2
			8 3/4
			TOP OF CEMENT
			Surface
			Surface
			8900 CBL
			SLURRY VOL. cu. ft.
			2257
			3450
			726
44. LINER RECORD			
Size	Top	Bottom	Sacks Cement
4 1/2	11899	13512	200
			Screen
			-
			-
45. TUBING RECORD			
Size	Depth Set	Packer Set	46. Producing Interval (this completion) Indicate depth of perforation or open hole
none			From 9783 To 9966
			From To
			From To
			From To
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
Depth Interval		Amount and Kind of Material Used	
12973 - 13031		4000 gal 7 1/2% acid	
12776 - 12788		3000 gal 7 1/2% acid	
9783 - 9966		2000 gal 7 1/2% acid, frac w/43500 gal	
		Medallion 3500; 47000# 20/40 Bauxite	
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
Wolfcamp sand	12770	Upper Barnett	14612
Penn shale	13100	Lower Barnett	15000
Morrow lime	14540		
REMARKS			
CIBP @ 11885 w/20' cement cap (abandoned 12776-12788)			
CIBP @ 12900 w/25' cement cap (abandoned 12973-13031)			

116005

W12 @ 9330'
Dby Wb @ 15390'

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)

INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report.)		
1. FIELD NAME (as per RRC Records or Wildcat) WILDCAT	2. LEASE NAME HARDER 3	6. RRC District 08
3. OPERATOR PURE RESOURCES, LP		7. RRC Lease Number. (Oil completions only)
4. ADDRESS 500 W. ILLINOIS, SUITE 100 - MIDLAND, TX 79701		8. Well Number 1
5. LOCATION (Section, Block, and Survey) SEC. 3, BLK. 58, PSL SURVEY		9. RRC Identification Number (Gas completions only)
		10. County REEVES

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
518	5.18	.5	0.87	4.51	4.51
1016	4.98	.5	0.87	4.33	8.84
1613	5.97	.5	0.87	5.19	14.03
1917	3.04	3.25	5.67	17.24	31.27
2011	0.94	3.5	6.10	5.73	37.00
2104	0.93	3	5.23	4.86	41.86
2191	0.87	2.75	4.80	4.18	46.04
2317	1.26	2.5	4.36	5.49	51.53
2442	1.25	2.25	3.93	4.91	56.44
2657	2.15	1	1.75	3.76	60.20
3000	3.43	2	3.49	11.97	72.17
3187	1.87	2.5	4.36	8.15	80.32
3611	4.24	.75	1.31	5.55	85.87
3780	1.69	1	1.75	2.96	88.83
4073	2.93	1	1.75	5.13	93.96
4564	4.91	.75	1.31	6.43	100.39

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

17. Is any information shown on the reverse side of this form? ☒ yes ☐ no
18. Accumulative total displacement of well bore at total depth of 9330.00 feet = 282.73 feet.
- *19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line 467 feet.
21. Minimum distance to lease line as prescribed by field rules 467
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Joni Hodges
Signature of Authorized Representative
JONI HODGES
ADMIN. ASST.
Name of Person and Title (type or print)
PATTERSON-UTI DRILLING COMPANY LP, LLLP
Name of Company
Telephone: (915) 682-9401
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

Stan Wagner
Signature of Authorized Representative
STAN WAGNER **REG ANALYST**
Name of Person and Title (type or print)
PURE RESOURCES L.P.
Operator
Telephone: 915 498 8662
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

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

RECEIVED
RRC OF TEXAS
MAY 17 2002
O&G
MIDLAND

RECORD OF INCLINATION (Continued from reverse side)

[illegible]

If additional space is needed, attach separate sheet and check here. ☐

REMARKS: _____

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, organization Report) <i>Pure Resources L.P.</i>	2. RRC Operator No. <i>683080</i>	3. RRC District No. <i>08</i>	4. County of Well Site <i>Reeves</i>
5. Field Name (Wildcat or exactly as shown on RRC Records) <i>Wildcat</i>	6. API No. <i>42-389-32192</i>	7. Drilling Permit No. <i>500277</i>	
8. Lease Name <i>Harder 3</i>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. <i>1</i>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		<i>11-07-00</i>					
13. • Drilled Hole Size		<i>17 1/2</i>					
• Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)		<i>13 3/8</i>					
15. Top of liner (ft.)							
16. Setting depth (ft.)		<i>1613</i>					
17. Number of centralizers used		<i>9</i>					
18. Hrs. Waiting on cement before drill-out		<i>12</i>					
1 st Slurry	19. API cement used: No. of sacks	<i>1150</i>					
	Class	<i>C</i>					
	Additives	Remarks					
2 nd Slurry	No. of sacks	<i>200</i>					
	Class	<i>C</i>					
	Additives	<i>1 % cacl2</i>					
3 rd Slurry	No. of sacks						
	Class						
	Additives						
1 st	20. Slurry pumped: Volume (cu. ft.)	<i>1989</i>					
	Height (ft.)	<i>2863</i>					
2 nd	Volume (cu. ft.)	<i>268</i>					
	Height (ft.)	<i>386</i>					
3 rd	Volume (cu. ft.)						
	Height (ft.)						
Total	Volume (cu. ft.)	<i>2257</i>					
	Height (ft.)	<i>3249</i>					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		<i>Yes</i>					
22. Remarks <i>1 % cacl2 + 4 % gel + 1/8 # celloflake</i>							

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
O.G.
MIDLAND, TEXAS

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lb/gal)								
31. Type cement								

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

Raul R. Ruiz-Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

R Ruiz
Signature

P.O. Box 4717

Address

Odessa,

City,

Texas

State,

79760

Zip Code

(915) 381-2301

Tel: Area Code Number

11-07-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Reg. Analyst

Title

Stan Wagner

Signature

500 West Illinois

Address

Midland

City,

TX

State,

79701

Zip Code

915 498 8662

Tel: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following.

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface Casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Committee.

D. Centralizers. Surface Casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In Non-deviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) PURE RESOURCES	2. RRC Operator No. 683080	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC records) Wildcat	6. API No. 42-389-32192	7. Drilling Permit No. 500277	
8. Lease Name HARDER 3	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			11-16-00				
13. •Drilled hole size			12 1/4				
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			9 5/8				
15. Top of liner (ft.)							
16. Setting depth (ft.)			3650				
17. Number of centralizers used			21				
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶		1500				
	Class ▶		65C:35POZ:6%GEL				
	Additives ▶		5%SALT+1/8#CELLOFLAKE				
2nd Slurry	No. of sacks ▶		400				
	Class ▶		C				
	Additives ▶		2%CACL2+1/8#CELLOFLAKE				
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		2910				
	Height (ft.) ▶		9289				
2nd	Volume (cu. ft.) ▶		540				
	Height (ft.) ▶		1722				
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		3450				
	Height (ft.) ▶		11010				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			YES				
22. Remarks							

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
O.G.
MIDLAND, TEXAS

OVER ►

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

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

Raul Ruiz-Service Supervisor

Name and title of cementer's representative

BJ Service Company

Cementing Company

R Ruiz
Signature

P.O. Box 4717

Address

Odessa

Texas

79760

City,

State, Zip Code

(915) 381-2301

Tel.: Area Code Number

11-16-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Reg. Analyst

Title

Stan Wagner
Signature

500 West Illinois

Address

Midland TX

City,

State, Zip Code

915 498 8662

Tel.: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An Initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) PURE RESOURCES	2. RRC Operator No. 683080	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC records) Wildcat	6. API No. 42-389-32192	7. Drilling Permit No. 500277	
8. Lease Name HARDER 3	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			12-17-00				
13. •Drilled hole size			8 3/4				
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			7				
15. Top of liner (ft.)							
16. Setting depth (ft.)			11945				
17. Number of centralizers used			71				
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶		600				
	Class ▶		H				
	Additives ▶		REMARKS				
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		726				
	Height (ft.) ▶		4829				
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		726				
	Height (ft.) ▶		4829				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				
22. Remarks 1.2%FL-62, .3%CD-32, 2#EC-1, .2%R-3							

RECEIVED
R.R.C. OF TEXAS
FEB - 15 2002
O.G.
MIDLAND, TEXAS

OVER

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

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

Jesus Ulate-Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

[Signature]
Signature

P.O. Box 4717

Address

Odessa

Texas

City,

79760

State, Zip Code

(915) 381-2301

Tel.: Area Code Number

12-17-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Reg. Analyst

Title

[Signature]

Signature

500 West Illinois

Address

Midland TX

City,

79701

State, Zip Code

915 498 8662

Tel.: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

50 # 1104439
 Cementer: Fill in shaded areas
 Operator: Fill in other items

Form W-15
 Cementing Report
 Rev. 4/1/83
 HLBRTN1096

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

1. Operator's Name (As Shown on Form P-5, Organization Report) PURE RESOURCES	2. RRC Operator No. 683080	3. RRC District No. 08	4. County of Well Site Reeves
5. Field Name (Wildcat or Exactly as Shown on RRC Records) Wildcat	6. API No. 42-389-32192	7. Drilling Permit No. 500277	
8. Lease Name Harder 3	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well Number 1

CASING CEMENTING DATA:		SURFACE CASING	INTERMEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				SINGLE STRING	MULTIPLE PARALLEL STRINGS	TOOL	SHOE
12. Cementing Date				1/26/01			
13. *Drilled Hole Size				6"			
*Ext. % Wash or Hole Enlargement							
14. Size of Casing (in. O.D.)				4 1/2			
15. Top of Liner (ft)				11899			
16. Setting Depth (ft)				13512			
17. Number of Centralizers Used				1			
18. Hrs. Waiting on Cement Before Drill-Out							
1st Slurry	19. API Cement Used: No. of Sacks >			200			
	Class >			PREMIUM			
	Additives >			0.3% CFR-3, 0.3% Hald-344, 0.15% 0.15% HR-S			
2nd Slurry	No. of Sacks >						
	Class >						
	Additives >						
3rd Slurry	No. of Sacks >						
	Class >						
	Additives >						
1st	20. Slurry Pumped: Volume (cu.ft.) >			236			
	Height (ft) >			2747			
2nd	Volume (cu.ft.) >						
	Height (ft) >						
3rd	Volume (cu.ft.) >						
	Height (ft) >						
Total	Volume (cu.ft.) >			236			
	Height (ft) >			2747			
21. Was Cement Circulated to Ground Surface (or Bottom of Casing) Outside Casing?				NO			
22. Remarks							

RECEIVED
 R.R.C. OF TEXAS
 FEB - 5 2002
 O.G.
 MIDLAND, TEXAS

OVER ►

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing Date								
24. Size of Hole or Pipe Plugged (in)								
25. Depth to Bottom of Tubing or Drill Pipe (ft)								
26. Sacks of Cement Used (each plug)								
27. Slurry Volume Pumped (cu.ft.)								
28. Calculated Top of Plug (ft)								
29. Measured Top of Plug, If Tagged (ft)								
30. Slurry Wt. (lbs/gal)								
31. Type Cement								

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

CODY SLAUGH

Name and Title of Cementer's Representative

HALLIBURTON ENERGY SERVICES

Cementing Company

Signature

4000 N BIGSPRINGS, MIDLAND TX 79705

Address

City

State

Zip Code

1-800-844-8451

Tel: Area Code Number

1/26/01

Date: Mo. Day Yr.

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

Stan Wagner

Type or Printed Name of Operator's Representative

Reg. Analyst

Title

Stan Wagner

Signature

500 West Illinois Midland, TX 79701

Address

City

State

Zip Code

915 498 8662

Tel: Area Code Number

2/4/02

Date: Mo. Day Yr.

Instruction to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion, and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- * An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- * Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- * Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 12 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

ELECTRIC LOG
STATUS REPORT

FORM L-1

Rev. 12/88

DBC1297

INSTRUCTIONS

When to file the L-1

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period of confidentiality has not yet expired

When the L-1 is NOT required

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas, and geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to file the L-1

- with the appropriate Commission district office

Filling out the L-1

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such a log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SEE REVERSE SIDE

SECTION I. IDENTIFICATION

Operator Name Pure Resources L.P.	District No. 08	Completion Date 04/20/2001
Field Name Wildcat	Drilling Permit No. 500277	
Lease Name Harder 3	Lease/ID No.	Well No. 1
County Reeves	API No. 42- 389-32192	

SECTION II. LOG STATUS (complete either A. or B.)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN (select one)

☒ 1. Confidentiality requested.

☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).

☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).

☐ 4. Log attached to (select one)

☐ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential ☐.

☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion: lease or ID no.(s) _____, well no.(s) _____

RECEIVED
R.R.C. OF TEXAS
FEB 5 2002
O.G.
MIDLAND, TEXAS

<i>Stan Wagner</i> signature	Regulatory Analyst title
Stan Wagner name (print)	(915) 498-8662 phone
	02/04/2002 date

For Railroad Commission use only

COMPANY: Pure Resources, L.P.

WELL: Harder "3" #1

FIELD: Wildcat

COUNTY: Reeves

STATE: Texas

Schlumberger

PLATFORM EXPRESS
DENSITY/NEUTRON
FINAL COMPOSITE

COUNTY: Reeves
Field: Wildcat
Location: 1440' FSL & 467' FWL
Well: Harder "3" #1
Company: Pure Resources, L.P.

LOCATION

1440' FSL & 467' FWL
PSL survey

Elev.: K.B. 3135.6 ft
G.L. 3109 ft
D.F. 3134.6 ft

Permanent Datum: Ground Level

Elev.: 3109 ft

Log Measured From: Kelly Bushing

26.6 ft above Perm. Datum

Drilling Measured From: Kelly Bushing

API Serial No.
42-389-32192

SECTION
3

TOWNSHIP
N/A

BLOCK
58

MUD	Logging Date		18-NOV-2000		14-DEC-2000	
	Run Number		1		Two1	
	Depth Driller		3824 ft		11945 ft	
	Schlumberger Depth		3824 ft		11950 ft	
	Bottom Log Interval		3821 ft		11932 ft	
	Top Log Interval		200 ft		3647 ft	
	Casing Driller Size @ Depth		9.625 in @ 3650 ft		9.625 in	
	Casing Schlumberger		3650 ft		3647 ft	
	Bit Size		8.750 in		8.750 in	
	Type Fluid In Hole		Brine		Cut Brine	
	Density	Viscosity	9.3 lbm/gal	29 s	8.8 lbm/gal	
	Fluid Loss	PH		11		12
	Source Of Sample		Circulation Tank		Circulation Tank	
	RM @ Measured Temperature		0.121 ohm.m @ 55 degF		0.116 ohm.m @ 69 deg	
	RMF @ Measured Temperature		0.121 ohm.m @ 55 degF		0.116 ohm.m @ 69 deg	
	RMC @ Measured Temperature		0.121 ohm.m @ 55 degF		@	
	Source RMF	RMC	Rm	Rm	Rm	None
	RM @ MRT	RMF @ MRT	0.082 @ 84	0.082 @ 84	0.045 @ 188	0.045 @ 18
	Maximum Recorded Temperatures		84 degF		188 degF	
	Circulation Stopped	Time	18-NOV-2000	4:00	14-DEC-2000	14:00
	Logger On Bottom	Time	18-NOV-2000	9:10	14-DEC-2000	23:35
	Unit Number	Location	2036	Midland, TX	2029	Midland, TX
	Recorded By		M.Galdino/A.Howard		Tom Bradley	
	Witnessed By		Steven Becker		Mr. Steven Becker	

RECEIVED
RRC OF TEXAS
MAY 17 2002
O&G 3650
MIDLAND

MICHAEL L. WILLIAMS, CHAIRMAN
CHARLES R. MATTHEWS, COMMISSIONER
TONY GARZA, COMMISSIONER



RICHARD A. VARELA
DIRECTOR, OIL AND GAS DIVISION
DEBBIE LAHOOD
ASSISTANT DIRECTOR—PERMITTING/PRODUCTION

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

June 7, 2002

PURE RESOURCES L P
ATTN STAN WAGNER
500 W ILLINOIS
MIDLAND TX 79701



RECEIVED
RRC OF TEXAS

JUN 18 2002

Dear Operator:
AUSTIN TX
O&G

Re: Harder 3 Lease
Well No. 1
Wildcat Field
Reeves County, Texas
API No. 42-389-32192

The Commission has received completion papers on the referenced well. Please refer to Statewide Rule 11(b)(1)(A) which states in part:

The first shot point of such inclination survey shall be made at a depth not greater than 500 feet below the surface of the ground, and succeeding shot points shall be made either at 500-foot intervals or at the nearest drill bit change thereto, but not to exceed 1,000 feet apart.

The inclination report (Form W-12) submitted by Patterson-UTI Drilling Company LP, LLLP and certified by both Joni Hodges and yourself had its final shot point exceeding 1000'. An amended Form W-12 is necessary for the well to be in compliance with Statewide Rule 11 and be placed on schedule. If the additional information is not available and it is not reasonable to resurvey the well, the operator may request an exception to Statewide Rule 11 accompanied by a detailed explanation of the circumstances for this well. Please comply with this request within 30 days of the date of this letter

If you have any questions, please call me at (512) 463-6701.

Yours truly,

A handwritten signature in cursive script that reads "Cathy Garrison".

Cathy J. Garrison
Permitting Services, Engineering Unit

cc: Dist. Ofc. 08—Midland
Linda Derryberry, Analyst
File

RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION

Form W-12
DBC1297 (1-1-71)

INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report.)		
1. FIELD NAME (as per RRC Records or Wildcat) WILDCAT	2. LEASE NAME HARDER 3	6. RRC District 08
3. OPERATOR PURE RESOURCES, LP		7. RRC Lease Number. (Oil completions only) 1
4. ADDRESS 500 W. ILLINOIS, SUITE 100 - MIDLAND, TX 79701		9. RRC Identification Number (Gas completions only)
5. LOCATION (Section, Block, and Survey) SEC. 3, BLK. 58, PSL SURVEY		10. County REEVES

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
518	5.18	.5	0.87	4.51	4.51
1016	4.98	.5	0.87	4.33	8.84
1613	5.97	.5	0.87	5.19	14.03
1917	3.04	3.25	5.67	17.24	31.27
2011	0.94	3.5	6.10	5.73	37.00
2104	0.93	3	5.23	4.86	41.86
2191	0.87	2.75	4.80	4.18	46.04
2317	1.26	2.5	4.36	5.49	51.53
2442	1.25	2.25	3.93	4.91	56.44
2657	2.15	1	1.75	3.76	60.20
3000	3.43	2	3.49	11.97	72.17
3187	1.87	2.5	4.36	8.15	80.32
3611	4.24	.75	1.31	5.55	85.87
3780	1.69	1	1.75	2.96	88.83
4073	2.93	1	1.75	5.13	93.96
4564	4.91	.75	1.31	6.43	100.39

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

17. Is any information shown on the reverse side of this form? ☒ yes ☐ no
18. Accumulative total displacement of well bore at total depth of 9330.00 feet = 282.73 feet.
19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line 467 feet.
21. Minimum distance to lease line as prescribed by field rules 467 feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION	OPERATOR CERTIFICATION
I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form. <i>Jon Hodges</i> Signature of Authorized Representative JONI HODGES Name of Person and Title (type or print) ADMIN. ASST. PATTERSON-UTI DRILLING COMPANY LP, LLLP Name of Company Telephone: <u>(915) 682-9401</u> Area Code	I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form. <i>Stan Wagner</i> Signature of Authorized Representative re-submitted: Anna M. Schelling STAN WAGNER Name of Person and Title (type or print) PURE RESOURCES L.P. Operator Telephone: <u>915</u> <u>498 8662</u> Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

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

side)

If additional space is needed, attach separate sheet and check here. ☐

REMARKS: _____

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

MICHAEL L. WILLIAMS, CHAIRMAN
CHARLES R. MATTHEWS, COMMISSIONER
TONY GARZA, COMMISSIONER



RICHARD A. VARELA
DIRECTOR, OIL AND GAS DIVISION
DEBBIE LAHOOD
ASSISTANT DIRECTOR—PERMITTING/PRODUCTION

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

June 7, 2002

PURE RESOURCES L P
ATTN STAN WAGNER
500 W ILLINOIS
MIDLAND TX 79701

Re: Harder 3 Lease
Well No. 1
Wildcat Field
Reeves County, Texas
API No. 42-389-32192

Dear Operator:

The Commission has received completion papers on the referenced well. Please refer to Statewide Rule 11(b)(1)(A) which states in part:

The first shot point of such inclination survey shall be made at a depth not greater than 500 feet below the surface of the ground, and succeeding shot points shall be made either at 500-foot intervals or at the nearest drill bit change thereto, but not to exceed 1,000 feet apart.

The inclination report (Form W-12) submitted by Patterson-UTI Drilling Company LP, LLLP and certified by both Joni Hodges and yourself had its final shot point exceeding 1000'. An amended Form W-12 is necessary for the well to be in compliance with Statewide Rule 11 and be placed on schedule. If the additional information is not available and it is not reasonable to resurvey the well, the operator may request an exception to Statewide Rule 11 accompanied by a detailed explanation of the circumstances for this well. Please comply with this request within 30 days of the date of this letter.

If you have any questions, please call me at (512) 463-6701.

Yours truly,

Cathy J. Garrison
Permitting Services, Engineering Unit

cc: Dist. Ofc. 08—Midland
Linda Derryberry, Analyst
File

RECEIVED
RRC OF TEXAS
JUN 13 2002
O&G
MIDLAND

Type or print only

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

5-20-02

Form W-2

Rev. 4/1/83

DBC1297

API No. 42- 389-32192				7. RRC District No. 08	
Oil Well Potential Test, Completion or Recompletion Report, and Log				8. RRC Lease No.	
1. FIELD NAME (as per RRC Records or Wildcat) Wildcat		2. LEASE NAME Harder 3		9. Well No. 1	
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Pure Resources L.P.			RRC Operator No. 683080		10. County of well site Reeves
4. ADDRESS 500 West Illinois Midland, TX 79701				11. Purpose of filing	
5. If Operator has changed within last 60 days, name former operator				Initial Potential ☒	
6a. Location (Section, Block, and Survey) Sec 3 Blk 58 PSL		6b. Distance and direction to nearest town in this county. 21 miles West from Pecos		Retest ☐	
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	Oil - O Gas - G	Reclass ☐	
13. Type of electric or other log run Platform Express, Density / Neutron Proal Comp		14. Completion or recompletion date 04/20/2001		Well record only ☒ (explain in Remarks)	

no test

SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.

15. Date of test		16. No. of hours tested		17. Production method (Flowing, Gas Lift, Jetting, Pumping-- Size & Type of pump)		18. Choke Size	
19. Production during Test Period		Oil - BBLs	Gas -- MCF	Water - BBLs	Gas - Oil Ratio	Flowing Tubing Pressure PSI	
20. Calculated 24- Hour Rate		Oil - BBLs	Gas -- MCF	Water -- BBLs	Oil Gravity-API-60°	Casing Pressure PSI	
21. Was swab used during this test?		Yes ☐	No ☐	22. Oil Produced prior to test (New & Reworked wells)		23. Injection Gas-Oil Ratio	
REMARKS DRY-HOLE						Note to file - 2/1/02	

INSTRUCTIONS: File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

WELL TESTER'S CERTIFICATION

I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester

Name of Company

RRC Representative

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
MIDLAND, TEXAS

OPERATOR'S CERTIFICATION

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

Stan Wagner

Typed or printed name of operator's representative

(915) 498-8662
Telephone: Area Code Number

02/04/2002 /
Date: mo. day year

Regulatory Analyst

Title of Person

Signature
Stan Wagner

SECTION II		DA		N WELL COMPLETION AND LOG (Not Required or st)			
24. Type of Completion:				25. Permit to Drill, Plug Back or Deepen			
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐				DATE 10/02/2000 PERMIT NO. 500277			
26. Notice of Intention to Drill this well was filed in Name of				Rule 37			
Pure Resources L.P.				Exception			
27. Number of producing wells on this lease in this field (reservoir) including this well				Water Injection			
1				PERMIT NO.			
28. Total number of acres in this lease				Permit			
640				Salt Water Disposal			
29. Date Plug Back, Deepening, WorkOver or Drilling Operations:				PERMIT NO.			
11/04/2000 04/20/2001				Other			
30. Distance to nearest well, Same Lease & Reservoir				PERMIT NO.			
31. Location of well, relative to nearest lease boundaries of lease on which this well is located				1440 Feet From South Line and 467 Feet from West Line of the Harder 3 Lease			
32. Elevation (DF, RKB, RT, GR, ETC.)				33. Was directional survey made other than inclination (Form W-12)?			
3109 GR				☐ Yes ☒ No			
34. Top of Pay	35. Total Depth	36. P.B. Depth	37. Surface Casing Determined by:	0-950' / 1150' / 1550' ☒ Recommendation of T.D.W.R.			
9783	15390	11865	Field Rules	☐ Railroad Commission (Special) Dt. of Letter 10/02/2000			
38. Is well multiple completion?		39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.		40. Intervals Drilled by:			
No		FIELD & RESERVOIR		Rotary Tools ☒ Cable Tools ☐			
41. Name of Drilling Contractor		42. Is Cementing Affidavit Attached?		☒ Yes ☐ No			
Patterson							
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13 3/8	54.5	1613		1350 C	17 1/2	Surface	2257
9 5/8	36	3650		1900 C	12 1/4	Surface	3450
7	32	11945		600 8 7/8	8 3/4	8900 CBL	726
44. LINER RECORD							
Size	Top	Bottom	Sacks Cement	Screen			
4 1/2	11899	13512	200	-			
45. TUBING RECORD				46. Producing Interval (this completion) Indicate depth of perforation or open hole			
Size	Depth Set	Packer Set	From	9783	To	9966	
none			From		To		
			From		To		
			From		To		
47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
Depth Interval			Amount and Kind of Material Used				
12973 - 13031			4000 gal 7 1/2% acid				
12776 - 12788			3000 gal 7 1/2% acid				
9783 - 9966			2000 gal 7 1/2% acid, frac w/43500 gal Medallion 3500; 47000# 20/40 Bauxite				
48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)							
Formations	Depth	Formations	Depth				
Wolfcamp sand	12770	Upper Barnett	14612				
Penn shale	13100	Lower Barnett	15000				
Morrow lime	14540						
REMARKS							
CIBP @ 11885 w/20' cement cap (abandoned 12776-12788)							
CIBP @ 12900 w/25' cement cap (abandoned 12973-13031)							

W12- 9330'
T10 of 6 @ 15,390'

RA ROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
DBC1297 (1-1-71)

INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report.)		
1. FIELD NAME (as per RRC Records or Wildcat) <u>WILDCAT</u>	2. LEASE NAME <u>HARDER 3</u>	6. RRC District <u>08</u>
3. OPERATOR <u>PURE RESOURCES, LP</u>		7. RRC Lease Number. (Oil completions only)
4. ADDRESS <u>500 W. ILLINOIS, SUITE 100 - MIDLAND, TX 79701</u>		8. Well Number <u>1</u>
5. LOCATION (Section, Block, and Survey) <u>SEC. 3, BLK. 58, PSL SURVEY</u>		9. RRC Identification Number (Gas completions only)
		10. County <u>REEVES</u>

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
518	5.18	.5	0.87	4.51	4.51
1016	4.98	.5	0.87	4.33	8.84
1613	5.97	.5	0.87	5.19	14.03
1917	3.04	3.25	5.67	17.24	31.27
2011	0.94	3.5	6.10	5.73	37.00
2104	0.93	3	5.23	4.86	41.86
2191	0.87	2.75	4.80	4.18	46.04
2317	1.26	2.5	4.36	5.49	51.53
2442	1.25	2.25	3.93	4.91	56.44
2657	2.15	1	1.75	3.76	60.20
3000	3.43	2	3.49	11.97	72.17
3187	1.87	2.5	4.36	8.15	80.32
3611	4.24	.75	1.31	5.55	85.87
3780	1.69	1	1.75	2.96	88.83
4073	2.93	1	1.75	5.13	93.96
4564	4.91	.75	1.31	6.43	100.39

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

- *17. Is any information shown on the reverse side of this form? ☒ yes ☐ no
- *18. Accumulative total displacement of well bore at total depth of 9330.00 feet = 282.73 feet.
- *19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line 467 feet.
21. Minimum distance to lease line as prescribed by field rules 467
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

Joni Hodges
Signature of Authorized Representative
JONI HODGES
Name of Person and Title (type or print)
ADMIN. ASST.
Name of Company
PATTERSON-UTI DRILLING COMPANY LP, LLLP
Telephone: (915) 682-9401
Area Code

OPERATOR CERTIFICATION

I declare under penalties prescribed in Sec. 91-143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

Stan Wagner
Signature of Authorized Representative
STAN WAGNER
Name of Person and Title (type or print)
REG ANALYST
Operator
PURE RESOURCES L.P.
Telephone: 915 498 8662
Area Code

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

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

RECEIVED
RRC OF TEXAS
JAN 17 2002
O&G
MIDLAND

RECORD OF INCLINATION (Continued from reverse side)

[illegible]

If additional space is needed, attach separate sheet and check here. ☐

REMARKS:

- INSTRUCTIONS -

An inclination survey made by persons or concerns approved by the Commission shall be filed on a form prescribed by the Commission for each well drilled or deepened with rotary tools or when, as a result of any operation, the course of the well is changed. No inclination survey is required on wells that are drilled and completed as dry holes that are plugged and abandoned. (Inclination surveys are required on re-entry of abandoned wells.) Inclination surveys must be made in accordance with the provisions of Statewide Rule 11.

This report shall be filed in the District Office of the Commission for the district in which the well is drilled, by attaching one copy to each appropriate completion for the well. (except Plugging Report)

The Commission may require the submittal of the original charts, graphs, or discs, resulting from the surveys.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS Oil and Gas Division

Form W-15
Cementing Report
Rev. 4/1/83
483-045

1. Operator's Name (As shown on Form P-5, organization Report) <i>Pure Resources L.P.</i>	2. RRC Operator No. <i>683080</i>	3. RRC District No. <i>08</i>	4. County of Well Site <i>Reeves</i>
5. Field Name (Wildcat or exactly as shown on RRC Records) <i>Wildcat</i>	6. API No. <i>42-389-32192</i>	7. Drilling Permit No. <i>500277</i>	
8. Lease Name <i>Harder 3</i>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. <i>1</i>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		<i>11-07-00</i>					
13. • Drilled Hole Size		<i>17 1/2</i>					
• Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)		<i>13 3/8</i>					
15. Top of liner (ft.)							
16. Setting depth (ft.)		<i>1613</i>					
17. Number of centralizers used		<i>9</i>					
18. Hrs. Waiting on cement before drill-out		<i>12</i>					
1 st Slurry	19. API cement used: No. of sacks ▶	<i>1150</i>					
	Class ▶	<i>C</i>					
	Additives ▶	Remarks					
2 nd Slurry	No. of sacks ▶	<i>200</i>					
	Class ▶	<i>C</i>					
	Additives ▶	<i>1 % cacl2</i>					
3 rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶	<i>1989</i>					
	Height (ft.) ▶	<i>2863</i>					
2nd	Volume (cu. ft.) ▶	<i>268</i>					
	Height (ft.) ▶	<i>386</i>					
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	<i>2257</i>					
	Height (ft.) ▶	<i>3249</i>					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		<i>Yes</i>					
22. Remarks <i>1 % cacl2 + 4 % gel + 1/8 # celloflake</i>							

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
MIDLAND, TEXAS

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lb/gal)								
31. Type cement								

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

Raul R. Ruiz-Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

R Ruiz
Signature

P.O. Box 4717

Address

Odessa,

City,

Texas

State,

79760

Zip Code

(915) 381-2301

Tel.: Area Code Number

11-07-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Rep. Analyst

Title

Stan Wagner

Signature

500 West Illinois

Address

Midland

City,

TX 79701

State, Zip Code

915 4988662

Tel.: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rates;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface Casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Committee.

D. Centralizers. Surface Casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In Non-deviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations, Cementing companies, service companies or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) PURE RESOURCES	2. RRC Operator No. 683080	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC records) Wildcat	6. API No. 42-389-32192	7. Drilling Permit No. 500277	
8. Lease Name HARDER 3	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			11-16-00				
13. •Drilled hole size			12 1/4				
•Est. % wash or hole enlargement							
14. Size of casing (in. O.D.)			9 5/8				
15. Top of liner (ft.)							
16. Setting depth (ft.)			3650				
17. Number of centralizers used			21				
18 Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶		1500				
	Class ▶		65C:35POZ:6%GEL				
	Additives ▶		5%SALT+1/8#CELLOFLAKE				
2nd Slurry	No. of sacks ▶		400				
	Class ▶		C				
	Additives ▶		2%CACL2+1/8#CELLOFLAKE				
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		2910				
	Height (ft.) ▶		9289				
2nd	Volume (cu. ft.) ▶		540				
	Height (ft.) ▶		1722				
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		3450				
	Height (ft.) ▶		11010				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			YES				
22. Remarks							

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
O.G.
MIDLAND, TEXAS

OVER

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

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

Raul Ruiz-Service Supervisor

Name and title of cementer's representative

BJ Service Company

Cementing Company

R Ruiz
Signature

P.O. Box 4717

Address

Odessa

Texas

City

79760

State, Zip Code

(915) 381-2301

Tel.: Area Code Number

11-16-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Reg. Analyst

Title

Stan Wagner
Signature

500 West Illinois

Address

Midland TX

City

79701

State, Zip Code

915 498 8662

Tel.: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) PURE RESOURCES	2. RRC Operator No. 683080	3. RRC District No. 08	4. County of Well Site REEVES
5. Field Name (Wildcat or exactly as shown on RRC records) Wildcat		6. API No. 42-389-32192	7. Drilling Permit No. 500277
8. Lease Name HARDER 3	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			12-17-00				
13. •Drilled hole size			8 3/4				
•Est. % wash or hole enlargement							
14. Size of casing (in O.D.)			7				
15. Top of liner (ft.)							
16. Setting depth (ft.)			11945				
17. Number of centralizers used			71				
18. Hrs. waiting on cement before drill-out							
1st Slurry	19. API cement used: No. of sacks ▶		600				
	Class ▶		H				
	Additives ▶		REMARKS				
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶		726				
	Height (ft.) ▶		4829				
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶		726				
	Height (ft.) ▶		4829				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			NO				
22. Remarks 1.2%FL-62, .3%CD-32, 2#EC-1, .2%R-3							

RECEIVED
R.R.C. OF TEXAS
FEB - 5 2002
O.G.
MIDLAND, TEXAS

OVER

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

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

Jesus Ulate-Service Supervisor

Name and title of cementer's representative

BJ Services Company

Cementing Company

Signature

P.O. Box 4717

Address

Odessa

Texas

City

79760

State, Zip Code

(915) 381-2301

Tel.: Area Code Number

12-17-00

Date: mo. day yr.

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

Stan Wagner

Typed or printed name of operator's representative

Reg. Analyst

Title

Stan Wagner

Signature

500 West Illinois

Address

Midland TX 79701

City

State, Zip Code

915 498 8662

Tel.: Area Code Number

2/4/02

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

50 # 1104439

Cementer: Fill in shaded areas
Operator: Fill in other itemsForm W-15
Cementing Report
Rev. 4/1/83
HLBRTN1098

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

1. Operator's Name (As Shown on Form P-5, Organization Report)	2. RRC Operator No.	3. RRC District No.	4. County of Well Site
PURE RESOURCES	683080	08	Reeves
5. Field Name (Wildcat or Exactly as Shown on RRC Records)	6. API No.	7. Drilling Permit No.	
Wildcat	42-389-32192	500277	
8. Lease Name	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well Number
Harder 3			1

CASING CEMENTING DATA:		SURFACE CASING	INTERMEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				SINGLE STRING	MULTIPLE PARALLEL STRINGS	TOOL	SHOE
12. Cementing Date				1/26/01			
13. *Drilled Hole Size				6"			
*Ext. % Wash or Hole Enlargement							
14. Size of Casing (in. O.D.)				4 1/2			
15. Top of Liner (ft)				11899			
16. Setting Depth (ft)				13512			
17. Number of Centralizers Used				1			
18. Hrs. Waiting on Cement Before Drill-Out							
1st Slurry	19. API Cement Used: No. of Sacks >			200			
	Class >			PREMIUM			
	Additives >			0.3% CFR-3, 0.3% Hald-344, 0.15%, 0.15% HR-5			
2nd Slurry	No. of Sacks >						
	Class >						
	Additives >						
3rd Slurry	No. of Sacks >						
	Class >						
	Additives >						
1st	20. Slurry Pumped: Volume (cu.ft.) >			236			
	Height (ft) >			2747			
2nd	Volume (cu.ft.) >						
	Height (ft) >						
3rd	Volume (cu.ft.) >						
	Height (ft) >						
Total	Volume (cu.ft.) >			236			
	Height (ft) >			2747			
21. Was Cement Circulated to Ground Surface (or Bottom of Casing) Outside Casing?				NO			
22. Remarks							

RECEIVED
R.A.C. OF TEXAS
FEB - 5 2002
O.B.
MIDLAND, TEXAS

OVER ➤

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
23. Cementing Date								
24. Size of Hole or Pipe Plugged (in)								
25. Depth to Bottom of Tubing or Drill Pipe (ft)								
26. Sacks of Cement Used (each plug)								
27. Slurry Volume Pumped (cu.ft.)								
28. Calculated Top of Plug (ft)								
29. Measured Top of Plug, If Tagged (ft)								
30. Slurry Wt. (lbs/gal)								
31. Type Cement								

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

CODY SLAUGH

Name and Title of Cementer's Representative

HALLIBURTON ENERGY SERVICES

Cementing Company

Cody Slauch
Signature

4000 N BIGSPRINGS MIDLAND TX 79705
Address City State Zip Code

1-800-844-8451
Tel: Area Code Number

1/26/01
Date: Mo. Day Yr.

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

Stan Wagner
Typed or Printed Name of Operator's Representative

Reg. Analyst
Title

Stan Wagner
Signature

500 West Illinois Midland, TX 79701
Address City State Zip Code

915 498 8662
Tel: Area Code Number

2/4/02
Date: Mo. Day Yr.

Instruction to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion, and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- * An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- * Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- * Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written applications, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 12 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

RAILROAD COMMISSION OF TEXA

Oil and Gas Division

Please Read Instructions

ELECTRIC LOG
STATUS REPORT

FORM L-1

Rev. 12/88

DBC1297

INSTRUCTIONS

When to file the L-1

- with Forms G-1, W-2, and GT-1 for new and deepened gas, oil, and geothermal wells
- with Form W-3 for plugged dry holes
- when sending in a log which was held under a request for confidentiality and the period of confidentiality has not yet expired

When the L-1 is NOT required

- with Forms W-2, G-1, and GT-1 filed for injection wells, disposal wells, water supply wells, service wells, re-test wells, re-classifications, and plugbacks of oil, gas, and geothermal wells
- with Form W-3 for plugging of other than a dry hole

Where to file the L-1

- with the appropriate Commission district office

Filling out the L-1

- Section I and the signature section must be filled out for all wells
- complete only the appropriate part of Section II

Type of log required

- any wireline survey run for the purpose of obtaining lithology, porosity, or resistivity information
- no more than one such log is required but it must be of the subject well
- if such a log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

SEE REVERSE SIDE

SECTION I. IDENTIFICATION

Operator Name	Pure Resources, L.P.	District No.	08	Completion Date	01/31/2001
Field Name	Wildcat	Drilling Permit No.	500277		
Lease Name	Harder 3	Lease/ID No.		Well No.	1
County	Reeves	API No.	42- 389-32192		

SECTION II. LOG STATUS (complete either A. or B.)

☐ A. BASIC ELECTRIC LOG NOT RUN

☒ B. BASIC ELECTRIC LOG RUN (select one)

☐ 1. Confidentiality requested.

☐ 2. Confidentiality already granted on basic electric log covering this interval (applicable to deepened wells only).

☐ 3. Basic electric log covering this interval already on file with Commission (applicable to deepened wells only).

☒ 4. Log attached to (select one)

☒ (a) Form L-1 (this form). If the company/lease name on log is different from that shown in Section I, please enter name on log here: _____

Check here if attached log is being submitted after being held confidential ☐.

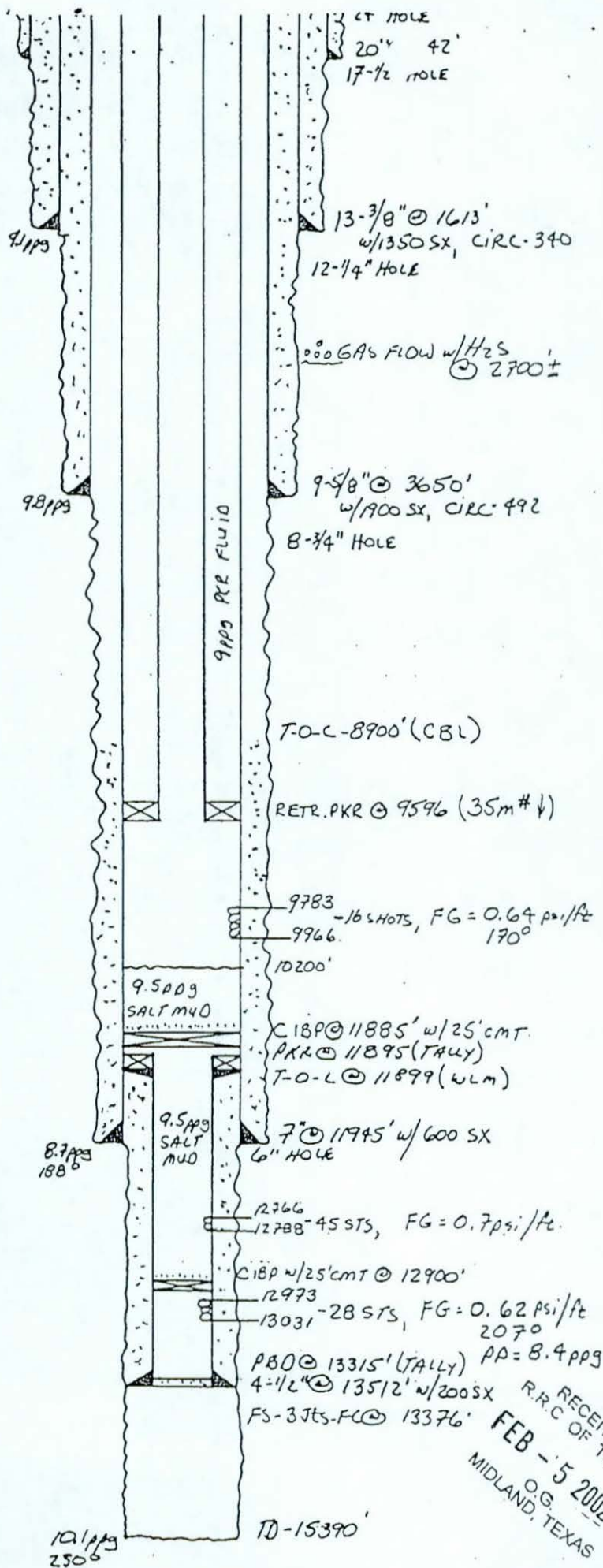
☐ (b) Form P-7, Application for Discovery Allowable and New Field Designation.

☐ (c) Form W-4, Application for Multiple Completion: lease or ID no.(s) _____, well no.(s) _____

RECEIVED
RRC OF TEXAS
AUG 22 2002
O&G
MIDLAND

 signature	Regulatory Clerk	title
Anna M. Schelling	(915) 620-5602	08/21/2002
name (print)	phone	date

For Railroad Commission use only



FIELD: W. CAT
LEASE/Well: HARDER '3' #1
LOCATION: 1940' FSL + 967' FWL, SECTION 3
BLOCK 5B, PSL, REEVES CO., TX
API: 42-389-32192
KB: 3135.6; GL: 3109'
BY: MWM, 5/10/01

CASING RECORD:
13-3/8" 54.5' J-55 ST+C O-1613'
9-5/8" 36' J-55 ST+C O-3650'
7" 32' P-110 LT+C O-11945'
4-1/2" 15.1' P-110 BT+C 11899'-13512'

TUBING RECORD:
2-7/8" 6.5' L-80 AB MOD, 35000# ↓

2/00: DTL. PERF 12973'-13031' w/28 STS.
BREAKDOWN w/30 Bbls 9ppg BW @ 3.18 BPM w/
2900psi. ISIP = 2000psi. SWAB DOWN TO
11000'. ACIDZ w/4000 GALS 7-1/2% HCL
@ 8.5 BPM, MAX P = 6300psi, AVG P = 6000psi.
ISIP = 2500psi (8.4ppg). SWAB BACK LOAD
PLUS 176 Bbls FORMATION WATER, FL
STEADY @ 4500'. SET CIBP w/25' CMT @ 12900'.
PERF 12766'-12788', 2 SPF, 45 TOTAL HOLES.
PRESSURE TO 4200 PSI AND BREAKDOWN -
PUMP 20 Bbls 9ppg @ 3BPM, 2500psi.
ISIP = 1800psi, 5m-1300', 10m-1200',
15m-1150'. SWAB TO 11000' - NO FL ENTRY.
ACIDIZE w/3000 GALS 7-1/2% HCL @ 5.8 BPM
BPM, MAX P = 4300psi, AVG P = 4000psi.
ISIP = 3270psi (8.4ppg). SWAB BACK 151 Bbls
OF 184 Bbls LOAD. 17-HSITP = 1700psi, FL
@ 10500'. SET CIBP @ 11885' (WLM) AND
CAP w/25' CMT. RUN GR/CCL/CBL-TOL @ 8900'.
PERFORATE 9783-9966 w/16 SHOTS. BREAKDOWN
AT 3000psi, Pump 20-Bbls 9ppg BW @
4.8 BPM, 2500psi. ISIP = 1500' (9ppg). 5m
SIP = 1150', 10m SIP = 1000', 15m SIP = 900'.
SWAB TO 9500' - FAILED TO RECOVER 31
Bbls LOAD. ACIDZ w/2000 GALS 7-1/2% HCL.
AL = 8.8 BPM, AP = 4500', MAX P = 5500', ISIP =
2000psi (8.4ppg), 5m = 1870', 10m = 1845',
15m = 1800psi. FRAC 9783-9966 w/43500
GALS/47000' 20/40 BAUXITE/32000' 20/40 TEMPERED
DC. AL = 25.8 BPM, AP = 6700psi, ISIP = 2300psi
(8.4ppg), 5m-1945psi, 10m-1935psi, 15m-1915psi.
SWAB DRY w/OCCASIONAL TR. OIL.

EXISTING - 5/10/01

RECEIVED
FEB - 5 2002
MIDLAND, TEXAS

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Compliance Section

DISTRICT OFFICE

INSPECTION REPORT

D-O

rev. 1/99

JOB NO. 00-9102

DISTRICT 08 00

OPERATOR PURE RESOURCES, L.P. ✓ 64LEASE/FACILITY HARDER 3 ✓WELL No.(s) 1 ✓FIELD WildcatCOUNTY REEVES ☐ COASTAL MGT. AREA

COMPLAINT NO. _____

COMPLAINANT NAME _____

DIRECTIONS _____

LEASE/ID _____ ☐ MUST WITNESSDRILL PMT. NO. 500277 ☐ FIELD INITIATEDPLANT NO. _____ ☒ TAKEN BY B.H.PIT PMT. NO. _____ ☐ AUSTIN ☒ DISTRICTPIPELINE PMT. NO. _____ ☐ BACKCHECKOTHER OPEN# 683080 ☐ COINSPCTIONOTHER 683080 ☐ SWEEP

LE DOCKET _____ TOTAL: _____

SFP CODE _____ UIC WELLS INSP _____

SFCU CODE _____ WELLS INSP 1

SITES INSP _____

% TIME UIC _____ ENV _____ SITE REM _____

LEGAL ENF _____ PRO/PROD _____ TERRA _____

SFP _____ OTHER _____

GPS COORDINATES: ☐ NO ☐ YES: LOG # _____

LAT _____ LONG _____

ACTIVITY (check appropriate boxes)

- A ☐ BLOWOUT P ☐ OIL SPILL (NON-SENS.)
- B ☐ COM. SURFACE DISP. FACILITY Q ☐ OIL SPILL (SENS. AREA)
- C ☐ COM. DISPOSAL WELL R ☐ PIT INSPECTION
- D ☐ COMPLAINT S ☐ PLANT INS
- E ☐ DISPOSAL/INJECTION T ☐ PLUGGING (OPER.)
- F ☒ DRILLING RIG U ☐ PLUGGING (SFP)
- G ☐ FIRE V ☐ PROD. WATER SPILL
- H ☐ H2S COMPLIANCE INSP. W ☐ PROD. TEST
- I ☐ H2S INCIDENT X ☐ PROD./INT. CASING
- J ☐ HYDROCARBON STRG. Y ☐ SEAL WELL
- K ☐ LEASE INSPECTION Z ☐ SITE ASSMT (SFCU)
- L ☐ MIT AA ☐ SITE CLEAN-UP (SFCU)
- M ☐ MINOR PERMIT BB ☒ SURFACE CASING
- N ☐ OFFICE CC ☐ WASTE HAULER
- O ☐ OTHER

FIELD INSPECTION STATUS

		COMPLIANCE		Prev. viols.	New viols.	Total viols.
		yes	no			
SWR 2	Access to Property	☒	☐			
SWR 3	Signs	☐	☐			
SWR 8	Water Protection	☐	☐			
SWR 9	Disposal Wells	☐	☐			
SWR 13	Casing/Cementing	☐	☐			
SWR 14(b)(2)	Inactive Wells	☐	☐			
SWR 17	Pressure on Bradenhead	☐	☐			
SWR 21	Firewalls	☐	☐			
SWR 22	Protection of Birds	☐	☐			
SWR 27	Gas Metering	☐	☐			
SWR 32	Flaring/Venting	☐	☐			
SWR 36	Hydrogen Sulfide	☐	☐			
SWR 46	Injection Wells	☐	☐			
SWR 91	Oil Spill Clean-up	☐	☐			
OTHER		☐	☐			
OTHER		☐	☐			

COMMENTS: SURFACE CASING - WITNESSED -
circulated cement to pit

RECEIVED
 R.R.C. OF TEXAS
 NOV - 9 2000
 O.G.
 MIDLAND, TEXAS

I CERTIFY THIS DATA IS TRUE AND COMPLETE:

Sherrin Dainey

START:

MILEAGE

TIME

LUNCH

OFFICE REVIEW

BY

TECH NO. 249 DATE 11-7-00

END:

101596 800101685 140060 (MIN)☐ JOB INTERRUPTDATE 11/14/00

CASIN CEMENT WITNESSING REPORT

DISTRICT 08

JOB# 00-9102

Operator PURE RESOURCES L.P. Field WILDCAT
Lease HARDER 3 Well No. 1
County REEVES Permit No. 500277
Job Type SURFACE Witnessing Type: Detailed _____ Condensed _____
Cementing Company B.J. SERVICES Opr. Representative _____
Drilling Contractor UTI DRILLING Rig No. 268

Amount of Pipe on Location: 1710' Pipe Size: 13 3/8 Hole Size: 17 1/2
Casing Setting Depth: 1613' D.V. Tool Depth: NO
Water Board Depth(s): 1150'
Cement Load Tickets Verified: ☒ Yes ☐ No
Number of Centralizers Run: 12 Centralizer Placement: 4" JT. to surface

FIRST STAGE:

LEAD: Type: C Wt. 13.5 Yield: 1.73 Additives: 1% CC, 1/4 CEF, 4% BEN.
Volume Cmt.: 1150 Sacks: _____ Cu.Ft. Mix Water 9.13 GAL. Bbl. _____
TAIL: Type: C Wt. 14.8 Yield: 1.34 Additives: 1% CC
Volume Cmt.: 200 Sacks: _____ Cu.Ft. Mix Water 6.34 Bbl. _____

SECOND STAGE:

LEAD: Type: _____ Wt. _____ Yield: _____ Additives: _____
Volume Cmt.: _____ Sacks: _____ Cu.Ft. Mix Water _____ Bbl. _____
TAIL: Type: _____ Wt. _____ Yield: _____ Additives: _____
Volume Cmt.: _____ Sacks: _____ Cu.Ft. Mix Water _____ Bbl. _____

Samples Collected? ☐ Yes ☐ No Cement Circulated? ☒ Yes ☐ No

REMARKS: 350 SXS CIRCULATED TO PIT.
Kenneth Poole Company MAN.

WELL LOCATED 22 miles N.W. of PECOS, TX F.M. ROAD #2119

WITNESSED BY:

Glenn Rainey

DATE:

11-7-00

RECEIVED
R.R.C. OF TEXAS
NOV - 9 2000
MIDLAND, TEXAS

MICHAEL L. WILLIAMS, CHAIRMAN
CHARLES R. MATTHEWS, COMMISSIONER
TONY GARZA, COMMISSIONER



RICHARD A. VARELA
DIRECTOR, OIL AND GAS DIVISION
DEBBIE LAHOOD
ASSISTANT DIRECTOR—PERMITTING/PRODUCTION

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

June 7, 2002

Dry Hole

PURE RESOURCES L P
ATTN STAN WAGNER
500 W ILLINOIS
MIDLAND TX 79701

Re: Harder 3 Lease
Well No. 1
Wildcat Field
Reeves County, Texas
API No. 42-389-32192

Dear Operator:

The Commission has received completion papers on the referenced well. Please refer to Statewide Rule 11(b)(1)(A) which states in part:

The first shot point of such inclination survey shall be made at a depth not greater than 500 feet below the surface of the ground, and succeeding shot points shall be made either at 500-foot intervals or at the nearest drill bit change thereto, but not to exceed 1,000 feet apart.

The inclination report (Form W-12) submitted by Patterson-UTI Drilling Company LP, LLLP and certified by both Joni Hodges and yourself had its final shot point exceeding 1000'. An amended Form W-12 is necessary for the well to be in compliance with Statewide Rule 11 and be placed on schedule. If the additional information is not available and it is not reasonable to resurvey the well, the operator may request an exception to Statewide Rule 11 accompanied by a detailed explanation of the circumstances for this well. Please comply with this request within 30 days of the date of this letter.

If you have any questions, please call me at (512) 463-6701.

Yours truly,

A handwritten signature in black ink that reads "Cathy Garrison".

Cathy J. Garrison
Permitting Services, Engineering Unit

cc: Dist. Ofc. 08—Midland
Linda Derryberry, Analyst
File

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISIONFORM W-3
Rev. 12/92 (99)

API No. (if available) 42- 389-32192		1. RRC District 08						
FILE IN DUPLICATE WITH DISTRICT OFFICE OF DISTRICT IN WHICH WELL IS LOCATED WITHIN THIRTY DAYS AFTER PLUGGING		4. RRC Lease or ID Number NA						
2. FIELD NAME (as per RRC records) WILDCAT	3. Lease Name HARDER 3	5. Well Number 1						
6. OPERATOR PURE RESOURCES, L.P.	6a. Original Form W-1 filed in name of: Pure Resources, L.P.	10. County REEVES						
7. ADDRESS 500 W. ILLINOIS, MIDLAND TX 79701	6b. Any subsequent W-1's filed in name of: NA	11. Date Drilling Permit Issued 10/02/2000						
8. Location of well, relative to nearest lease boundaries of lease on which this well is located	1440 feet from South line and 467 feet from West line of the Harder 3 lease	12. Permit Number 500277						
9a. SECTION, BLOCK and SURVEY 3 58 PSL/R P TYLER	9b. Distance and direction from nearest town in this county 21 MILES WEST FROM PECOS TX	13. Date Drilling Commenced 11/04/2000						
16. Type Well (oil, gas, or dry) DRYHOLE	Total Depth 15390	14. Date Drilling Completed 01/31/2001						
18. If gas, amt. of cond. on hand at time of plugging		15. Date Well Plugged 08-03-02						
CEMENTING TO PLUG AND ABANDON DATA:								
*19. Cementing Date	PLUG #1	PLUG #2	PLUG #3	PLUG #4	PLUG #5	PLUG #6	PLUG #7	PLUG #8
07-24-02	08-01-02	08-01-02	08-01-02	08-01-02	08-01-02	08-02-02	08-02-02	08-03-02
20. Size of Hole or Pipe in which Plug Placed (inches)	7	8 3/4	8 3/4	8 3/4	9 5/8	9 5/8	9 5/8	9 5/8
21. Depth to Bottom of Tubing or Drill Pipe (ft.)	9600	7150	4750	3750	1633	1633	1200	60
*22. Sacks of Cement Used (each plug)	25	65	75	80	75	75	135	20
*23. Slurry Volume Pumped (cu. ft.)	33	85.8	99	105.6	99	99	178.2	26.4
*24. Calculated Top of Plug (ft.)	9438	6945	4577	3503				
25. Measured Top of Plug (if tagged) (ft.)					1652	1461		SURFACE
*26. Slurry Wt. # / Gal.	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
*27. Type Cement	C	C	C	C	C	C	C	C
28. CASING AND TUBING RECORD AFTER PLUGGING								
SIZE	WT. # / FT.	PUT IN WELL (ft.)	LEFT IN WELL (ft.)	HOLE SIZE (in.)	29. Was any non-drillable material (other than casing) left in this well? ☐ Yes ☒ No			
20		42	42	24	29a. If answer to above is "Yes" state depth to top of "junk" left in hole and briefly describe non-drillable material. (Use reverse side of form if more space is needed.)			
13 3/8	54.5	1613	1613	17 1/2				
9 5/8	36	3650	3650	12 1/4				
7	32	11945	3245	8 3/4				
4 1/2	15.6	11,899-13,512	LINER	6				
30. LIST ALL OPEN HOLE AND/OR PERFORATED INTERVALS								
FROM	TO	FROM	TO					
12973'	13031'							
12766'	12788'							
9783'	9966'							

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

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

Signature of Cementer or Authorized Representative

WELL PLUGGERS, INC.

Name of Cementing Company

CERTIFICATE:

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

REPRESENTATIVE OF COMPANY

Regulatory Clerk

08/19/02

PHONE 915/620-5602

TITLE

DATE

A/C

NUMBER

Anna M. Schelling

SIGNATURE: REPRESENTATIVE OF RAILROAD COMMISSION

389-32192

RECEIVED
CENTRAL RECORDS
SEP 19 2002RECEIVED
RRC OF TEXAS
AUG 22 2002
O&G
MIDLAND

31. Was well filled with mud - laden fluid, according to the regulations of the Railroad Commission? ☒ Yes ☐ No		32. How was mud applied? CIRCULATED WITH MUD PUMP	33. Mud Weight 10 LBS/GAL						
34. Total Depth 15390 Depth of Deepest Fresh Water 1550		35. Have all abandoned wells on this lease been plugged according to R R C Rules? ☒ Yes ☐ No							
Other Fresh Water Zones by T.D.W.R. <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">TOP</th> <th style="width:50%;">BOTTOM</th> </tr> </thead> <tbody> <tr> <td>surf</td> <td>950</td> </tr> <tr> <td>1150</td> <td>1550</td> </tr> </tbody> </table>		TOP	BOTTOM	surf	950	1150	1550	36. If No, Explain	
TOP	BOTTOM								
surf	950								
1150	1550								
37. Name and address of cementing or service company who mixed and pumped cement plugs in this well WELL PLUGGERS, INC., P.O. BOX 7906, MIDLAND, TX 79708-7906		Date RRC District Office notified of plugging 07-22-02							
38. Name(s) and address(es) of surface owners of well site Huntington National Bank Real Estate Dept Trustee of the Ruth Norton Harder Trust created u/t/a dated 10/28/66 HC 1011 P.O. Box 1558 Columbus, Ohio 43216									
39. Was notice given before plugging to the above? Yes									
FILL IN BELOW FOR DRY HOLES ONLY									
40. For dry holes, this form must be accompanied by either a driller's, electric, radioactivity, or acoustical/sonic log or such log must be released to a commercial log service. ☒ Log Attached ☐ Log released to _____ Date _____ Type Log: ☐ Driller's ☐ Electric ☐ Radioactivity ☐ Acoustical / Sonic									
41. Date FORM P-8 (Special Clearance) filed:									
42. Amount of oil produced prior to plugging _____ bbls * File FORM P-1 (Oil Production Report) for month this oil was produced									
R R C USE ONLY Nearest field _____									

REMARKS

- * 07-24-02 PLUG #1: SET CIBP @ 9600' WITH 25 SX CEMENT 9600-9438 AS PER DON HORNER, RRC
- ** 08-01-02 PLUG #5: SPOTTED 75 SX @ 1633; TAGGED @ 1652: RE-SPOTTED PLUG AS PER SUE HANNEMAN, RRC

6P168-P88

File No. MF 100497

permit, completion.

attachments, plugging report

Date Filed: 5/17/13

Jerry Patterson, Commissioner

By mp Barnstaple