

MF109134

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF109134	56-030239		GLASSCOCK

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY	
<i>Acres</i>	17.34	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
0	0	
<i>Name</i>	VERITAS 321 ENERGY PARTNERS, L	
<i>Lease Date</i>	7/1/2008	
<i>Primary Term</i>	3 yrs	
<i>Bonus (\$)</i>	\$4,335.00	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2550	

*Leasing:* BB

*Analyst:* DL

*Maps:* \_\_\_\_\_

*GIS:* LG



**CAUTION**

Documents in this file have been scanned in Table of Contents order and scanned.

Please help keep documents in content order and let the ScanLab know when new documents are added to this file.

Thank you for your assistance.



F1052096

CONTENTS OF FILE NO. MF- 109134

1. Lease	5/23/08	23. Ltr. From Apache	8/4/14
2. Letter	5/23/08	24. Ratification of Unit	10/10/14
3. Affidavit	5/23/08	25. Ltr. to Apache	10/10/14
4. Ownership Report	5/23/08	<u>scanned PJ 10-29-14</u>	
5. Map	5/23/08	26. Unit Agmt Memo	10/31/14
6. Letter + bonus	7/28/08	<u>scanned PJ 1-12-15</u>	
<u>scanned on 11-10-08 JA</u>		27. NOTICE of Merger	2-7-11
7. Declaration of the Mariner Energy, Inc, pooled unit Gibson 7, #1	3/12/10	28. UNIT designation for #6965	12-29-14
8. DIVISION ORDER, Gibson 7 #1. 7/24/10	7/24/10	<u>scanned PJ 8-12-15</u>	
See MF-108354 #8 for Certificate of Merger.	2/15/11	29. Form P-17	12/17/12 9/1/16
9. Reconciliation Ltr	5/11/11	30. Ltr to cancel commingling	<sup>12/11/12</sup> 9/1/16
10. # 5442 Gibson 7 "C" #4	4/19/12	<u>scanned PJ 9-21-16</u>	
11. # 5441 Gibson 7 "B" #3	4/19/12		
12. Well Info: 42-173-34617	11/08/2012		
13. Well Info: 42-173-35171	01/24/2013		
<u>Scanned 4/12/13 JA</u>			
14. completion   attachments			
173-34572	6/24/13		
15. completion   attachments			
173-35228	6/24/13		
<u>Scanned sm 8/1/13</u>			
LTR	5/18/12		
16. GLO COMMINGLING REQUIREMENT			
17. EMAIL SCOPE OF GLO REVIEW	9/6/12		
18. EMAIL EXPEDITE REVIEW	12/20/12		
19. LTR REQUEST TO COMMINGLE	1/3/13		
20. LTR PRODUCTION ALLUC	1/3/13		
GLO LTR			
21. AGREE TO COMMINGLE	1/9/13		
22. DIVISION ORDER	05/18/12		
<u>scanned PJ 6-10-14</u>			

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

**PAID-UP  
OIL AND GAS LEASE NO. (109134)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS**

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and **Veritas 321 Energy Partners, LP**, whose address is **PO Box 173, Midland, TX 79702** hereinafter called "Lessee".

1. Lessor, in consideration of **Four Thousand Three Hundred Thirty Five 00/100 (\$ 4,335.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock** State of Texas, and is described as follows:

**17.34 acres** of land, more or less, known as, situated in said **Glasscock** County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **17.34 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three year, from July 1st, 2008** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. **ROYALTIES:** As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **22.5%** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **22.5%** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **22.5%** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **22.5%** of such gas and casing head gas.

(c) If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred

(d) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee.

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 25.00**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

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 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, the 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. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within

the unit, which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced there from under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation, which this lease is included within ninety (90) days of such designation.

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

9. FORCE MAJEURE: If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

10. LESSER ESTATE CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All transfers must reference the lease by file number and must be recorded in the county where the land covered hereby is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee 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 transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

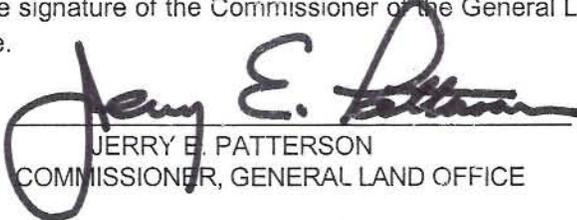
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of any sum within thirty (30) 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, or 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 this lease is pooled or assigned and the unit designation or 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. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights there under 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.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR

DC: cur

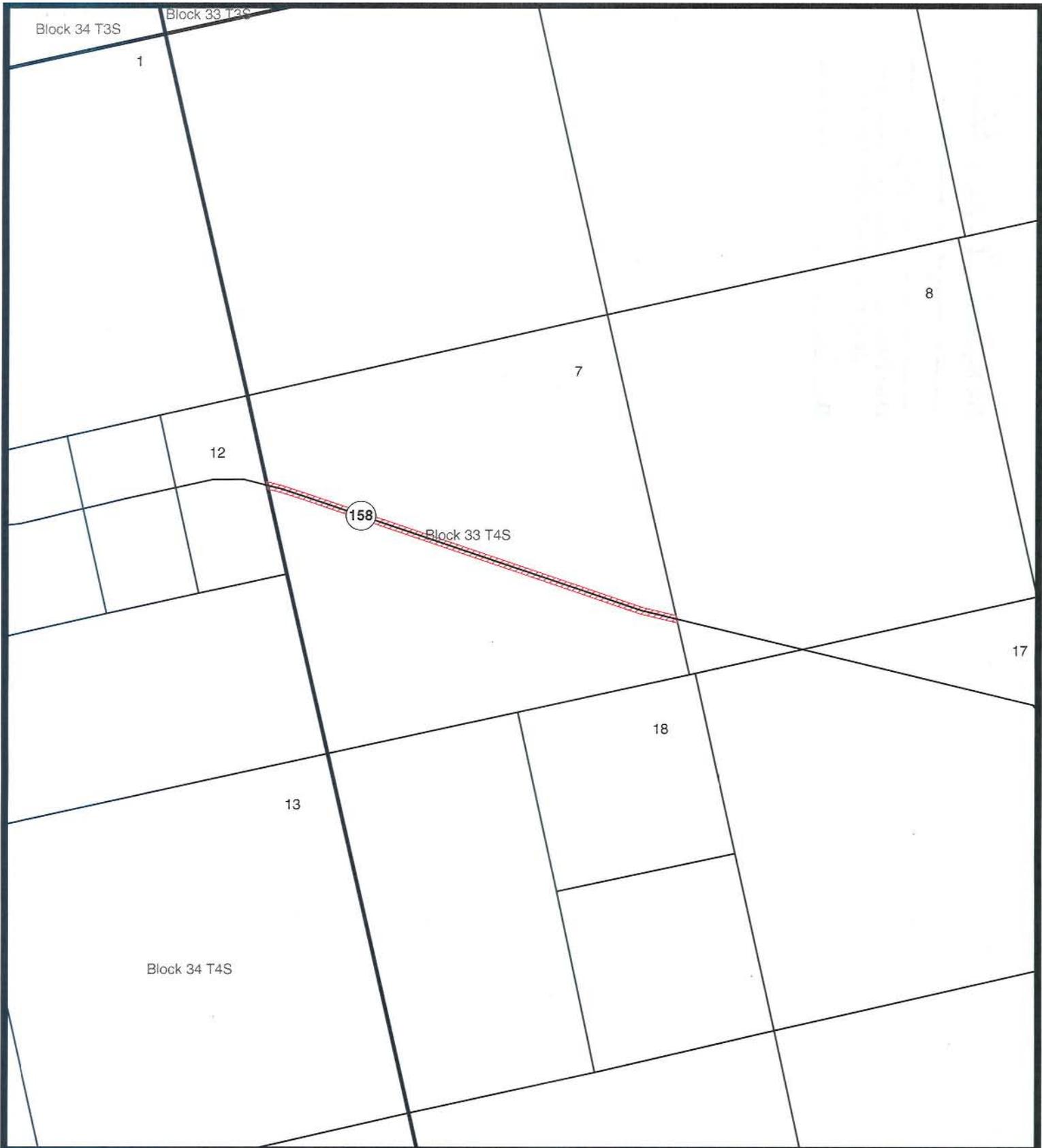
CC: ms

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated July 1st, 2008, by and between the State of Texas, as lessor, and Veritas 321 Energy Partners, LP, as lessee, covering acreage to be leased in Glasscock County, Texas, being part of State Highway 158.

17.34 acres of land, more or less, situated in Section 7 of the T&P RR Co. Block 33. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Glasscock County, Texas:

Deed from Steve Calverley and wife Ethel to  
the State of Texas  
dated 12/8/1941 and recorded in Vol. 52 P.  
14 of the Deed of Records, Glasscock  
County.



Map Showing  
 A portion of State Highway 158  
 17.34 acres  
 Approximately 1/2 mile east of Garden City  
 Glasscock County  
 ft\07-08

NAD\_1927\_Albers  
 Projection: Albers  
 False\_Easting: 0.000000  
 False\_Northing: 0.000000  
 Central\_Meridian: -100.000000  
 Standard\_Parallel\_1: 28.000000  
 Standard\_Parallel\_2: 35.000000  
 Latitude\_Of\_Origin: 31.000000

GCS\_North\_American\_1927  
 0 1,000 2,000 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on the map or the data from which it was produced. This map is NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Compiled By:  
 Ferrel Taylor  
 Information Systems - GIS  
 July 1, 2008

6.

File No. MT 709134

Keane

Date Filed: 5/23/08

Jerry Patterson, Commissioner

By: [Signature]



# VERITAS 321

ENERGY PARTNERS, LP

May 20, 2008

Texas General Land Office  
Lease Administration  
1700 N. Congress Ave. Rm.600  
Austin, TX 78701  
ATTN: Drew Reid

No Money  
Need Rent  
Need Ascs

250.00  
22.550  
3yr Payoff  
Julia  
25.00  
7

RE: ***Oil, Gas and Mineral Lease***

17.34 acres, more or less, conveyed from Steve Calverley and wife, Ethel Calverley to the State of Texas on December 8, 1941, recorded in Volume 52, Page 14 of the Deed Records of Glasscock County, Texas out of Section 7, Block 33, Township 4 South, T&P RR Co. Sy.  
GLASSCOCK COUNTY, TEXAS

Dear Mr. Reid:

The county records of Glasscock County, Texas indicate that the Texas General Land Office is the owner of a **8/8<sup>ths</sup> mineral interest** (17.34 net acres) in the captioned property. VERITAS 321 ENERGY PARTNERS, LP is presently leasing in this area for our client and desires to lease your interest under the following terms:

- **\$250.00 per net acre bonus consideration**
- **3 year term/ 2 yr option**
- **22.5% royalty rate**

Upon your review a timely response would be greatly appreciated. Thank you for your cooperation in this matter. Should you have any questions, please advise.

Yours truly,

Matthew Torres  
Consulting Landman

OGLRLtg|Office

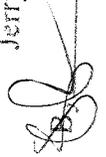
2.

FILE NO. MF 709134

Letter

Date Filed: 5/23/08

Jerry Patterson, Commissioner



**AFFIDAVIT**

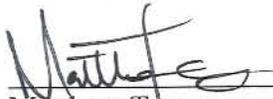
Before me, the undersigned Notary Public, personally appeared Matthew Torres, who being first duly sworn on his oath, states:

My name is Matthew Torres, I am over 21 years of age and I am familiar with the following lands (the "Lands") in Glasscock County, Texas

17.34 acres, more or less, conveyed by Right of Way Deed from Steve Calverley and wife, Ethel Calverley to the State of Texas on December 8, 1941, such tract being more particularly described in said Right of Way Deed, recorded in Volume 52, Page 14 of the Deed Records of Glasscock County, Texas out of Section 7, Block 33, Township 4 South, T&P RR Co. Sy.

I know that at the time of the making this Affidavit no oil, gas, or other minerals are being produced from any part of the Lands at this time. I know that no development or drilling operations for oil, gas, or other minerals are now being executed on the Lands within 2500 feet of the right-of-way tract boundaries since January 1, 1985.

Further Affiant saith not.

  
Matthew Torres

**JURAT**

Subscribed and sworn to before me this 20<sup>th</sup> day of MAY, 2008.

I KIMBERLY ANNE BARKER a notary public of the state of Texas hereby certify that

MATTHEW TORRES appeared before me on the date listed above and executed this document in my presence. I also certify that the aforesaid party did swear and affirm that the contents of this document are true and accurate.

3.

File No. 709134  
Adair  
Date Filed: 5/22/08  
Merry Patterson, Commissioner  
By: [Signature]

**VERITAS 321 ENERGY PARTNERS, LP**

P.O. BOX 173  
 MIDLAND, TEXAS 79702  
 (432) 682-4002  
 (432) 684-4741 fax

**OWNERSHIP REPORT**

PROSPECT:	<b>DEADWOOD</b>	PREPARED BY:	<b>Kevin Nelson</b>
COUNTY OF:	<b>GLASSCOCK</b>	RECORD DATE:	<b>December 19, 2007</b>
STATE OF:	<b>TEXAS</b>	REPORT DATE:	<b>February 1, 2008</b>
		INDEX DATE:	<b>January 24, 2008</b>
		Mineral Ownership Report	<b>X</b>
		Surface Ownership Report	

**DESCRIPTION:**

All of Section 7, Block 33, Township 4 South, T&P RR Co. Sy.

SURFACE OWNER(S):	
PHONE NO.:	
TENANT:	

## START OF REPORT

**DESCRIPTION:**

All of Section 7, Block 33, Township 4 South, T&P RR Co. Sy., SAVE AND EXCEPT 17.34 acres, more or less, conveyed by Steve Calverley and wife, Ethel Calverley to the State of Texas on December 8, 1941, recorded in Volume 52, Page 14 of the Deed Records of Glasscock County, Texas, containing 622.66 acres more or less.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
Ethel C. Gibson, ssp C/O William J. Gibson, Jr. 189 Pole Bridge Dr. A Brandon, MS 39042 (601) 825-0979 SS# 467-40-9391	1/4	155.665	LEASED to Mariner Energy, Inc Date: 2/6/2008 Lessor: Ethel C. Gibson Lessee: Mariner Energy, Inc. Term: 3 years Royalty: 3/16 ← Vol./Pg.: To Be Recorded Lands: All of Sec. 7, Blk. 33, T-4-S, S&E 17.34 acres.
W.J. Gibson, Jr., ssp 189 Pole Bridge Dr. A Brandon, MS 39042 SS# 256-01-8483	1/4	155.665	LEASED to Mariner Energy, Inc Date: 2/6/2008 Lessor: Ethel C. Gibson Lessee: Mariner Energy, Inc. Term: 3 years Royalty: 3/16 ← Vol./Pg.: To Be Recorded Lands: All of Sec. 7, Blk. 33, T-4-S, S&E 17.34 acres.
Bryant A. Harris, Jr., ssp 1333 Lockhill Selma Rd. San Antonio, TX (210) 344-8315 SS# 464-54-1385	1/8	77.8325	LEASED to Mariner Energy, Inc Date: 3/14/2008 Lessor: Bryant A. Harris, et al. Lessee: Mariner Energy, Inc. Term: 3 years/ 2 year option Royalty: 22.5% ← Vol./Pg.: To Be Recorded Lands: All of Sec. 7, Blk. 33, T-4-S, S&E 17.34 acres.
David E. Harris, ssp 1405 FM 1379 Midland, TX 79705-8203 (432) 684-6031 SS# 460-80-6634	1/8	77.8325	LEASED to Mariner Energy, Inc. Date: 3/14/2008 Lessor: David E. Harris, ssp Lessee: Mariner Energy, Inc. Term: 3 years/ 2 year option Royalty: 22.5% ← Vol./Pg.: To Be Recorded Lands: All of Sec. 7, Blk. 33, T-4-S, S&E 17.34 acres.

<p>Diana Harris Berger, ssp          1004 C. ST          Floresville, TX 78114-2224          (830) 393-2595          SS# 460-80-6592</p>	<p>1/8</p>	<p>77.8325</p>	<p>LEASED to Mariner Energy, Inc.          Date: 3/14/2008          Lessor: Diana H. Berger, ssp          Lessee: Mariner Energy, Inc.          Term : 3 year/ 2 year option          Royalty: 22.5% ◀          Vol./Pg.: To Be Recorded          Lands: All of Sec. 7, Blk. 33, T-4-S S&amp;E 17.34 acres.</p>
<p>Barbara Harris Hall Trust, under Trust Agreement date 5/11/93          1833 Fairway Cir.          Las Cruces, NM 88011-4910          (505) 522-4005          SS# 585-26-8241</p>	<p>1/8</p>	<p>77.8325</p>	<p>LEASED to Mariner Energy, Inc.          Date: 3/14/2008          Lessor: Barbara H. Hall, Trustee          Lessee: Mariner Energy, Inc.          Term: 3 years/ 2 year option          Royalty: 22.5% ◀          Vol./Pg.: To Be Recorded          Lands: All of Sec. 7, Blk. 33, T-4-S, S&amp;E 17.34 acres.</p>
<p><b>TOTALS FOR MINERAL OWNERSHIP</b></p>	<p><b>100%</b></p>	<p><b>622.66</b></p>	

**DESCRIPTION:**

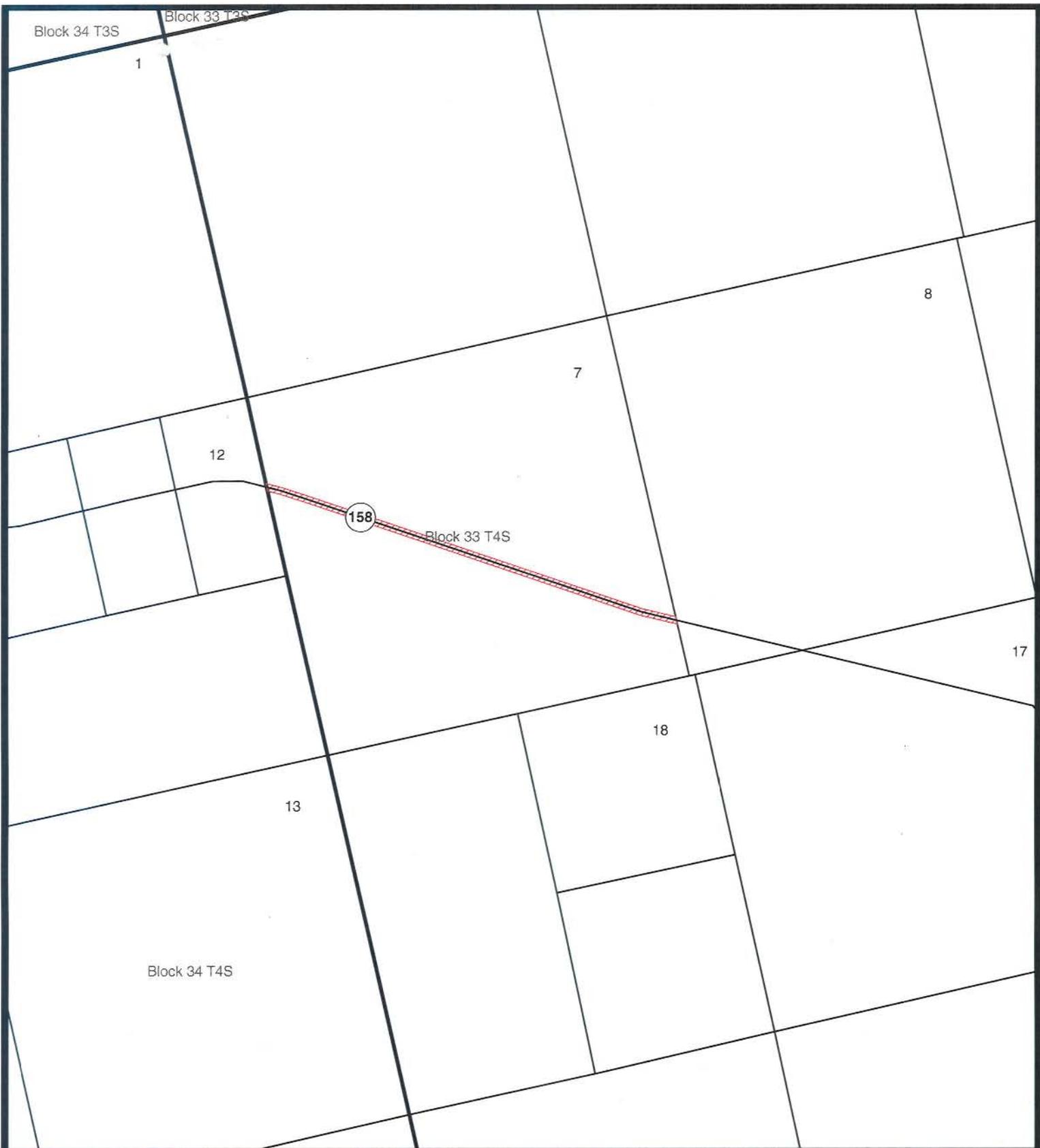
17.34 acres, more or less, conveyed by Steve Calverley and wife, Ethel Calverley to the State of Texas on December 8, 1941, recorded in Volume 52, Page 14 of the Deed Records of Glasscock County, Texas out of Section 7, Block 33, Township 4 South, T&P RR Co. Sy.

NAME OF MINERAL OWNER	INTEREST	NET ACS	LEASEHOLD & EXP DATES
State Highway Commission	8/8	17.34	Open; Never Leased.
<b>TOTALS FOR MINERAL OWNERSHIP</b>	<b>100%</b>	<b>17.34</b>	

*END OF REPORT*

4.

File No. MF 709/34  
Ownership Report  
Date Filed: 5/23/08  
Jerry Paterson, Commissioner  
By: [Signature]



Map Showing  
 A portion of State Highway 158  
 17.34 acres  
 Approximately 1/2 mile east of Garden City  
 Glasscock County  
 ft\07-08

NAD\_1927\_Albers  
 Projection: Albers  
 False\_Easting: 0.000000  
 False\_Northing: 0.000000  
 Central\_Meridian: -100.000000  
 Standard\_Parallel\_1: 28.000000  
 Standard\_Parallel\_2: 35.000000  
 Latitude\_Of\_Origin: 31.000000

GCS\_North\_American\_1927  
 0 1,000 2,000 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on the map or the data from which it was produced. This map is NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Compiled By:  
 Ferrel Taylor  
 Information Systems - GIS  
 July 1, 2008



5.

File No. MF709134  
Map  
Date Filed: 5/23/08  
Jerry Patterson, Commissioner  
By [Signature]

COPY

July 22, 2008

General Land Office  
1700 N. Congress Ave., Rm.600  
Austin, TX 78701-1495  
ATTN: Drew Reid

RE: ***Check for Oil, Gas & Mineral Lease***

All of Section 7, Block 33, T-4-S, T&P RR. Co. Sy., SAVE AND EXCEPT 17.34 acres, more or less, conveyed by Steve Calverley and wife, Ethel Calverley to the State of Texas on December 8, 1941, recorded in Volume 52, Page 14 of the Deed Records of Glasscock County, Texas, containing 622.66 acres more or less

Dear Mr. Reid,

We are in receipt of your executed Oil and Gas Lease covering the captioned property. In connection therewith, enclosed is **check number 004009** made payable to you in the amount of **\$4,335.00** for your share of the bonus consideration (17.34 net acres x \$250.00/acre).

*Please acknowledge your receipt hereof by signing in the space provided below and returning one copy of this letter to the undersigned in the envelope provided.*

Thank you for your cooperation in this matter. Should you have any questions, please advise.

Yours truly,



Matthew Torres  
Consulting Landman

Received this \_\_\_\_\_ day of July, 2008.

---

**Drew Reid**

CHKGLODREWREID.



VERITAS 321 ENERGY PARTNERS, LP ✓

004009

General Land Office

Date	Type	Reference
7/16/2008	Bill	Bonus Consideration

Original Amt.  
4,335.00

7/18/2008  
Balance Due    Discount  
4,335.00  
Check Amount

Payment  
4,335.00  
4,335.00

08022390

12/1

(WNB) Veritas 321 EP Bonus Consideration

+

4,335.00

6,

File No. MF 109134  
Letter & bonus  
Date Filed: 7/28/08  
By Jerry Patterson, Commissioner

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA10-54

*Unit Number* 4716  
*Operator Name* MARINER ENERGY INC *Effective Date* 12/8/2009  
*Customer ID* C000028658 *Unitized For* Oil & Gas  
*Unit Name* Gibson 7 #1 *Unit Term* 0 Months  
*County1* Glasscock

*County 2* 0  
*County 3* 0  
*RRC District:* 08  
*Unit Type:* Permanent  
*State Royalty Interest:* 0.009140625  
*State Part in Unit:* 0.040625

*Unit Depth* All *Well:* Unit  
*Below Depth* 0 *Formation:*  
*Above Depth* 0 *Participation Basis:* Surface Acreage  
*[If Exclusions Apply: See Remarks]*

*MF Number* MF109134 *Tract Number* 5  
*Lease Acres* 6.5 / *Total Unit Acres* 160 =

*Tract Participation:* 0.0406250 X  
*Lease Royalty* 0.225 = *Manual Tract Participation:* [ ] 0 See Remark  
*Tract Royalty Participation* 0.0091406 *Manual Tract Royalty:* [ ] 0

*Tract Royalty Reduction* No  
*Tract Royalty Rate* 0  
*Tract On-Line Date:*

*API Number*

421733346400

*RRC Number*

0

*Remarks:*

HROW Unit - Spraberry Trend

*Prepared By:*

BBayd

*GLO Base Updated By:*

BBayd

*RAM Approval By:*

JKy

*GIS By:*

AS

*Prepared Date:*

3-8-10

*GLOBase Date:*

3-8-10

*RAM Approval Date:*

3-11-2010

*GIS Date:*

4-13-10

# 2684

DECLARATION OF THE MARINER ENERGY, INC.  
GIBSON 7 #1 POOLED UNIT

State: Texas  
County: Glasscock  
Lessee(s): Mariner Energy, Inc.  
2000 W. Sam Houston Pkwy. South, Suite 2000  
Houston, TX 77042-3622

Lessee(s), named above, pursuant to the terms of and authority granted in the Oil and Gas Leases or Memoranda of Oil and Gas Leases (the "Leases") described in Exhibit "A," pools and combines the following lands (the "Lands"), in the county and state named above, that are subject to the Leases, and designates the following lands covered by the Leases as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

NW/4 of Section 7, Block 33, Township 4 South, T & P RR Co. Svy., Glasscock County, Texas containing 160 acres, more or less, as shown on the plat attached hereto as Exhibit "B".

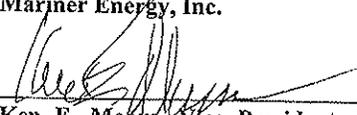
For the purpose of this Declaration and the designation of the Unit, reference is made to the Leases described in Exhibit "A," insofar as the Leases cover the lands described above. Exhibits "A" and "B" are made a part hereof for all purposes.

Each of the Leases contain provisions authorizing the original Lessee and Lessee's successors or assigns to pool, combine, or unitize the Lands covered by each Lease with other lands and leases for the purpose of creating a unit for the production of oil and/or gas. This Declaration is executed by Lessee(s) and filed of record in the county where the described lands are located for the purpose of exercising the pooling authority granted to the Lessee in the Leases, and giving notice of the Lands comprising the Unit established by Operator/Lessee.

This Declaration shall be, and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessee(s), as long as the Leases are maintained in force and effect or shut-in payments are made.

Executed effective as of the 8<sup>th</sup> day of December, 2009.

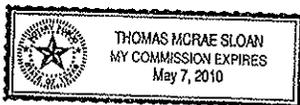
Mariner Energy, Inc.

  
\_\_\_\_\_  
Ken E. Moore, Vice President of Land and Business Development (Onshore)

*IMS  
MR*

State of Texas  
County of Harris

This instrument was acknowledged before me on the 7<sup>th</sup> day of January, 2010 by Ken E. Moore, Vice President of Land and Business Development (Onshore) of Mariner Energy, Inc., a Delaware corporation, on behalf of said corporation.



  
\_\_\_\_\_  
NOTARY PUBLIC FOR STATE OF TEXAS

## EXHIBIT "A"

Attached to and made part of Declaration of the Mariner Energy, Inc. Gibson 7 #1 Pooled Unit

**Date:** April 14, 2008  
**Recording:** Book/Vol. 117, Page 376, Official Public Records of Glasscock County, Texas  
**Lessor:** Barbara Harris Hall, Trustee, of the Barbara Harris Hall Trust, under Trust Agreement dated 5/11/93  
**Lessee:** Mariner Energy, Inc.

**Date:** July 1, 2008  
**Recording:** Book/Vol. 118, Page 815, Official Public Records of Glasscock County, Texas ✓  
**Lessor:** The Commissioner of the General Land Office of the State of Texas  
**Lessee:** Veritas 321 Energy Partners, LP  
**Assignment:** to Mariner Energy, Inc. recorded in Book/Vol. 127, Page 445

**Date:** March 14, 2008  
**Recording:** Book/Vol. 119, Page 042, Official Public Records of Glasscock County, Texas  
**Lessor:** Diane Harris Berger, dealing in her sole and separate property  
**Lessee:** Mariner Energy, Inc.

**Date:** March 14, 2008  
**Recording:** Book/Vol. 119, Page 047, Official Public Records of Glasscock County, Texas  
**Lessor:** David E. Harris, dealing in his sole and separate property  
**Lessee:** Mariner Energy, Inc.

**Date:** March 14, 2008  
**Recording:** Book/Vol. 119, Page 050, Official Public Records of Glasscock County, Texas  
**Lessor:** Bryant A. Harris, Jr., dealing in his sole and separate property  
**Lessee:** Mariner Energy, Inc.

**Date:** February 6, 2008  
**Recording:** Book/Vol. 119, Page 055, Official Public Records of Glasscock County, Texas  
**Lessor:** W. J. Gibson, Jr., dealing in his sole and separate property  
**Lessee:** Mariner Energy, Inc.

**Date:** February 6, 2008  
**Recording:** Book/Vol. 119, Page 061, Official Public Records of Glasscock County, Texas  
**Lessor:** William J. Gibson, Jr., Attorney in Fact for Ethal C. Gibson, dealing in her sole and separate property  
**Lessee:** Mariner Energy, Inc.

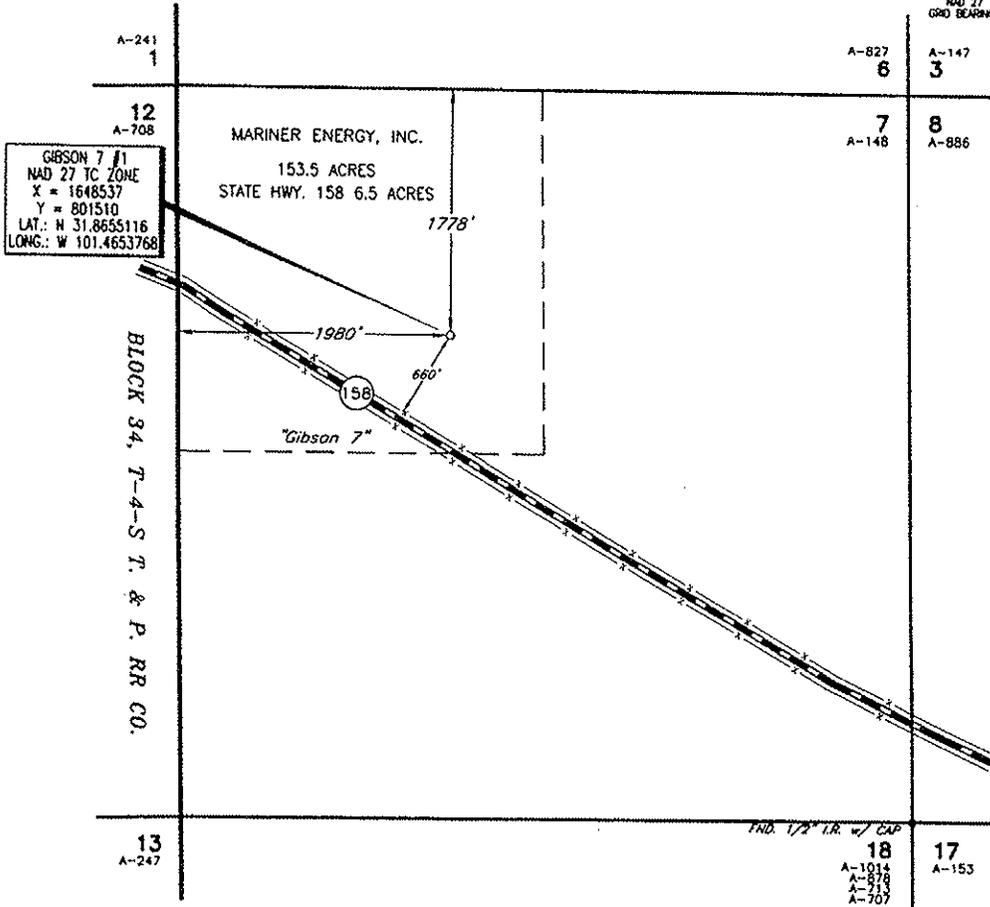
# TOPOGRAPHIC

SURVEYING • MAPPING • GIS • GPS  
 2903 N. BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 (800) 767-1653 • FAX (432) 682-1743

GLASSCOCK County, Texas

Description 1778' FNL & 1980' FWL

SECTION 7, BLOCK 33, T-4-S, T. & P. RR. CO. SURVEY, A-148



GIBSON 7 #1  
 NAD 27 TC ZONE  
 X = 1648537  
 Y = 801510  
 LAT.: N 31.8655116  
 LONG.: W 101.4653768

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us. This plot does not in any way represent a "Boundary Survey", and does not comply with correct I.B.P.L.S. Minimum Standards of Procedures for Boundary Surveys.

SCALE: 1" = 1000'  
 0' 500' 1000'

Operator MARINER ENERGY, INC. Date Staked SEPTEMBER 11, 2008  
 Lease Name & Well No. GIBSON 7 #1 Ground Elev. 2641'  
 Topography & Vegetation NATURAL MESQUITE PASTURE  
 Nearest Town in County ±1.0 MILES EAST OF GARDEN CITY, TEXAS  
 Driving Directions FROM GARDEN CITY GO EAST ±1.0 MILES ON HIGHWAY 158 TO A POINT ±660'  
SOUTH OF LOCATION.



**CERTIFICATION:**

I, William J. Keating, a Registered Professional Land Surveyor, and an authorized agent of Topographic Land Surveyors, do hereby certify that in my professional opinion the above described well location was surveyed and staked on the ground as shown. This plot is for Texas Railroad Commission permitting only.

*William J. Keating*  
 Texas R.P.L.S. No. 5041

Invoice # 140024/670SW  
 Y.P.O.  
 REVISED: 12/10/09; EVO

7.

File No. MF 109134  
Operation of the Morner  
Energy, 2/1/70, Paled Unit  
Gibson: 7

Date Filed: \_\_\_\_\_  
Jerry Patterson, Commissioner #1

[Signature]



July 21, 2010

Mariner Energy, Inc.  
2000 W Sam Houston Parkway S, Suite 2000  
Houston, TX 77042

Re: State Lease MF109134 - **Please refer to this lease number with all correspondence**  
Gibson 7 #1  
16498

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

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

Sincerely,

Beverly Boyd, Lease Analyst  
Mineral Leasing Division



**MARINER ENERGY, INC.**

**DIVISION ORDER**

**Return To:** MARINER ENERGY, INC.  
 2000 W. Sam Houston Parkway S, Suite 2000  
 Houston, TX 77042-3622

**Property Number:** 16498  
**Date:** June 29, 2010  
**Effective Date:** November 1, 2009

**Property Name:** GIBSON 7 #1  
**Operator:** MARINER ENERGY, INC  
**County/Parish and State:** GLASSCOCK COUNTY, TX  
**Property Description:** SECTION 7 NW4 BLOCK 33, T-4-S, T&P Ry. Co. Survey, Howard County, Texas

**Production:**  Oil  Gas  Other:

OWNER NAME	OWNER #	TYPE INT	INTEREST
General Land Office of the State of Texas Stephen F. Austin Building 1700 North Congress Austin, Texas 78701	11450	RI	0.00914063

The undersigned certifies the ownership of the decimal interest in production or proceeds as described above payable by Mariner Energy, Inc. (MEI).

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

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

MEI may accrue proceeds until the total amount equals \$100.00 or pay annually, whichever occurs first or as required by applicable state statutes.

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

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

**Special Clauses:** NONE

**WITNESSES:**

\_\_\_\_\_ **Owner(s) Signature(s):** \_\_\_\_\_

\_\_\_\_\_ **Owner(s) Printed Name(s):** \_\_\_\_\_

\_\_\_\_\_ **Title of Signatory Party if Applicable:** \_\_\_\_\_

\_\_\_\_\_ **Owner(s) Address(s):** \_\_\_\_\_

\_\_\_\_\_ **Owner(s) TIN(s) or SSN(s):** \_\_\_\_\_

\_\_\_\_\_ **Owner(s) Daytime Telephone/Fax #:** \_\_\_\_\_

**Federal Law requires you to furnish your Social Security or Taxpayer Identification Number, Failure to comply will result in 28% tax withholding and will not be refundable by MEI.**

Analyst/Asst.: LJohnson

**PLEASE SIGN AND RETURN ONE DOCUMENT TO MEI  
 RETAIN ONE COPY FOR YOUR RECORDS**

8.

File No. MF 109134

Gibson 7 #1

DIVISION ORDER

Date Filed: 7/21/10

Jerry E. Patterson, Commissioner

By: 



# Texas General Land Office

## Reconciliation Billing

PO Box 12873  
 Austin, TX 78711-2873  
 (800) 998-4456  
 7:30 - 5:30 M-F

Jerry Patterson, Commissioner

**FILE COPY**

APACHE CORPORATION  
 ATTN: TISH HOPE  
 2000 POST OAK STE 100 ATN COMPLIANCE  
 HOUSTON, TX 77056-4400

Billing Date: 5/4/2011  
**Billing Due Date: 6/3/2011**  
 Customer Number: C000023272

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
11I00790	MF109134	\$0.00	\$64.10	\$25.00	\$8.87	\$97.97
11I00791	MF109134	\$0.00	\$849.94	\$131.03	\$6.11	\$987.08
11I00792	MF109134	\$129.58	\$0.00	\$25.00	\$17.51	\$172.09
11I00793	MF109134	\$1,217.40	\$0.00	\$350.00	\$32.07	\$1,599.47
Total Due		\$1,346.98	\$914.04	\$531.03	\$64.56	<b>\$2,856.61</b>

Penalty and interest have been calculated thru 5/31/2011. Payment remitted after 5/31/2011 will result in additional penalty and interest charges.

Contact Info: Shirley Chou (512) 463-5408 or shirley.chou@glo.state.tx.us

### NOTICE

The new Land Office Royalty Reporting System is set to 'Go Live' on May 20, 2011 and will work with the April 2011 Production Year Month reporting time period.

Please visit <http://www.glo.texas.gov> for up-to-date information needed to be prepared for the 'Go Live' date. If you have any questions, call (512) 463-6850 or e-mail us at [glo123@glo.texas.gov](mailto:glo123@glo.texas.gov). Thank you.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

-----  
 Detach and return with payment

Reconciliation Billing

**APACHE CORPORATION**

Billing Date: 5/4/2011

Billing Due Date: 6/3/2011

**Customer Number: C000023272**

**Remit Payment To:**

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
11I00790	MF109134	\$0.00	\$64.10	\$25.00	\$8.87	\$97.97
11I00791	MF109134	\$0.00	\$849.94	\$131.03	\$6.11	\$987.08
11I00792	MF109134	\$129.58	\$0.00	\$25.00	\$17.51	\$172.09
11I00793	MF109134	\$1,217.40	\$0.00	\$350.00	\$32.07	\$1,599.47
Total Due		\$1,346.98	\$914.04	\$531.03	\$64.56	<b>\$2,856.61</b>
Amt. Paid						

Customer ID: C000023272  
 Invoice Number:  
 Glo Lease: MF109134  
 GLO Review: APACHE CORPORATION  
 Review Period: Dec-09

Auditor/AE: schou  
 Billing Date: 5/4/2011  
 P&I Calculation Date: 5/31/2011  
 Royalty Rate: 22.50%

Month / Year	(1) Oil Volume	(2) Tract Participation Rate	(3) Price	(4) Gross Value	(5) Royalty Due	(6) Royalty Paid
	(A)	(A)*.040625	(B)	(2)x(3)	(4)* Royalty Rate	
Dec-09	1153.00	47	\$74.480000	\$3,488.69	\$784.96	\$720.86
TOTALS	1153.00			\$3,488.69	\$784.96	\$720.86

COMMENTS: (A) VOLUME - REPRESENTS UNDER REPORTED OIL SALE VOLUME FROM RRC 08-39874( GIBS  
 (B) PRICE - OBTAINED FROM THE NYMEX PRICE LIST DUE TO NO GLO-1E PRODUCTION REPO  
 (C) SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPL

NOTE 1 : PAYMENT OF THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY ROYALTY PAYME  
 OR A WIRE, DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

NOTE 2: NEED TO FILE THE ORIGINAL GLO-1E PRODUCTION REPORTS.

ATTENTION: TISH HOPE

CERTIFIED MAIL: 70070710000053806293

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

	Due Before 10-1-75 and (Production Prior To 8-1-75)	Due After 10-1-75 and Before 9-1-85 (Production 8/1/75 -6/30/85)	Due After 9-1-85 (Production 7-1-85 through 12-31-2009)	Due After 2-26-2010 (Production 1-1-2010 through present)
<b>PENALTY (1) For delinquent royalty</b>	None	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00. For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00. For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
<b>For delinquent report, affidavit, or other document.</b>	None	\$5.00 per document for each 30- day period of delinquency	\$10 per document for each 30- day period of delinquency	\$10 per document for each 30- day period of delinquency
<b>INTEREST (2) • For delinquent royalty</b>	6% per year, simple; accrual begins 30 days after due date	6% per year, simple; accrual begins 30 days after due date	(3) 12% per year, simple; accrual begins 60 days after due date	(4) 4.25% per year, simple; accrual begins 60 days after due date

(1) Tex. Rev. Civ. Stat. Ann. Article 5069-1.03 and 31 TAC §9.7(b)(3)

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

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

(4) Per TAC 9.51 the interest rate on past due royalty is Wall Street Journal Prime plus 1%, to be adjusted annually.

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

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest, provided in 31 TAC §9.7(b)(3).

9

File No. MF-109134

Reconciliation 41

Date Filed: 5/4/11

Jerry E. Patterson, Commissioner

By [Signature]

**DO NOT DESTROY**

*Alamo*



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA12-219

**Unit Number** 5442  
**Operator Name** APACHE CORPORATION **Effective Date** 3/30/2012  
**Customer ID** C000023272 **Unitized For** Oil & Gas  
**Unit Name** Gibson 7 "C" #4 **Unit Term** 0 Months  
**County1** Glasscock  
**County 2** Old Unit Number Inactive Status Date  
**County 3** 0  
**RRC District:** 08 0  
**Unit Type:** Permanent 0  
**State Royalty Interest:** 0.0029953125 0  
**State Part in Unit:** 0.0133125000  
**Unit Depth** All **Well:** Unit  
**Below Depth** 0 **Formation:** Snravherr  
**Above Depth** 0 **Participation Basis:** Surface Acreage  
*[If Exclusions Apply: See Remarks]*

**MF Number** MF109134 **Tract Number** 2  
**Lease Acres** 2.13 / **Total Unit Acres** 160 =  
**Tract Participation:** 0.0133125 X  
**Lease Royalty** 0.225 = **Manual Tract Participation:**

	0
	0

**See Remarks**  
**Tract Royalty Participation** 0.0029953 **Manual Tract Royalty:**

	0
	0

<b>Tract Royalty Reduction</b>	No
<b>Tract Royalty Rate</b>	0
<b>Tract On-Line Date:</b>	

*API Number*

*RRC Number*

**Remarks:**

HROW Unit - Sprayberry etal

**Prepared By:**

B Boyd

**GLO Base Updated By:**

B Boyd

**RAM Approval By:**

J King

**GIS By:**

To

**Prepared Date:**

4-19-12

**GLOBase Date:**

4-23-20

**RAM Approval Date:**

5-2-2012

**GIS Date:**

5-15-2012

MF 109134

#9863

BOOK 183 PAGE 312

DECLARATION OF THE APACHE DEEPWATER LLC AND APACHE CORPORATION  
GIBSON 7 "C" UNIT #4 POOLED UNIT

State: Texas  
County: Glasscock  
Lessee: Apache Deepwater LLC , successor to Mariner Energy, Inc.  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

Lessee, named above, designates the following lands covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

160.00 acres, more or less, in the Southwest Quarter (SW/4) of Section 7, Block 33, Township 4 South, T&P Ry. Co. Survey, Glasscock County, Texas, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.

This Declaration and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessee, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed as of this 30<sup>TH</sup> day of JANUARY, 2012, but effective for all purposes as of the first date of production.

Apache Deepwater LLC  
Apache Corporation

*KMX* Timothy R. Custer  
Name: Timothy R. Custer  
Title: Attorney-in-Fact

STATE OF TEXAS §  
                                                          §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 30<sup>th</sup> day of January, 2012 by Timothy R. Custer, Attorney-in-Fact for Apache Deepwater LLC, a Delaware limited liability company, and Apache Corporation, a Delaware corporation, on behalf of said companies.

Kathrine Renee Johnson  
NOTARY PUBLIC FOR STATE OF TEXAS

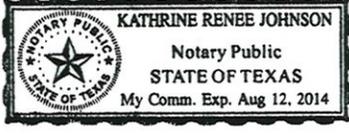


EXHIBIT "A"

Attached to and made part of Declaration of the Apache Deepwater LLC and Apache Corporation  
Gibson 7 "C" Unit #4

Date: April 14, 2008  
Recording: Book/Vol. 117, Page 376, Official Public Records of Glasscock County, Texas  
Lessor: **Barbara Harris Hall, Trustee, of the Barbara Harris Hall Trust, Under Trust Agreement Dated 5/11/1993**  
Lessee: Mariner Energy, Inc.

Date: July 1, 2008  
Recording: Book/Vol. 118, Page 815, Official Public Records of Glasscock County, Texas  
Lessor: **Commissioner of the General Land Office of the State of Texas**  
Lessee: Veritas 321 Energy Partners, LP  
Assignment: From Veritas 321 Energy Partners, LP to Mariner Energy, Inc., recorded at Book/Vol. 121, Page 731, Official Public Records of Glasscock County, Texas

Date: March 14, 2008  
Recording: Book/Vol. 119, Page 42, Official Public Records of Glasscock County, Texas  
Lessor: **Diane Harris Berger, dealing in her sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: **March 14, 2008**  
Recording: Book/Vol. 119, Page 47, Official Public Records of Glasscock County, Texas  
Lessor: **David E. Harris, dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: March 14, 2008  
Recording: Book/Vol. 119, Page 50, Official Public Records of Glasscock County, Texas  
Lessor: **Bryant A. Harris, Jr., dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

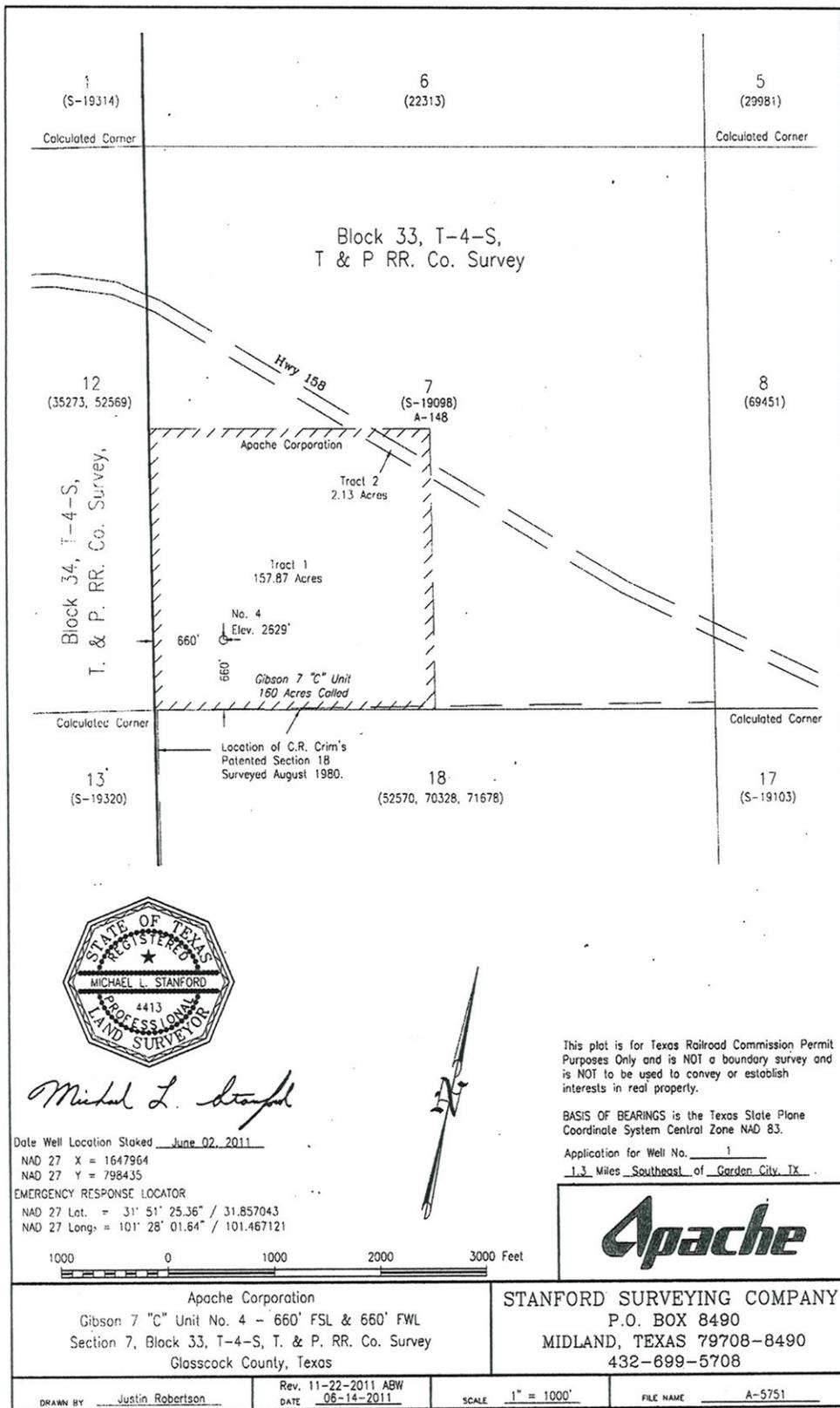
Date: February 6, 2008  
Recording: Book/Vol. 119, Page 55, Official Public Records of Glasscock County, Texas  
Lessor: **W.J. Gibson, Jr., dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: February 6, 2008  
Recording: Book/Vol. 119, Page 61, Official Public Records of Glasscock County, Texas  
Lessor: **W.J. Gibson, Jr., Attorney in Fact for Ethel C. Gibson, dealing in her sole and separate property**  
Lessee: Mariner Energy, Inc.



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

Attached to and made part of Declaration of the Apache Deepwater LLC and Apache Corporation  
Gibson 7 "C" Unit #4 Pooled Unit



CERTIFIED TRUE AND CORRECT COPY CERTIFICATE  
STATE OF TEXAS  
COUNTY OF GLASSCOCK

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the PUBLIC RECORDS of my office, found in VOL. 183, PAGE 312

I hereby certified on March 30, 2012  
REBECCA BATLA, COUNTY & DISTRICT CLERK  
GLASSCOCK COUNTY, TEXAS.  
BY Mona Wilde DEPUTY



BOOK 183 PAGE 314

FILED  
AT 1:30 O'CLOCK P M  
ON THE 31 DAY OF Jan  
A.D., 2012  
INS. NO. 9863

Rebecca Batla  
COUNTY CLERK, GLASSCOCK COUNTY, TEXAS  
BY Mona Wilde  
DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.

Rebecca Batla  
County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
VOL. 183 PAGE 312  
RECORDED Jan 31, 2012

True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office  
Page 312 of 3



# OIL AND GAS DIVISION ORDER

Date: 03/29/2012

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

01588301/00001.1  
GIBSON #4,6-7C ALL

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

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

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

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.**

**SIGN AND RETURN COPY**

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O

\_\_\_\_\_  
OWNER TELEPHONE NUMBER

0085439001

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 3/29/2012

Property: 01588301/00001 GIBSON #4,6-7C ALL  
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 023828

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0085439001 STATE OF TEXAS	(RI) - ROYALTY INTEREST	01	0.00299531	5/1/2011

**Legal Description:**

TX GLASSCOCK T&P RR CO ABST/ID# 148 Twsp 4S Blk 33 Sec 7 QQ SW



**DO NOT DESTROY**

*Alamo*



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

PA12-218

**Unit Number** 5441  
**Operator Name** APACHE CORPORATION **Effective Date** 3/30/2012  
**Customer ID** C000023272 **Unitized For** Oil & Gas  
**Unit Name** Gibson 7 "B" Unit 3 **Unit Term** 0 Months  
**County 1** Glasscock  
**County 2** Old Unit Number Inactive Status Date  
**County 3** 0  
**RRC District:** 08 0  
**Unit Type:** Permanent 0  
**State Royalty Interest:** 0.0118828125 0  
**State Part in Unit:** 0.0528125000  
**Unit Depth** All **Well:** Unit  
**Below Depth** 0 **Formation:** Sprabherrv  
**Above Depth** 0 **Participation Basis:** Surface Acreage  
*[If Exclusions Apply: See Remarks]*

**MF Number** MF109134 **Tract Number** 2  
**Lease Acres** 8.45 / **Total Unit Acres** 160 =  
**Tract Participation:** 0.0528125 X  
**Lease Royalty** 0.225 = **Manual Tract Participation:**  0 **See Remarks**  
**Tract Royalty Participation** 0.0118828 **Manual Tract Royalty:**  0

<b>Tract Royalty Reduction</b>	No
<b>Tract Royalty Rate</b>	0
<b>Tract On-Line Date:</b>	

**API Number**  
421733430700

**RRC Number**  
0

**Remarks:**

HROW Unit - Spraberry etal

**Prepared By:**

B. Boyd

**GLO Base Updated By:**

B. Boyd

**RAM Approval By:**

JK

**GIS By:**

TO

**Prepared Date:**

4-19-12

**GLOBase Date:**

4-23-12

**RAM Approval Date:**

5-2-2012

**GIS Date:**

5-15-2012

#9864

DECLARATION OF THE APACHE DEEPWATER LLC AND APACHE CORPORATION  
GIBSON 7 "B" UNIT #3 POOLED UNIT

State: Texas  
County: Glasscock  
Lessee: Apache Deepwater LLC, successor to Mariner Energy, Inc.  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

Lessee, named above, designates the following lands covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

160.0 acres, more or less, in the Southeast Quarter (SE/4) of Section 7, Block 33, Township 4 South, T&P Ry. Co. Survey, Glasscock County, Texas, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.

This Declaration and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessee, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed as of this 30<sup>th</sup> day of JANUARY, 2012, but effective for all purposes as of the date of first production.

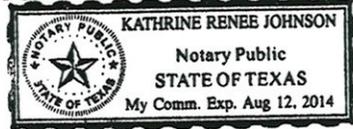
Apache Deepwater LLC  
Apache Corporation

*Kms*  
Timothy R. Custer  
Name: Timothy R. Custer  
Title: Attorney-in-Fact

STATE OF TEXAS           §  
                                          §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on the 30<sup>th</sup> day of January, 2012 by Timothy R. Custer, Attorney-in-Fact for Apache Deepwater LLC, a Delaware limited liability company, and Apache Corporation, a Delaware corporation, on behalf of said companies.

Kathrine Renee Johnson  
NOTARY PUBLIC FOR STATE OF TEXAS



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

EXHIBIT "A"

Attached to and made part of Declaration of the Apache Deepwater LLC and Apache Corporation  
Gibson 7 "B" Unit #3

Date: April 14, 2008  
Recording: Book/Vol. 117, Page 376, Official Public Records of Glasscock County, Texas  
Lessor: **Barbara Harris Hall, Trustee, of the Barbara Harris Hall Trust, Under  
Trust Agreement Dated 5/11/1993**  
Lessee: Mariner Energy, Inc.

Date: July 1, 2008  
Recording: Book/Vol. 118, Page 815, Official Public Records of Glasscock County, Texas  
Lessor: **Commissioner of the General Land Office of the State of Texas**  
Lessee: Veritas 321 Energy Partners, LP  
Assignment: From Veritas 321 Energy Partners, LP to Mariner Energy, Inc., recorded at  
Book/Vol. 121, Page 731, Official Public Records of Glasscock County, Texas

Date: March 14, 2008  
Recording: Book/Vol. 119, Page 42, Official Public Records of Glasscock County, Texas  
Lessor: **Diane Harris Berger, dealing in her sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: **March 14, 2008**  
Recording: Book/Vol. 119, Page 47, Official Public Records of Glasscock County, Texas  
Lessor: **David E. Harris, dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: March 14, 2008  
Recording: Book/Vol. 119, Page 50, Official Public Records of Glasscock County, Texas  
Lessor: **Bryant A. Harris, Jr., dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: February 6, 2008  
Recording: Book/Vol. 119, Page 55, Official Public Records of Glasscock County, Texas  
Lessor: **W.J. Gibson, Jr., dealing in his sole and separate property**  
Lessee: Mariner Energy, Inc.

Date: February 6, 2008  
Recording: Book/Vol. 119, Page 61, Official Public Records of Glasscock County, Texas  
Lessor: **W.J. Gibson, Jr., Attorney in Fact for Ethel C. Gibson, dealing in her sole  
and separate property**  
Lessee: Mariner Energy, Inc.



True and correct copy  
of original filed in the  
Glasscock County  
Clerks Office

#3220

BOOK 115 PAGE 815

HROW Lease  
Revised 8/06

# The State of Texas



Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (109134)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and Veritas 321 Energy Partners, LP, whose address is PO Box 173, Midland, TX 79702 hereinafter called "Lessee".

1. Lessor, in consideration of **Four Thousand Three Hundred Thirty Five 00/100 (\$ 4,335.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Glasscock** State of Texas, and is described as follows:

**17.34 acres** of land, more or less, known as, situated in said **Glasscock** County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **17.34 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three year, from July 1st, 2008** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. **ROYALTIES:** As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **22.5%** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **22.5%** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **22.5%** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **22.5%** of such gas and casing head gas.

(c) If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred

(d) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee.

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$ 25.00. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

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 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, the 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. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within

the unit, which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced there from under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation, which this lease is included within ninety (90) days of such designation.

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

9. FORCE MAJEURE: If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

10. LESSER ESTATE CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All transfers must reference the lease by file number and must be recorded in the county where the land covered hereby is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee 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 transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. FORFEITURE: If Lessee shall fail or refuse to make payment of any sum within thirty (30) 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, or 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 this lease is pooled or assigned and the unit designation or 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. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights there under 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.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: RR

DC: CD

CC: [Signature]

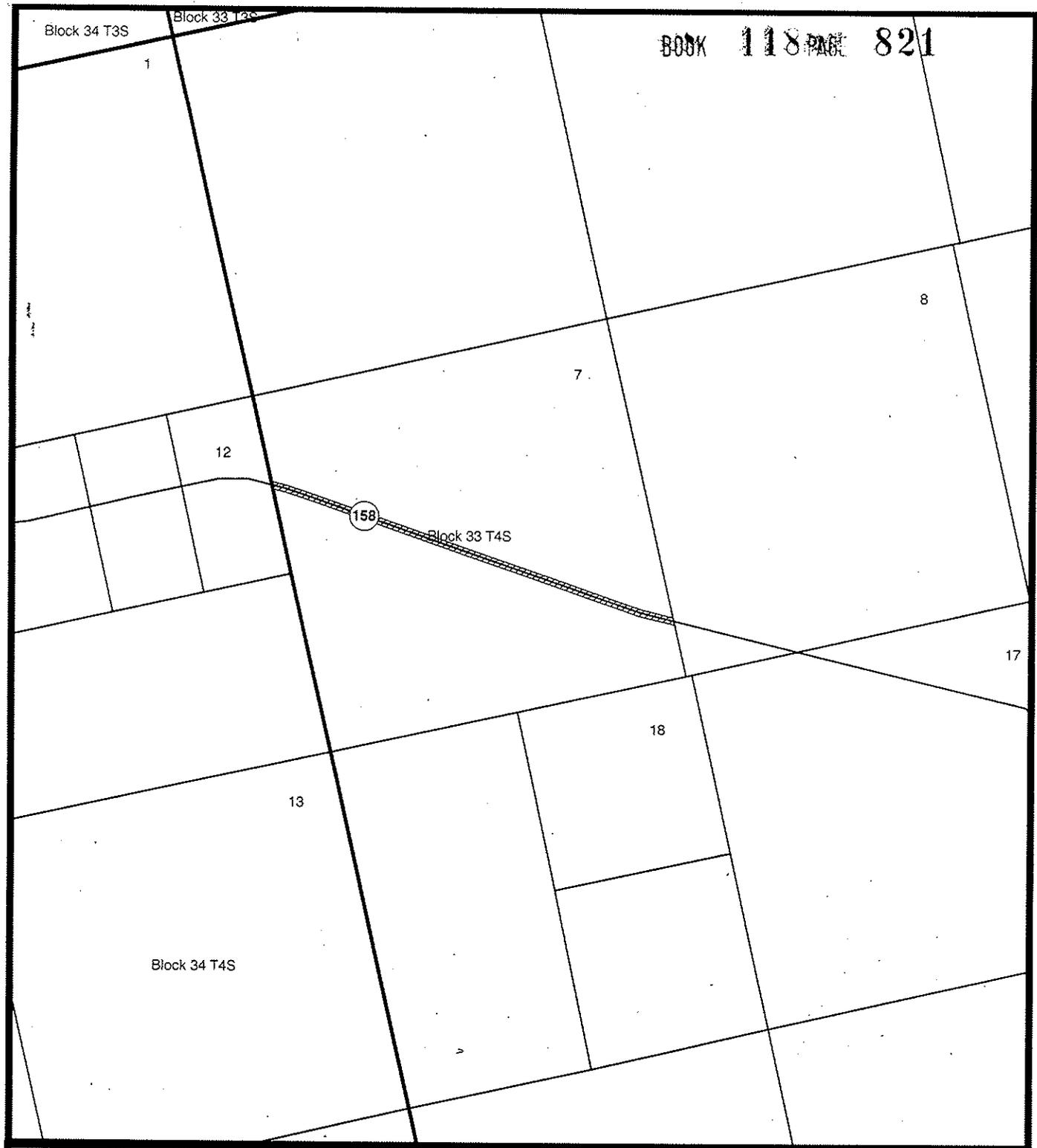
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated July 1st, 2008, by and between the State of Texas, as lessor, and Veritas 321 Energy Partners, LP, as lessee, covering acreage to be leased in Glasscock County, Texas, being part of State Highway 158.

17.34 acres of land, more or less, situated in Section 7 of the T&P RR Co. Block 33. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Glasscock County, Texas:

Deed from Steve Calverley and wife Ethel to  
the State of Texas  
dated 12/8/1941 and recorded in Vol. 52 P.  
14 of the Deed of Records, Glasscock  
County.

OPK 118



Map Showing  
 A portion of State Highway 158  
 17.34 acres  
 Approximately 1/2 mile east of Garden City  
 Glasscock County  
 ft\07-08

NAD\_1927\_Albers  
 Projection: Albers  
 False\_Easting: 0.000000  
 False\_Northing: 0.000000  
 Central\_Meridian: -100.000000  
 Standard\_Parallel\_1: 28.000000  
 Standard\_Parallel\_2: 35.000000  
 Latitude\_Of\_Origin: 31.000000

GCS\_North\_American\_1927  
 0 1,000 2,000 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on the map or the data from which it was produced. This map is NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Compiled By:  
 Ferrel Taylor  
 Information Systems - GIS  
 July 1, 2008

152

**FILED**  
 AT 11:00 O'CLOCK A M.  
 ON THE 23 DAY OF July  
 A.D., 2008  
 INS. NO. 3220

Rebecca Batla  
 COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY [Signature]  
 DEPUTY

STATE OF TEXAS  
 COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Batla  
 County Clerk, Glasscock County, Texas

OFFICIAL PUBLIC RECORDS  
 VOL. 118 PAGE 815  
 RECORDED July 23, 2008

#241  
BOOK 127 PAGE 445  
**CORRECTED ASSIGNMENT OF OIL AND GAS LEASE**

State: TEXAS  
County: GLASSCOCK  
Assignor: VERITAS 321 ENERGY PARTNERS, L.P.,  
P.O. BOX 173, MIDLAND, TX 79701  
Assignee: MARINER ENERGY, INC.  
2000 W. SAM HOUSTON PKWY. SOUTH, STE. 2000,  
HOUSTON, TX 77042-3622  
Date: JANUARY 26, 2009

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor, named above, assigns and conveys to Assignee, named above, the Oil and Gas Leases described in Exhibit "A" to this Assignment (the "Leases") covering lands located in the county and state named above, which lands are also described in Exhibit "A" to this Assignment. Exhibit "A" to this Assignment is incorporated into this Assignment for all purposes.

This Assignment is made without warranty of title, express or implied, except as to claims arising by, through or under Assignor. Assignor represents and warrants that it has not sold, mortgaged, or otherwise encumbered the Leases or any portion thereof.

Without further consideration, Assignor agrees to execute and delivery to Assignee such other instruments of conveyance and take such other actions as Assignee may reasonably request to give effect to the transfer of the Leases to Assignee and to evidence same on the records of Glasscock County, Texas.

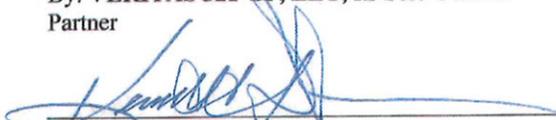
THIS INSTRUMENT SHALL REPLACE AND SUPERSEDE THAT CERTAIN ASSIGNMENT OF OIL & GAS LEASE EFFECTIVE SEPTEMBER 11, 2008 BY AND BETWEEN VERITAS 321 ENERGY PARTNERS, LP, AND MARINER ENERGY, INC., RECORDED IN VOLUME 121, PAGE 731, OPR, GLASSCOCK COUNTY, TEXAS.

This Assignment is executed by Assignor as of the date stated above.

Assignor

**VERITAS 321 ENERGY PARTNERS, LP**

By: **VERITAS 321 GP, LLC**, Its Sole General Partner

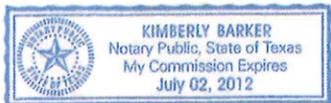
  
Kenneth C. Dickeson, Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 29th day of JANUARY 2009, by Kenneth C. Dickeson, as Vice President of Veritas 321 GP, LLC, Sole General Partner of Veritas 321 Energy Partners, LP, a Texas Limited Partnership, on behalf of said Partnership.



  
Notary Public, State of Texas

My Commission Expires: 7/2/2012

## Exhibit "A"

Attached and made part of that certain Assignment, effective January 26, 2009, by and between Veritas 321 Energy Partners, L.P. and Mariner Energy, Inc.

**Lessor:** The Commissioner of the General Land Office of the State of Texas  
**Lessee:** Veritas 321 Energy Partners, L.P.  
**Effective Date:** July 1, 2008  
**County:** Glasscock County, Texas  
**Vol./Pg.:** 118/815  
**Lands covered:** Being part of State Highway 158, described as follows:

17.34 acres of land, more or less, situated in Section 7, of the T&P RR Co. Block 33, Township 4 South. Said lands also being the same lands described in the following Deed of Records, Glasscock County, Texas:

Deed from Steve Calverley and wife Ethel to the State of Texas dated 12/8/1941 and recorded in Vol. 52, P. 14 of the Deed of Records, Glasscock County.

**FILED**  
 AT 10:00 O'CLOCK A M  
 ON THE 5 DAY OF February  
 A.D., 2009  
 INS. NO. 241

Rebecca Batla  
 COUNTY CLERK, GLASSCOCK COUNTY, TEXAS

BY Carrie Hill DEPUTY

STATE OF TEXAS  
COUNTY OF GLASSCOCK

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the named RECORDS of Glasscock County, Texas, as stamped hereon by me.



Rebecca Batla  
 County Clerk, Glasscock County, Texas

## OFFICIAL PUBLIC RECORDS

VOL. 127 PAGE 446  
 RECORDED February 5, 2009

**Well Permit Details**

Buy a faxed copy of the original permit and plat - [Find research services](#)

Report a Problem

View permit: [PDF Document 1](#)

<b>API #:</b> 42-173-34307	<b>Purpose for Filing:</b> Drill,
<b>Permit #:</b> 718507	<b>Received:</b> Unknown
<b>Rule 37 Case:</b>	<b>Issued:</b> 06/17/2011

<b>RRC Operator #:</b> 27200	<b>Lease Name:</b> GIBSON 7B
<b>Operator Name:</b> APACHE CORPORATION	<b>RRC Lease ID #:</b>
<b>Operator Address:</b> ATTN ELAINE RUEDA 2000 POST OAK BLVD STE 100 HOUSTON, TX 77056	<b>Well #:</b> 3
	<b>Total Depth:</b> 11000

<b>District #:</b> 8	<b>County:</b> Glasscock		
<b>Section:</b> 7	<b>Block:</b> 33	<b>Survey:</b> T&P RR CO	<b>Abstract:</b> 148
	T4S		
<b>Located:</b> 1.3 miles in a SE direction from GARDEN CITY.			
<b>Contiguous acres in lease:</b> 160.0			

<b>Lease/Unit Perpendiculars:</b> 660.0' WEST & 1072.0' NORTH
<b>Survey Section Perpendiculars:</b> 1576.0' SOUTH & 1984.0' EAST

**Fields**

Field Name	Field Number	Permit Type
SPRABERRY (TREND AREA)	85280300	(Oil/Gas)
GARDEN CITY, S. (WOLFCAMP)	33998500	(Oil/Gas)
GARDEN CITY, NW (STRAWN)	33997700	(Oil)
JAILHOUSE (FUSSELMAN)	45484200	(Oil)

<b>Is this a pooled unit?</b> No	<b>Substandard Acreage?</b> No
<b>Rule 36 (Hydrogen Sulfide area)?</b> Yes	<b>Form h-9 filed?</b> No

<b>Name/Title:</b> RONDA WHITE	<b>Remarks:</b> DI USE: 1B,2,3,6
<b>Phone Number:</b> 432-818-1025	

<b>Latitude:</b> 31.861250	<b>Longitude:</b> -101.459625
----------------------------	-------------------------------

[Back](#)

[products & features](#) | [events & training](#) | [company](#) | [contact](#) | [about](#)

© 2012 Drilling Info, Inc. All rights reserved. All data and information is provided "As Is" and subject to the [DI subscription agreement](#).

#11

File No. MF109134  
#5441 Wilson 7" B"  
Leite 3

Date Filed: 4-19-12  
Jerrv E. Patterson, Commissioner

By: *RP Boyd*

# RAILROAD COMMISSION OF TEXAS

MF 109134 HRow  
Unit 4716

Tracking No.: 56788  
Status: Submitted

Oil and Gas Division  
This facsimile W-2 was generated electronically  
from data submitted to the RRC.

API No. 42- 173-34617

7. RRC District No.  
08

## Oil Well Potential Test, Completion or Recompletion Report, and Log

8. RRC Lease No.  
39874

1. FIELD NAME (as per RRC Records or Wildcat)  
SPRABERRY (TREND AREA)

2. LEASE NAME  
GIBSON 7

9. Well No.  
1B

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)  
APACHE CORPORATION

RRC Operator No.  
027200

10. County of well site  
GLASSCOCK

4. ADDRESS

ATTN JO SHIPMAN STE 3000 303 VETERANS AIRPARK LANE MIDLAND, TX 79705-0000

11. Purpose of filing  
Initial Potential   
Retest   
Reclass   
Well record only  
(Explain in remarks)

5. If Operator has changed within last 60 days, name former operator

6a. Location (Section, Block, and Survey)

7, 33 T4S, T&P RR CO SVY, A-148

6b. Distance and direction to nearest town in this county.

0.7 MILE NE OF GARDEN CITY

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.  
FIELD & RESERVOIR

N/A

GAS ID or  
OIL LEASE #

Oil-O  
Gas-G

Well #

13. Type of electric or other log run  
Neutron logs

14. Completion or recompletion date  
04/03/2012

### SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

15. Date of test 06/11/2012	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump) Pumping			18. Choke size
19. Production during Test Period	Oil - BBLS 107.0	Gas - MCF 59	Water - BBLS 533	Gas - Oil Ratio 551	Flowing Tubing Pressure PSI
20. Calculated 24-Hour Rate	Oil - BBLS 107.0	Gas - MCF 59	Water - BBLS 533	Oil Gravity-API-60° 42.0	Casing Pressure PSI
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) 535.0		23. Injection Gas-Oil Ratio	
REMARKS: N/A					

**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 TESTERS 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

#### 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.

Type or printed name of operator's representative

(432) 818-1181 EXT 1181      10/24/2012

Telephone: Area Code      Number      Month      Day      Year

Title of Person

Keisha Stark

Signature

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)							
24. Type of Completion New Well <input checked="" type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other <input type="checkbox"/>				25. Permit to Drill, Plug Back or Deepen DATE 01/19/2012 PERMIT NO. 728636 Rule 37 Exception CASE NO.		DATE	
26. Notice of Intention to Drill this well was filed in Name of <b>APACHE CORPORATION</b>				Water Injection Permit PERMIT NO.		PERMIT NO.	
27. Number of producing wells on this lease in this field (reservoir) including this well 2		28. Total number of acres in this lease 160.0		Salt Water Disposal Permit PERMIT NO.		PERMIT NO.	
29. Date Plug Back, Deepening, Workover or Drilling Operations: Commenced 03/02/2012 Completed 03/12/2012		30. Distance to nearest well, Same Lease & Reservoir 1564.0		Other PERMIT NO.			
31. Location of well, relative to nearest lease boundaries 660.0 Feet From West Line and 959.0 Feet from North Line of the GIBSON 7 Lease				32. Elevation (DF, RKB, RT, GR ETC.) 2628 GL		33. Was directional survey made other than inclination (Form W-12)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
34. Top of Pay 7443	35. Total Depth 10394	36. P. B. Depth 10196	37. Surface Casing Determined by Field Rules <input type="checkbox"/>	Recommendation of T.D.W.R. Railroad Commission (Special) <input checked="" type="checkbox"/>	Dt. of Letter 11/14/2011		
38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR N/A				GAS ID or OIL LEASE #	Oil-G Gas-G	Well #	
40. Intervals Drilled by: Rotary Tools <input checked="" type="checkbox"/> Cable Tools	41. Name of Drilling Contractor PIONEER DRILLING				42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13 3/8	48.0	425		C 600	17 1/2	0	561.0
8 5/8	32.0	3228		C 850	11	0	1769.0
5 1/2	17.0	10394		C 1100	7 7/8	3730	2013.0

44. LINER RECORD				
Size	Top	Bottom	Sacks Cement	Screen
N/A				

45. TUBING RECORD			46. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2 3/8	7332		7443	10062
			From	To
			From	To
			From	To

47. ACHD, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		
Depth Interval		Amount and Kind of Material Used
7443.0	7623.0	57,600 GAL SLICK WATER & 34,600 GAL 10# X-LINK & 88,600# 20/40 WHITE SAND
7680.0	7852.0	72,000 GAL SLICK WATER, 42,500 GAL 10# X-LINK GEL, WITH 108,875# 20/40 WHITE SAND
7900.0	8161.0	83,000 GAL SLICK WATER, 24,000 GAL 10# X-LINK GEL, WITH 72,500# 20/40 WHITE SAND
8206.0	8472.0	122,500 GAL USING 10# X-LINK & 91,750# 20/40 WHITE SAND
8496.0	8791.0	75,500 GAL USING 10# X-LINK & 72,500# 20/40 WHITE SAND
9525.0	9780.0	58,000 GALS. 10# X-LINK GEL WITH 22,375# SUPER LC 20/40 SAND
9807.0	10062.0	43,000 GALS. 10# X-LINK GEL WITH 16,500# SUPER LC SAND
10206.0	10226.0	SET CIBP AT 10226 AND CEMENTED TO 10206
10256.0	10266.0	SPOT 1000GALS. 15% NEFE

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
WOLFCAMP	6880.0		

Formations	Depth	Formations	Depth
STRAWN	9520.0		
ELLENBURGER	10309.0		
REMARKS: 7443-8791 SPRABERRY (TREND AREA) PERFS 9525-10062 GCNW (STRAWN) PERFS			

Tracking No.: 56788

*This facsimile L-1 was generated electronically from data submitted to the RRC.*

**Instructions**

**When to File Form 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 for confidentiality has not yet expired.

**When is Form L-1 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 or geothermal wells
- with Form W-3 for plugging of other than a dry hole

**Where to File Form L-1:**

- with the appropriate Commission district office

**Filling out Form 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 log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

**SECTION I. IDENTIFICATION**

Operator Name: APACHE CORPORATION	District No. 08	Completion Date: 04/03/2012
Field Name: SPRABERRY (TREND AREA)	Drilling Permit No. 728636	
Lease Name: GIBSON 7	Lease/ID No. 39874	Well No. 1B
County: GLASSCOCK	API No. 42- 173-34617	

**SECTION II. LOG STATUS (Complete either A or B)**

A. BASIC ELECTRIC LOG NOT RUN

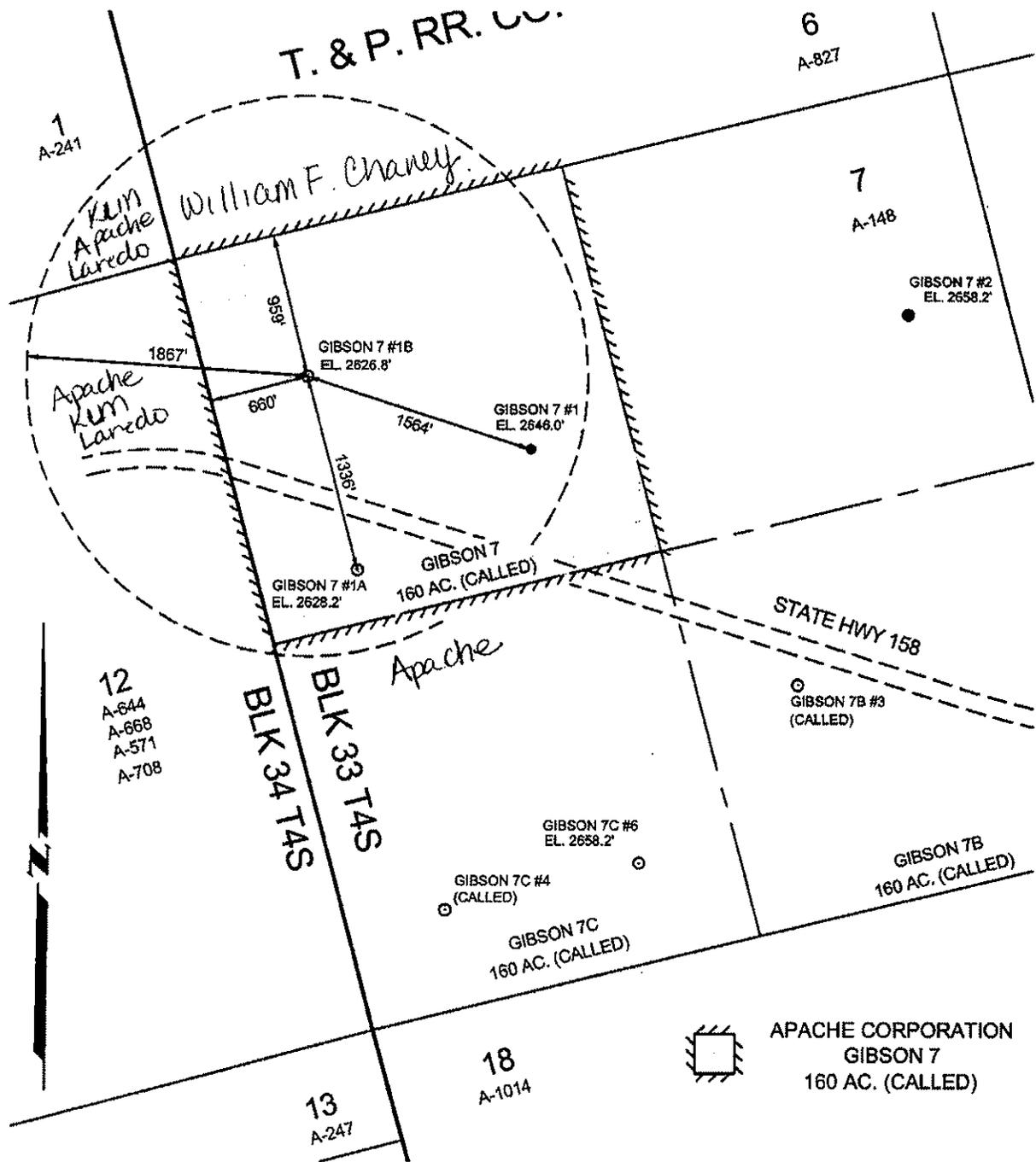
B. BASIC ELECTRIC LOG RUN. (Select one)

- 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- 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). \_\_\_\_\_

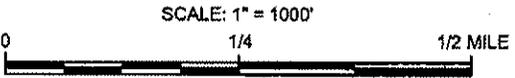
Keisha Stark  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title  
(432) 818-1181 EXT 1181  
\_\_\_\_\_  
Phone  
10/10/2012  
\_\_\_\_\_  
Date

-FOR RAILROAD COMMISSION USE ONLY-



WELL COORDINATES					
WELL	SPC 27 X	SPC 27 Y	NAD27 LAT	NAD27 LON	ELEV.
GIBSON 7 #1B	1647050.7	801998.1	31°52'00.520" N.	101°28'12.648" W.	2626.8'



DATUM: NAD27 - TEXAS CENTRAL ZONE (FT.)

THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.

NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE/MINERAL FEE OWNERSHIP OR LESSOR.

I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*Albert E. Fuller*

ALBERT E. FULLER  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842  
 3600 W. Baumann  
 Midland, TX 79703  
 Cell - (432) 559-6748  
 Email - al@aefuller.com

APACHE CORPORATION	
GIBSON 7 #1B	
959' FNL & 660' FWL	
SECTION 7, BLOCK 33, T-4-S	
T. & P. RR. CO - ABSTRACT A-148	
GLASSCOCK COUNTY, TEXAS	
REV. 11/03/2011	JSGS QUAD: GARDEN CITY, TX

BARRY T. SMITHERMAN, CHAIRMAN  
DAVID PORTER, COMMISSIONER  
BUDDY GARCIA, COMMISSIONER



GIL BUJANO, P.E.  
ACTING DIRECTOR, OIL AND GAS DIVISION

# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

June 11, 2012

APACHE CORPORATION  
ATTN: REGULATORY DEPARTMENT  
2000 POST OAK BLVD STE 100  
HOUSTON TX 77056

RE: **APPLICATION FOR EXCEPTION TO SWR 10**  
LEASE: GIBSON 7  
WELL NO. 1B  
GLASSCOCK COUNTY, DISTRICT 08, TEXAS  
API NO. 173-34617

FIELD NAME	FIELD NO.
SPRABERRY (TREND AREA)	85280300
GARDEN CITY, NW (STRAWN)	33997700

**HYDROGEN SULFIDE RESTRICTION: NO**

The Commission has approved your application to down-hole commingle production within the above-referenced wellbore from the SPRABERRY (TREND AREA); and GARDEN CITY, NW (STRAWN) fields in GLASSCOCK County, Texas. For allowable and reporting purposes, the well will be assigned to the **SPRABERRY (TREND AREA)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is June 01, 2012. This exception to SWR 10 will expire if not used within two (2) years from the date of this permit. This expiration date is June 12, 2014.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the **SPRABERRY (TREND AREA)** field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.

Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

Permit conditions:

The completion report for the commingled well must indicate which perforations belong to which field. The Commission may also require a wellbore diagram to be filed with the completion report for the commingled well. If filed, the wellbore diagram must indicate which perforations belong to which field.

Note: The distribution of this document will be by E-MAIL ONLY. E-mail sent to keisha.stark@apachecorp.com.

If you have any questions, you may contact the engineering unit in the Austin office at 512-475-2307.

RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION

Form W-12  
(1-1-71)  
FOD1296

<b>INCLINATION REPORT</b> (One Copy Must Be Filed With Each Completion Report)		6. RRC District 08
		7. RRC Lease Number (Oil completions only) 39874
1. FIELD NAME (as per RRC Records or Wildcat) Spraberry (Trend Area)	2. LEASE NAME Gibson 7	8. Well Number 1B
3. OPERATOR Apache Corporation		9. RRC Identification Number (Gas completions only)
4. ADDRESS 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705		10. County Glasscock
5. LOCATION (Section, Block, and Survey) Sec 7 BIK 33T4S A-148, T&P RR Co SVU		

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)
250	250	0.50	0.87	2.17	2.17
383	133	0.50	0.87	1.15	3.32
425	42	0.50	0.87	0.36	3.68
633	208	0.25	0.44	0.91	4.59
1583	950	0.75	1.31	12.44	17.03
1833	250	1.00	1.75	4.37	21.40
2083	250	0.75	1.31	3.27	24.67
2233	150	0.50	0.87	1.30	25.97
2483	250	0.50	0.87	2.17	28.14
2733	250	0.75	1.31	3.27	31.41
2983	250	0.50	0.87	2.17	33.58
3186	203	0.75	1.31	2.65	36.23
3436	250	0.75	1.31	3.27	39.50
3681	245	1.00	1.75	4.28	43.78
3934	253	1.00	1.75	4.42	48.20

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 10394 feet = 255.47 feet.
- \*19. Inclination measurements were made in -  Tubing  Casing  Open hole  Drill Pipe
20. Distance from surface location of well to the nearest lease line 660 feet.
21. Minimum distance to lease line as prescribed by field rules 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.)

<p><b>INCLINATION DATA CERTIFICATION</b></p> <p>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.</p> <p><u>Charles Walsh</u> Signature of Authorized Representative</p> <p><u>Charles Walsh, Division Manager</u> Name of Person and Title (type or print)</p> <p><u>Pioneer Drilling Company</u> Name of Company</p> <p>Telephone: <u>(432) 684-7360</u> Area Code</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><u>Sherene Starr</u> Signature of Authorized Representative</p> <p><u>Sherene Starr - Drlg Tech</u> Name of Person and Title (type or print)</p> <p><u>Apache Corporation</u> Operator</p> <p>Telephone: <u>432-818-1000</u> Area Code</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Railroad Commission Use Only:

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination 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) <b>Apache Corporation.</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>Glasscock</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Spraberry (Trend Area)</b>	6. API No. <b>42-173-34617</b>	7. Drilling Permit No. <b>728636</b>	
8. Lease Name <b>Gibson 7</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>39874</b>	11. Well No. <b>1B</b>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		<b>03/02/12</b>					
13. • Drilled hole size		<b>17 1/2"</b>					
• Est. % wash or hole enlargement		<b>100</b>					
14. Size of casing (in. O.D.)		<b>13 3/8"</b>					
15. Top of liner (ft.)		<b>Surface</b>					
16. Setting depth (ft.)		<b>425'</b>					
17. Number of centralizers used		<b>7</b>					
18. Hrs. waiting on cement before drill-out		<b>17</b>					
1st Slurry	19. API cement used: No. of sacks ▶	<b>425</b>					
	Class ▶	<b>C</b>					
	Additives ▶	<b>2% CaCl<sub>2</sub></b>					
2nd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶	<b>561</b>					
	Height (ft.) ▶	<b>807'</b>					
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	<b>561</b>					
	Height (ft.) ▶	<b>807'</b>					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		<b>NO</b>					

22. Remarks  
**Did not Circulate Cement, and then Topped Off with 175sx C Neat.**

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 the well as shown in this 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.

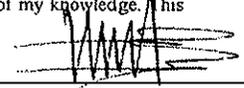
**Serge Manfoumbi, Specialist**

Name and title of cementer's representative

**Basic Energy Services**

Cementing Company

Signature



**P O Box 10451**

Address

**Midland**

City

**TX**

State

**79702**

Zip Code

**432-687-1994**

Tel.: Area Code

Number

**03/06/12**

Date: mo. Day yr.

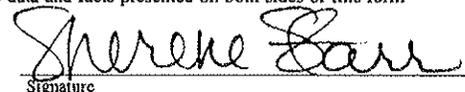
OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that the data and facts presented on both sides of this form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

**Sherene Starr**

Typed or printed name of operator's representative

**DrlgTech**

Title



Signature

**303 Veteran's Airpark Ln #3000**

Address

City

State

Zip Code

**432-818-1000**

Tel.: Area Code

Number

**4-18-12**

Date: mo. Day yr.

**Midland, TX 79705**

### 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 country 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.

Cementor: 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) <b>Apache Corp.</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>Glasscock</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Spraberry (trend area)</b>		6. API No. <b>42-173-34617</b>	7. Drilling Permit No. <b>728636</b>
8. Lease Name <b>Gibson 7</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>39874</b>	11. Well No. <b>1B</b>

CASING CEMENTING DATA:			SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
					Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date				<b>03/05/12</b>				
13. • Drilled hole size				<b>11"</b>				
• Est. % wash or hole enlargement				<b>30</b>				
14. Size of casing (in. O.D.)				<b>8 5/8"</b>				
15. Top of liner (ft.)								
16. Setting depth (ft.)				<b>3228'</b>				
17. Number of centralizers used				<b>26</b>				
18. Hrs. waiting on cement before drill-out				<b>13.5</b>				
1st Slurry	19. API cement used: No. of sacks ▶			<b>600</b>				
	Class ▶			<b>50/50 Poz C</b>				
	Additives ▶			<b>See Remarks</b>				
2nd Slurry	No. of sacks ▶			<b>250</b>				
	Class ▶			<b>50/50 Poz C</b>				
	Additives ▶			<b>See Remarks</b>				
3rd Slurry	No. of sacks ▶							
	Class ▶							
	Additives ▶							
1st	20. Slurry pumped: Volume (cu. ft.) ▶			<b>1446</b>				
	Height (ft.) ▶			<b>5688'</b>				
2nd	Volume (cu. ft.) ▶			<b>323</b>				
	Height (ft.) ▶			<b>1271'</b>				
3rd	Volume (cu. ft.) ▶							
	Height (ft.) ▶							
Total	Volume (cu. ft.) ▶			<b>1769</b>				
	Height (ft.) ▶			<b>6959'</b>				
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?				<b>Yes</b>				
22. Remarks <b>Lead: 600sx 50/50/10 Poz C w/5%Salt, 1/4ppsCelloflake, 2/10%C-41P.</b> <b>Tail: 250sx 50/50/2 Poz C w/5%Salt, 2/10%C-41P</b> <b>Circulated 175sx to pit,</b>								

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 the well as shown in this 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.

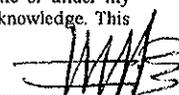
**Serge Manfoumbi, Specialist**

**Basic Energy Services**

Name and title of cementer's representative

Cementing Company

Signature



**P O Box 10451**

**Midland**

**TX**

**79702**

**432-687-1994**

**03/05/12**

Address

City

State

Zip Code

Tel.: Area Code

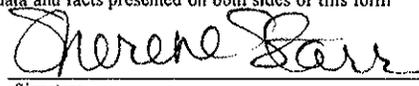
Number

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 the 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.

**Sherene Starr**

**Drilg Tech**



Typed or printed name of operator's representative

Title

Signature

**303 Veteran's Airpark Ln # 3000**

**432-818-1000**

**4-18-12**

Address

City

State

Zip Code

Tel.: Area Code

Number

Date: mo. Day yr.

**Midland, TX 79705**

### 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 country 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.

Cementor: 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) <b>APACHE CORPORATION</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>GLASSCOCK</b>
5. Field Name (Wildcat or exactly as shown on RRC Records) <b>SPRABERRY (Trend Area)</b>		6. API No. <b>42-173-34617</b>	7. Drilling Permit No. <b>728636</b>
8. Lease Name <b>GIBSON 7</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>39874</b>	11. Well No. <b>1B</b>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date				3/12/12			
13. • Drilled Hole Size				7.875			
• Est. % wash or hole enlargement				30			
14. Size of casing (in. O.D.)				5.5			
15. Top of liner (ft.)				—			
16. Setting depth (ft.)				10,394			
17. Number of centralizers used				60			
18. Hrs. Waiting on cement before drill-out				—			
1 <sup>st</sup> Slurry	19. API cement used: No. of sacks ▶			400			
	Class ▶			50:50 POZ/H			
	Additives ▶			22A			
2 <sup>nd</sup> Slurry	No. of sacks ▶			700			
	Class ▶			50:50 POZ/H			
	Additives ▶			23A			
3 <sup>rd</sup> Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶			1124			
	Height (ft.) ▶			6487			
2nd	Volume (cu. ft.) ▶			889			
	Height (ft.) ▶			5131			
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶			2013			
	Height (ft.) ▶			11618			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing ?				NO			
22. Remarks: A: 0.005#/SK STATIC FREE, 25#/SK CELLO-FLAKE, 10% GEL, 3#/sk Icm-I, .8% SMS, .95% R-3							
23. Remarks: A: 0.005#/SK STATIC FREE, 1% SALT, .35% FL-52, 2% GEL							

CEMENTING TO PLUG AND ABANDON	PLUG #1	PLUG #2	PLUG #3	PLUG #4	JG #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.

**JOSEPH E BISHOP Service Supervisor**

Name and title of cementer's representative

**BAKER HUGHES PRESSURE PUMPING SERVICES**

Cementing Company

Signature

**P.O. Box 130**

Address

**Snyder**

City,

**Texas**

State,

**79550**

Zip Code

**(325) 573-4913**

Tel: Area Code

Number

**3/12/12**

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.

**Sherene Starr**

Typed or printed name of operator's representative

**Drilg Tech**

Title

**Sherene Starr**

Signature

**303 Veteran's Airpark Ln # 3000**

Address

City,

State,

Zip Code

**432-818-1000**

Tel: Area Code

Number

**4-18-12**

Date: mo. day yr.

**Midland, Texas 79705**

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 foot 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.

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

1. Operator's Name (As shown on Form P 5, Organization Report) <b>Apache Corporation</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>Glasscock</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Sprayberry (Trend Area)</b>	6. API No. <b>42-173-34617</b>	7. Drilling Permit No. <b>728636</b>	
8. Lease Name <b>Gibson 7</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>39874</b>	11. Well No. <b>1B</b>

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

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date	5-21-12							
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.)	10206							
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement	C							

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.

Paul Wood Region Manager Cosay Wireline [Signature]  
 Name and title of cementer's representative Cementing Company Signature  
2400 E-I20 ODessa TX 79746 432-580-0040 5-21-12  
 Address City, State, Zip Code Tel.: Area Code Number 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.

Keisha Stark Regulatory Tech [Signature]  
 Typed or printed name of operator's representative Signature  
303 VETERANS AIRPARK LN. STE 3000 MIDLAND, TX 79705 432-588-1000 10-10-12  
 State, Zip Code Tel.: Area Code Number 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.

Groundwater  
Advisory Unit

GROUNDWATER PROTECTION DETERMINATION

Date November 14, 2011

GAU File No.: SC- 5586

\*\*\*\*\* EXPEDITED APPLICATION \*\*\*\*\*

API Number 17334572

RRC Lease No. 000000

Attention: SHERENE STARR

SC\_027200\_17334572\_000000\_5586.pdf

APACHE CORP  
303 VETERANS AIRPARK LN  
STE 3000  
MIDLAND TX 79705

--Measured--

660 ft FWL

2295 ft FNL

MRL: SECTION

P-5# 027200

Digital Map Location:	
X-coord/Long	<u>1647384</u>
Y-coord/Lat	<u>800704</u>
Datum	<u>27</u>
Zone	<u>C</u>

County GLASSCOCK Lease & Well No. GIBSON 7 #1A&ALL Purpose ND

Location SUR-T&P, BLK-33, TSHP-4S, SEC-7, --[TD=11000], [RRC 8],

To protect usable-quality groundwater at this location, the Groundwater Advisory Unit of the Texas Railroad Commission recommends:

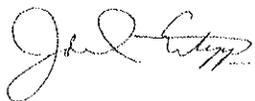
The interval from the land surface to 20 feet below the base of Cretaceous-age beds must be protected. The base of the Cretaceous is estimated to occur at a depth of 375 feet.

This recommendation is applicable to all wells drilled in this SECTION 7.

Note: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operation into a nonproductive zone (RRC Form W-14).

If you have any questions, please contact us at 512-463-2741, [gau@rrc.state.tx.us](mailto:gau@rrc.state.tx.us), or by mail.

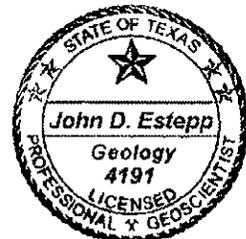
Sincerely,



Digitally signed by John Estep  
DN: c=US, st=TEXAS, l=Austin,  
o=Railroad Commission of Texas,  
cn=John Estep,  
email=john.estep@rrc.state.tx.us  
Date: 2011.11.14 14:03:42 -06'00'

John D. Estep, P.G.

GEOLOGIST SEAL



Geologist, Groundwater Advisory Unit  
Oil & Gas Division

The seal appearing on this document was authorized by John D. Estep on 11/14/2011  
Note: Alteration of this electronic document will invalidate the digital signature.



**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 728636	DATE PERMIT ISSUED OR AMENDED Jan 19, 2012	DISTRICT * 08
API NUMBER 42-173-34617	FORM W-1 RECEIVED Nov 18, 2011	COUNTY GLASSCOCK
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 160
OPERATOR APACHE CORPORATION	027200	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> (432) 684-5581
LEASE NAME GIBSON 7		WELL NUMBER 1B
LOCATION 0.7 miles NE direction from GARDEN CITY		TOTAL DEPTH 11000
Section, Block and/or Survey SECTION ◀ 7                      BLOCK ◀ 33 T4S                      ABSTRACT ◀ 148 SURVEY ◀ T&P RR CO SVY		
DISTANCE TO SURVEY LINES 959 ft. NORTH    660 ft. WEST		DISTANCE TO NEAREST LEASE LINE 660 ft.
DISTANCE TO LEASE LINES 959 ft. NORTH    660 ft. WEST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS:  * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 38(h)(3) ** CASE NO. 08-0273559		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST WE
RESTRICTIONS:	This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.	
'***' PRECEDING FIELD NAME INDICATES RULE (R38)		
THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS		
This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.		

File No. MF 109134

12

Well Info: ta - 173-34617

Date Filed: 11/08/2012

Jerry E. Patterson, Commissioner

By: JEP



REMARKS: N/A

REMARKS: N/A





COMPENSATED Z-DENSIT LOG SM  
 COMPENSATED NEUTRON LOG  
 DIGITAL SPECTRALOG  
 GAMMA RAY LOG

FILE NO: MD-9866  
 COMPANY: APACHE CORPORATION  
 WELL: GIBSON 7B #11  
 FIELD: SPRABERRY (TREND AREA)  
 COUNTY: GLASSCOCK  
 STATE: TEXAS  
 Ver. 3.87

LOCATION: 467' FSL & 1787' FEL  
 SEC: 7 BLK: 35 T4S ABS: 148  
 SURVEY: T&P RR CO  
 OTHER SERVICES: DAL DILL

PERMANENT DATUM: GL 2682.4 FT  
 LOG MEASURED FROM: KB 18 FT ABOVE P.D.  
 DRILL MEAS. FROM: KELLY BUSHING  
 ELEVATIONS: KB 2700.4 FT, DF 2699.4 FT, GL 2682.4 FT

DATE	TRIP	26-AUG-2012	1
SERVICE ORDER		623096	
DEPTH DRILLER		10400 FT	
DEPTH LOGGER		10400 FT	
BOTTOM LOGGED INTERVAL		10345 FT	
TOP LOGGED INTERVAL		200 FT	
CASING DRILLER		8.625 IN	3235 FT
CASING LOGGER		3236 FT	
BIT SIZE		7.875 IN	
TYPE OF FLUID IN HOLE		FRESH	
DENSITY	VISCOSITY	8.7 LB/G	40 S
PH	FLUID LOSS	8.5	8 CS
SOURCE OF SAMPLE		CIRCULATION TANK	
RM AT MEAS. TEMP.		0.72 OHM	81 DEGF
RMF AT MEAS. TEMP.		0.63 OHM	81 DEGF
RMC AT MEAS. TEMP.		0.79 OHM	81 DEGF
SOURCE OF RMF	RMC	CALCULATED	CALCULATED
RM AT BHT		1.1 OHM	174 DEGF
TIME SINCE CIRCULATION		11 HOURS	
MAX. RECORDED TEMP.		174 DEGF	
EQUIP. NO.	LOCATION	HL 6713	MIDLAND
RECORDED BY		R. PATEL	
WITNESSED BY		J. SPENCE	

IN MAKING INTERPRETATIONS OF LOGS OUR EMPLOYEES WILL GIVE CUSTOMER THE BENEFIT OF THEIR BEST JUDGEMENT. BUT SINCE ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM ELECTRICAL OR OTHER MEASUREMENTS, WE CANNOT, AND WE DO NOT GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATION. WE SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COST, DAMAGES, OR EXPENSES WHATSOEVER INCURRED OR SUSTAINED BY THE CUSTOMER RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR EMPLOYEES.

BIT SIZE	FROM	TO
11 IN	0 FT	3235 FT
7.875 IN	3235 FT	10400 FT

SIZE	WEIGHT	GRADE	FROM	TO
8.625 IN	32 LB/F	J-55	0 FT	13234 FT
5.5 IN	17 LB/F	L-80	0 FT	10400 FT

**REMARKS**

RUN 1 TRIP 1 :  
 NaCl: 6551 PPM  
 CL: 3982 PPM

BOREHOLE & CEMENT VOLUMES PRESENTED (TOTAL VOLUME LESS 5.5 CSG.)  
 1 SMALL TICK = 10 CU. FT.  
 1 MEDIUM TICK = 100 CU. FT.  
 1 LARGE TICK = 1000 CU. FT.

PORZC & CNC RECORDED ON A LIMESTONE MATRIX  
 CNC IS CASING AND CALIPER CORRECTED

CREW: J. DODGSON, C. SNELLENBERGER  
 RIG: PIONEER#22

BARRY T. SMITHERMAN, CHAIRMAN  
DAVID PORTER, COMMISSIONER  
CHRISTI CRADDICK, COMMISSIONER



GIL BUJANO, P.E.  
DIRECTOR, OIL AND GAS DIVISION

# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

January 07, 2013

APACHE CORPORATION  
ATTN: REGULATORY DEPARTMENT  
2000 POST OAK BLVD STE 100  
HOUSTON TX 77056

RE: **APPLICATION FOR EXCEPTION TO SWR 10**  
LEASE: GIBSON 7B  
WELL NO. 11  
GLASSCOCK COUNTY, DISTRICT 08, TEXAS  
API NO. 173-35171

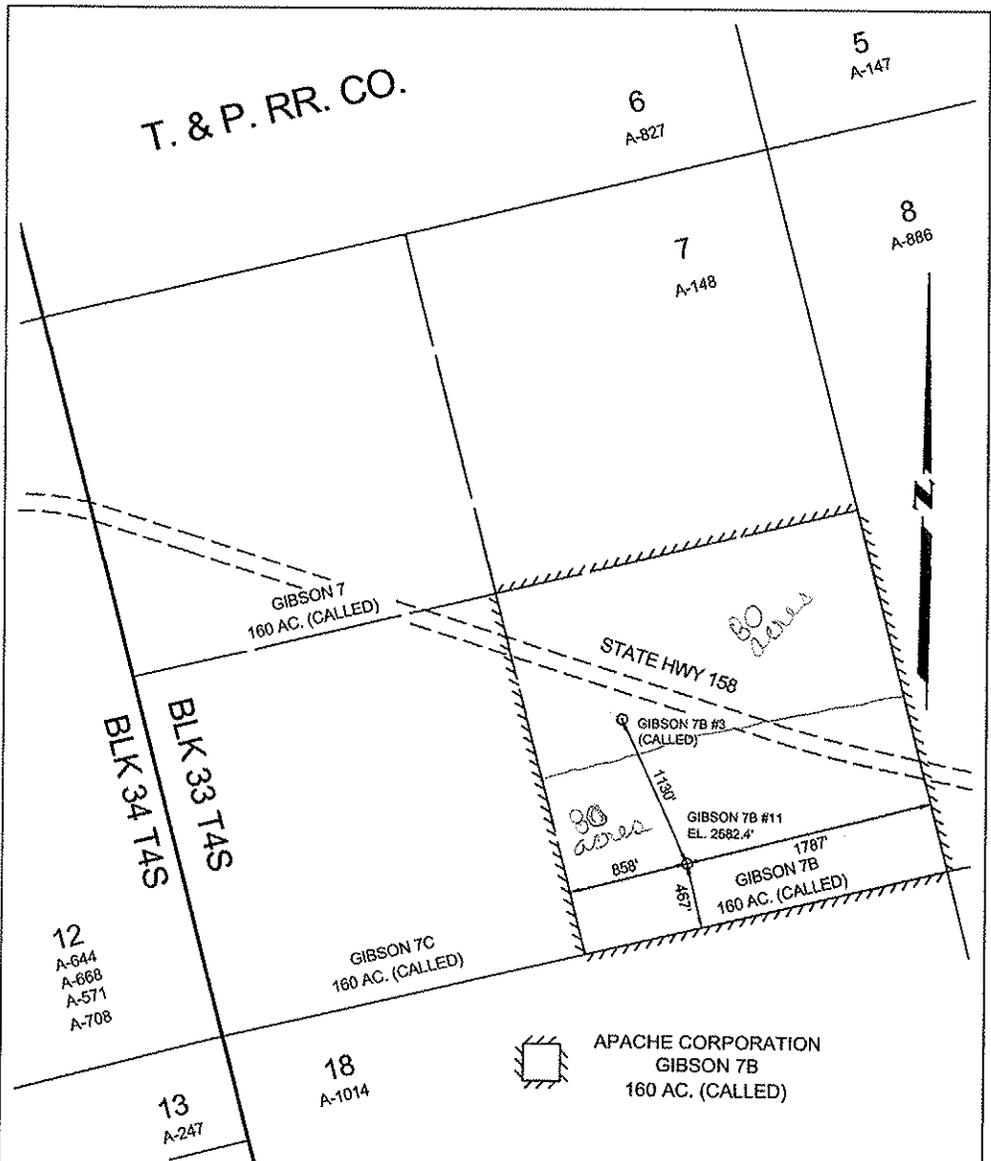
FIELD NAME	FIELD NO.
SPRABERRY (TREND AREA)	85280300
GARDEN CITY, NW (STRAWN)	33997700

**HYDROGEN SULFIDE RESTRICTION: NO**

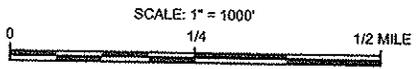
The Commission has approved your application to down-hole commingle production within the above-referenced wellbore from the SPRABERRY (TREND AREA); and GARDEN CITY, NW (STRAWN) fields in GLASSCOCK County, Texas. For allowable and reporting purposes, the well will be assigned to the **SPRABERRY (TREND AREA)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is December 21, 2012. This exception to SWR 10 will expire if not used within two (2) years from the date of this permit. This expiration date is January 08, 2015.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the **SPRABERRY (TREND AREA)** field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.



WELL COORDINATES					
WELL	SPC 27 X	SPC 27 Y	NAD27 LAT	NAD27 LON	ELEV.
GIBSON 7B #11	1650777.7	798914.8	31°51'30.384" N.	101°27'29.074" W.	2682.4'

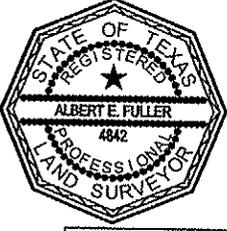


DATUM: NAD27 - TEXAS CENTRAL ZONE (FT.)

THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.

NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE/MINERAL FEE OWNERSHIP OR LESSOR.

I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*Albert E. Fuller*

ALBERT E. FULLER  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842  
 3600 W. Baumann Cell - (432) 559-6718  
 Midland, TX 79703 Email - al@aefuller.com  
 www.aefuller.com

APACHE CORPORATION	
GIBSON 7B #11	
467' FSL & 1787' FEL	
SECTION 7, BLOCK 33, T-4-S	
T. & P. RR. CO. SURVEY, ABSTRACT A-148	
GLASSCOCK COUNTY, TEXAS	
REV. 07/12/2012	USGS QUAD: GARDEN CITY, TX
S 74° E - 1.4 MI. FROM GARDEN CITY, TX	

REF NO.: APA - 100424

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

**WILROAD 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) <b>APACHE CORPORATION</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>GLASSCOCK</b>
5. Field Name (Wildcat or exactly as shown on RRC Records) <b>SPRABERRY (TREND AREA)</b>		6. API No. <b>4217335171</b>	7. Drilling Permit No. <b>744522</b>
8. Lease Name <b>GIBSON 7B</b>		9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>41918</b>
			11. Well No. <b>11</b>

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		<b>8/19/12</b>					
13. • Drilled Hole Size		<b>17.5</b>					
• Est. % wash or hole enlargement		<b>100</b>					
14. Size of casing (in. O.D.)		<b>13.375</b>					
15. Top of liner (ft.)		<b>-</b>					
16. Setting depth (ft.)		<b>418</b>					
17. Number of centralizers used		<b>7</b>					
18. Hrs. Waiting on cement before drill-out		<b>18.5</b>					
1 <sup>st</sup> Slurry	19. API cement used: No. of sacks ▶	<b>425</b>					
	Class ▶	<b>C</b>					
	Additives ▶	<b>22A</b>					
2 <sup>nd</sup> Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
3 <sup>rd</sup> Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1 <sup>st</sup>	20. Slurry pumped: Volume (cu. ft.) ▶	<b>569.5</b>					
	Height (ft.) ▶	<b>816.4</b>					
2 <sup>nd</sup>	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3 <sup>rd</sup>	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	<b>569.5</b>					
	Height (ft.) ▶	<b>816.4</b>					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing ?		<b>YES</b>					

**Remarks:** 22 A) .005# STATIC FREE, 2% CALC

BLANK PAGE ATTACHED FOR PURPOSE OF PROVIDING AREA FOR FILE CONTENTS CARD INFO STAMP.

13

File No. ME 109134

Will Info: 48-173-35171

Date Filed: 01/24/2013

Jerry E. Patterson, Commissioner

By JEP

# RAILROAD COMMISSION OF TEXAS

mF 109134

Tracking No.: 74049  
Status: Submitted

Oil and Gas Division  
This facsimile W-2 was generated electronically  
from data submitted to the RRC.

API No. 42- 173-34572

7. RRC District No.  
08

8. RRC Lease No.  
39874

## Oil Well Potential Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat) <b>SPRABERRY (TREND AREA)</b>		2. LEASE NAME <b>GIBSON 7 UNIT</b>		9. Well No. <b>1A</b>
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) <b>APACHE CORPORATION</b>			RRC Operator No. <b>027200</b>	10. County of well site <b>GLASSCOCK</b>
4. ADDRESS <b>ATTN JO SHIPMAN STE 3000 303 VETERANS AIRPARK LANE MIDLAND, TX 79705-0000</b>				
5. If Operator has changed within last 60 days, name former operator				
6a. Location (Section, Block, and Survey) <b>7 , 33 T4S , T&amp;P RR CO , A-148</b>			6b. Distance and direction to nearest town in this county. <b>0.7 MILES SE OF GARDEN CITY</b>	
11. Purpose of filing				
Initial Potential				<input checked="" type="checkbox"/>
Retest				<input type="checkbox"/>
Reclass				<input type="checkbox"/>
Well record only (Explain in remarks)				<input type="checkbox"/>
12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.				
FIELD & RESERVOIR <b>JAILHOUSE (FUSSELMAN)</b>		GAS ID or OIL LEASE #		Oil-0 Gas-G <b>Oil Well</b>
				Well # <b>1A</b>
13. Type of electric or other log run <b>Combo of Induction/Neutron/Density</b>			14. Completion or recompletion date <b>12/07/2012</b>	

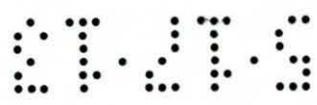
### SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.

15. Date of test <b>12/17/2012</b>	16. No. of hours tested <b>24</b>	17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump) <b>Flowing</b>			18. Choke size <b>25/64</b>
19. Production during Test Period	Oil - BBLS <b>135.0</b>	Gas - MCF <b>349</b>	Water - BBLS <b>278</b>	Gas - Oil Ratio <b>2585</b>	Flowing Tubing Pressure <b>220.0</b> PSI
20. Calculated 24-Hour Rate	Oil - BBLS <b>135.0</b>	Gas - MCF <b>349</b>	Water - BBLS <b>278</b>	Oil Gravity-API-60° <b>42.0</b>	Casing Pressure <b>1240.0</b> PSI
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) <b>353.0</b>			23. Injection Gas-Oil Ratio
REMARKS: N/A					

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.

▶	<p><b>WELL TESTERS CERTIFICATION</b></p> <p>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.</p>
<p>_____ Signature: Well Tester</p>	
<p>_____ Name of Company</p>	
<p>_____ RRC Representative</p>	

▶	<p><b>OPERATOR'S CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete, to the best of my knowledge.</p>
<p>_____ Type or printed name of operator's representative</p>	
<p><b>(432) 818-1000 EXT 1181</b>      <b>05/14/2013</b></p>	
<p>Telephone: Area Code      Number      Month      Day      Year</p>	
<p>_____ Regulatory Tech</p>	
<p>Title of Person <b>Keisha Stark</b></p>	
<p>_____ Signature</p>	



SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)							
24. Type of Completion New Well <input type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Other <input type="checkbox"/>		25. Permit to Drill, Plug Back or Deepen DATE 11/16/2012 PERMIT NO. 751406 Rule 37 Exception CASE NO. 0273295 Water Injection Permit PERMIT NO. Salt Water Disposal Permit PERMIT NO. Other PERMIT NO.					
26. Notice of Intention to Drill this well was filed in Name of APACHE CORPORATION							
27. Number of producing wells on this lease in this field (reservoir) including this well 3		28. Total number of acres in this lease 160.0					
29. Date Plug Back, Deepening, Workover or Drilling Operations: Commenced 11/12/2012 Completed 12/07/2012		30. Distance to nearest well, Same Lease & Reservoir 1405.0					
31. Location of well, relative to nearest lease boundaries 354.0 Feet From South Line and 660.0 Feet from West Line of the GIBSON 7 UNIT Lease							
32. Elevation (DF, RKB, RT, GR ETC.) 2628 GL		33. Was directional survey made other than inclination (Form W-12)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
34. Top of Pay 7535	35. Total Depth 10449	36. P. B. Depth 10179	37. Surface Casing Determined by: Field Rules <input type="checkbox"/> Recommendation of T.D.W.R. <input checked="" type="checkbox"/> Railroad Commission (Special) <input type="checkbox"/> Dt. of Letter 11/14/2011				
38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR N/A							
40. Intervals Drilled by: Rotary Tools <input checked="" type="checkbox"/> Cable Tools <input type="checkbox"/>		41. Name of Drilling Contractor PIONEER DRILLING COMPANY					
42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13 3/8	48.0	443		C 425	17 1/2	0	561.0
8 5/8	32.0	3228		C 900	11	0	1767.0
5 1/2	17.0	10449		H 1300	7 7/8	3180	2193.0

44. LINER RECORD				
Size	Top	Bottom	Sacks Cement	Screen
N/A				

45. TUBING RECORD			46. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2 3/8	7409		7535	10047
			From	To
			From	To
			From	To

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		
Depth Interval		Amount and Kind of Material Used
7535.0	7737.0	72,000 GAL SLICK WATER, 42,500 GAL 10# X-LINK GEL, WITH 108,875# 20/40 WHITE SAND
7767.0	7965.0	83,000 GAL SLICK WATER, 48,000 GAL 10# X-LINK GEL, WITH 123,500# 20/40 WHITE SAND
8000.0	8243.0	46,500 GAL SLICK WATER, 29,000 GAL 10# X-LINK GEL & 73,125# 20/40 WHITE SAND
8264.0	8502.0	122,500 GAL USING 10# X-LINK & 91,750# 20/40 WHITE SAND
8526.0	8801.0	75,500 GAL USING 10# X-LINK & 72,500# 20/40 WHITE SAND
8856.0	9146.0	119,500 GAL USING 10# X-LINK & 59,063# 20/40 SB EXCEL SAND
9177.0	9483.0	150,500 GAL USING 10# X-LINK & 84,938# 20/40 SLC SAND
9523.0	9779.0	58,000 GALS. 10# X-LINK GEL WITH 22,375# SLC 20/40 SAND
9805.0	10047.0	43,000 GALS. 10# X-LINK GEL WITH 16,500# SLC SAND

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
WOLFCAMP	6886.0		

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
STRAWN	9512.0		
FUSSELMAN	10260.0		
REMARKS: N/A			

01.275

BARRY T. SMITHERMAN, CHAIRMAN  
DAVID PORTER, COMMISSIONER  
CHRISTI CRADDICK, COMMISSIONER



GIL BUJANO, P.E.  
DIRECTOR, OIL AND GAS DIVISION

# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

December 18, 2012

APACHE CORPORATION  
ATTN: REGULATORY DEPARTMENT  
2000 POST OAK BLVD STE 100  
HOUSTON TX 77056

RE: **APPLICATION FOR EXCEPTION TO SWR 10**  
LEASE: GIBSON 7 UNIT  
WELL NO. 1A  
GLASSCOCK COUNTY, DISTRICT 08, TEXAS  
API NO. 173-34572

FIELD NAME	FIELD NO.
SPRABERRY (TREND AREA)	85280300
GARDEN CITY, NW (STRAWN)	33997700

**HYDROGEN SULFIDE RESTRICTION: NO**

The Commission has approved your application to down-hole commingle production within the above-referenced wellbore from the SPRABERRY (TREND AREA); and GARDEN CITY, NW (STRAWN) fields in GLASSCOCK County, Texas. For allowable and reporting purposes, the well will be assigned to the **SPRABERRY (TREND AREA)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is December 13, 2012. This exception to SWR 10 will expire if not used within two (2) years from the date of this permit. This expiration date is December 19, 2014.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the **SPRABERRY (TREND AREA)** field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.



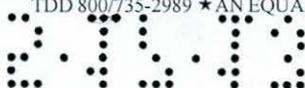
Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

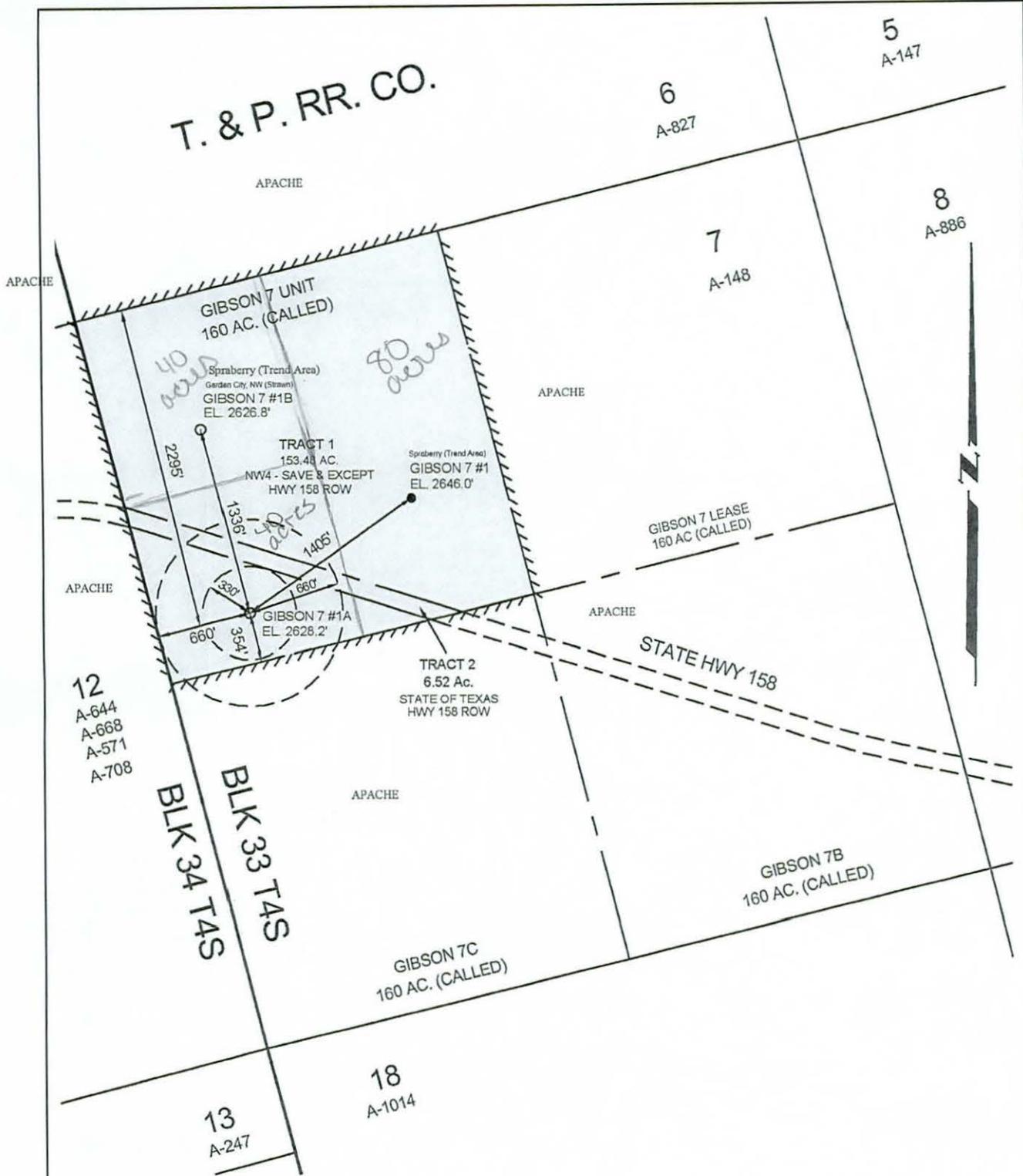
Permit conditions:

The completion report for the commingled well must indicate which perforations belong to which field. The Commission may also require a wellbore diagram to be filed with the completion report for the commingled well. If filed, the wellbore diagram must indicate which perforations belong to which field.

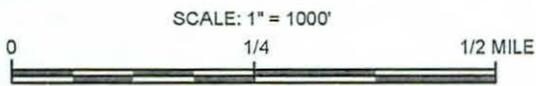
Note: The distribution of this document will be by E-MAIL ONLY. E-mail sent to keisha.stark@apachecorp.com.

If you have any questions, you may contact the engineering unit in the Austin office at 512-475-2307.





WELL COORDINATES					
WELL	SPC 27 X	SPC 27 Y	NAD27 LAT	NAD27 LON	ELEV.
GIBSON 7 #1A	1647384.0	800704.4	31°51'47.753" N.	101°28'08.630" W.	2628.2'

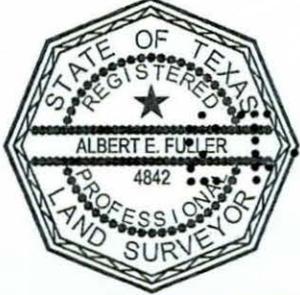


DATUM: NAD27 - TEXAS CENTRAL ZONE (FT.)

THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION PERMITTING PURPOSES ONLY.

NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL SURFACE/MINERAL FEE OWNERSHIP OR LESSOR.

I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*Albert E. Fuller*

ALBERT E. FULLER  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842  
 3600 W. Baumann Midland, TX 79703  
 Cell - (432) 559-6718  
 Email - al@aefuller.com  
 www.aefuller.com

APACHE CORPORATION	
GIBSON 7-UNIT #1A	
2295' FNL & 360' FWL	
SECTION 7, BLOCK 33 T-4-S	
T. & P. RR. CO. - ABSTRACT A-148	
GLASSCOCK COUNTY, TEXAS	
REV. 11/15/2012	USGS QUAD: GARDEN CITY, TX
S 87° E - 0.7 MI. FROM GARDEN CITY, TX	

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

**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) <b>Apsche Corporation</b>	2. RRC Operator No. <b>027200</b>	3. RRC District No. <b>08</b>	4. County of Well Site <b>Glasscock</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Spraberry Trend Area</b>	6. API No. <b>42-173-34572</b>	7. Drilling Permit No. <b>751406</b>	
8. Lease Name <b>Gibson 7 unit</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No. <b>39874</b>	11. Well No. <b>1A</b>

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





File No. MF 109134

Completion / attachments

173-3457a

Date Filed: 6/24/13

Jerry Patterson, Commissioner

By mBarnstone

MF 109134  
Unit # 5442

**RAILROAD COMMISSION OF TEXAS**

Oil and Gas Division

Tracking No.: 72164

Status: Submitted

This facsimile W-2 was generated electronically from data submitted to the RRC.

API No. 42- 173-35228

7. RRC District No.

08

**Oil Well Potential Test, Completion or Recompletion Report, and Log**

8. RRC Lease No.

42182

1. FIELD NAME (as per RRC Records or Wildcat)

SPRABERRY (TREND AREA)

2. LEASE NAME

GIBSON 7C

9. Well No.

12

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

APACHE CORPORATION

RRC Operator No.

027200

10. County of well site

GLASSCOCK

4. ADDRESS

ATTN JO SHIPMAN STE 3000 303 VETERANS AIRPARK LANE MIDLAND, TX 79705-0000

11. Purpose of filing

Initial Potential

Retest

Reclass

Well record only (Explain in remarks)

6a. Location (Section, Block, and Survey)

7, 33 T4S, T&P RR CO., A-148

6b. Distance and direction to nearest town in this county.

1.0 MILES SE OF GARDEN CITY

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 #

N/A

13. Type of electric or other log run

Neutron logs

14. Completion or recompletion date

11/02/2012

**SECTION I- POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified infield rules.**

15. Date of test 11/07/2012	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping- Size & Type of pump) Pumping			18. Choke size
19. Production during Test Period	Oil - BBLS 74.0	Gas - MCF 93	Water - BBLS 155	Gas - Oil Ratio 1256	Flowing Tubing Pressure PSI
20. Calculated 24-Hour Rate	Oil - BBLS 74.0	Gas - MCF 93	Water - BBLS 155	Oil Gravity-API-60 <sup>o</sup> 42.0	Casing Pressure PSI
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) 0.0		23. Injection Gas-Oil Ratio	
REMARKS: N/A					

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 TESTERS 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

**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.

Type or printed name of operator's representative

(432) 818-1000 EXT 1181

04/24/2013

Telephone: Area Code

Number

Month Day Year

Regulatory Tech

Title of Person

Keisha Stark

Signature



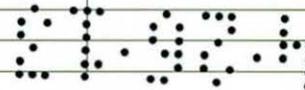
SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)							
24. Type of Completion New Well <input checked="" type="checkbox"/> Deepening <input type="checkbox"/> Plug Back <input type="checkbox"/> Other <input type="checkbox"/>			25. Permit to Drill, Plug Back or Deepen DATE 09/13/2012 PERMIT NO. 745903 Rule 37 Exception CASE NO.				
26. Notice of Intention to Drill this well was filed in Name of <b>APACHE CORPORATION</b>			Water Injection Permit PERMIT NO.				
27. Number of producing wells on this lease in this field (reservoir) including this well <b>4</b>	28. Total number of acres in this lease <b>160.0</b>		Salt Water Disposal Permit PERMIT NO.				
29. Date Plug Back, Deepening, Workover or Drilling Operations: Commenced <b>09/16/2012</b>	Completed <b>09/26/2012</b>	30. Distance to nearest well, Same Lease & Reservoir <b>1144.0</b>					
31. Location of well, relative to nearest lease boundaries <b>858.0</b> Feet From <b>East</b> Line and <b>861.0</b> Feet from <b>North</b> Line of the <b>GIBSON 7C</b> Lease							
32. Elevation (DF, RKB, RT, GR ETC.) <b>2665</b> <b>GL</b>		33. Was directional survey made other than inclination (Form W-12)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
34. Top of Pay <b>7532</b>	35. Total Depth <b>10441</b>	36. P. B. Depth <b>10379</b>	37. Surface Casing Determined by Field Rules <input type="checkbox"/> Recommendation of T.D.W.R. <input checked="" type="checkbox"/> Railroad Commission (Special) <input type="checkbox"/>				
38. Is well multiple completion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Dt. of Letter <b>11/14/2011</b> Dt. of Letter				
39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR <b>N/A</b>			GAS ID or OIL LEASE # Oil-0 Gas-G Well #				
40. Intervals Drilled by: Rotary Tools <input checked="" type="checkbox"/> Cable Tools	41. Name of Drilling Contractor <b>PIONEER DRILLING SERVICES</b>		42. Is Cementing Affidavit Attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
43. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13 3/8	48.0	441		C 450	17 1/2	0	603.0
8 5/8	32.0	3250		C 850	11	0	1792.0
5 1/2	17.0	10441		H 1050	7 7/8	3349	2027.0

44. LINER RECORD				
Size	Top	Bottom	Sacks Cement	Screen
N/A				

45. TUBING RECORD			46. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2 3/8	7514		7532	10116
			From	To
			From	To
			From	To

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.		
Depth Interval		Amount and Kind of Material Used
7532.0	7726.0	72,000 GAL SLICK WATER, 42,500 GAL 10# X-LINK GEL, WITH 108,875# 20/40 WHITE SAND
7749.0	7963.0	72,000 GAL SLICK WATER, 42,500 GAL 10# X-LINK GEL, WITH 108,875# 20/40 WHITE SAND
7992.0	8289.0	131,000 GAL 10# X-LINK GEL, WITH 123,500# 20/40 WHITE SAND
8315.0	8572.0	122,500 GAL USING 10# X-LINK & 91,750# 20/40 WHITE SAND
8603.0	8942.0	75,500 GAL USING 10# X-LINK & 72,500# 20/40 WHITE SAND
9219.0	9542.0	150,500 GAL USING 10# X-LINK & 84,938# 20/40 SUPER LC SAND
9580.0	9829.0	58,000 GALS. 10# X-LINK GEL WITH 22,375# SUPER LC 20/40 SAND
9857.0	10116.0	42,000 GALS. 10# X-LINK GEL WITH 16,500# SUPER LC SAND

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
WOLFCAMP	6913.0		
STRAWN	9574.0		
FUSSELMAN	10326.0		



REMARKS: N/A

21-03-4

Tracking No.: 72164

*This facsimile L-1 was generated electronically from data submitted to the RRC.*

**Instructions**

**When to File Form 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 for confidentiality has not yet expired.

**When is Form L-1 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 or geothermal wells
- with Form W-3 for plugging of other than a dry hole

**Where to File Form L-1:**

- with the appropriate Commission district office

**Filling out Form 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 log is NOT run on the subject well, do NOT substitute any other type of log; just select Section II, Part A below

**SECTION I. IDENTIFICATION**

Operator Name: APACHE CORPORATION	District No. 08	Completion Date: 11/02/2012
Field Name: SPRABERRY (TREND AREA)	Drilling Permit No. 745903	
Lease Name: GIBSON 7C	Lease/ID No. 42182	Well No. 12
County: GLASSCOCK	API No. 42- 173-35228	

**SECTION II. LOG STATUS (Complete either A or B)**

A. BASIC ELECTRIC LOG NOT RUN

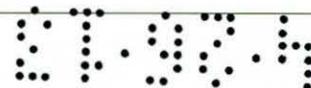
B. BASIC ELECTRIC LOG RUN. (Select one)

- 1. Confidentiality is requested and a copy of the header for each log that has been run on the well is attached.
- 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). \_\_\_\_\_

Keisha Stark  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Name (print)

Regulatory Tech  
\_\_\_\_\_  
Title  
(432) 818-1000 EXT 1181  
\_\_\_\_\_  
Phone  
04/24/2013  
\_\_\_\_\_  
Date

-FOR RAILROAD COMMISSION USE ONLY-



BARRY T. SMITHERMAN, CHAIRMAN  
DAVID PORTER, COMMISSIONER  
CHRISTI CRADDICK, COMMISSIONER



GIL BUJANO, P.E.  
DIRECTOR, OIL AND GAS DIVISION  
DOUG O. JOHNSON, P.E.  
ASSISTANT DIRECTOR, TECHNICAL PERMITTING

# RAILROAD COMMISSION OF TEXAS

## OIL AND GAS DIVISION

April 17, 2013

APACHE CORPORATION  
ATTN: REGULATORY DEPARTMENT  
2000 POST OAK BLVD STE 100  
HOUSTON TX 77056

RE: **APPLICATION FOR EXCEPTION TO SWR 10**  
LEASE: GIBSON 7C  
WELL NO. 12  
GLASSCOCK COUNTY, DISTRICT 08, TEXAS  
API NO. 173-35228

FIELD NAME	FIELD NO.
SPRABERRY (TREND AREA)	85280300
GARDEN CITY, NW (STRAWN)	33997700

**HYDROGEN SULFIDE RESTRICTION: NO**

The Commission has approved your application to down-hole commingle production within the above-referenced wellbore from the SPRABERRY (TREND AREA); and GARDEN CITY, NW (STRAWN) fields in GLASSCOCK County, Texas. For allowable and reporting purposes, the well will be assigned to the **SPRABERRY (TREND AREA)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is April 17, 2013. This exception to SWR 10 will expire if not used within two (2) years from the date of this permit. This expiration date is April 18, 2015.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the **SPRABERRY (TREND AREA)** field and will become effective upon receipt of Form W-2 showing combined completion data and results of a 24-hour production test taken after the physical work of down hole commingling has been completed. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 exception.



Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

Permit conditions:

The completion report for the commingled well must indicate which perforations belong to which field. The Commission may also require a wellbore diagram to be filed with the completion report for the commingled well. If filed, the wellbore diagram must indicate which perforations belong to which field.

Note: The distribution of this document will be by E-MAIL ONLY. E-mail sent to Keisha.Stark@apachecorp.com.

If you have any questions, you may contact the engineering unit in the Austin office at 512-475-2307.



File No. MF 109134  
Completion / attachments  
173-35228  
Date Filed: 6/24/13  
Jerry Patterson, Commissioner  
By MB Barnstone

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

May 8, 2012

Via Certified Mail

Receipt No. 7011 1150 0001 2416 0051

Ms. Keisha Stark  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Subject: Commingling of State of Texas Mineral Leases, MF109134, MF109574, and MF112581, Glasscock County, Texas.

Dear Ms. Stark:

A recent inspection conducted by General Land Office (GLO) Inspector Mr. Clyde Tacket found that Apache Corporation has apparently commingled the subject state leases. Please be advised that the GLO has specific requirements regarding the commingling of State of Texas mineral leases as discussed below.

#### **GLO Surface Commingle Permit Review Requirements**

Please be advised that (pursuant to the terms of state mineral leases) the lessee shall obtain permission from General Land Office (GLO) staff before commingling state oil and/or gas lease production with private lease production or with other state lease production. Please refer to Texas Administrative Code (T.A.C.), Title 31, Part 1, Chapter 9, Subchapter C, Rule 9.35 (a) (3).

The requirement to obtain GLO approval also applies to all exception request applications including new permits and amendments to existing permits.

State leases require the installation of oil and gas separators of conventional type (or other equipment at least as efficient) to allow for separation and metering of all lease gas and liquid hydrocarbon production prior to sale or custody transfer.

Irrespective of obtaining RRC and/or Bureau of Ocean Energy Management (BOEM) regulatory authority to commingle, the lessee's failure to fulfill its contractual obligations to the GLO may result in lease forfeiture.

Please refer to Attachment No. 1 listing directions for securing GLO permission to commingle state lease production. Please note that Attachment No.1 refers to additional supporting

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

Ms. Keisha Stark  
Apache Corporation  
May 8, 2012  
Page 2 of 2

documents (Attachments 2, 3, 4, and 5). Electronic forms of the attachments may be provided upon request.

Please note that the typical state lease requires that all production royalties due on the oil and gas produced from a state lease are based on the gross production of hydrocarbons at the mouth of the well (state lease separator discharge) and thus are not subject to reduction by allocation or due to further oil/gas processing.

Typically, RRC regulatory approval of applications may be granted in 21 days. To avoid delay and enable GLO staff to grant its contractual approval coincidentally with RRC approval, your prompt submittal of requested information noted on Attachment No. 1 is appreciated. Please note that the RRC may place your application on administrative hold when advised of GLO concerns.

In addition, it has come to my attention that the subject lease wells do not include the word "State" in the RRC lease name as required per applicable State of Texas TAC Rules. It will also be necessary to revise all applicable RRC Form P-4s, P-17s, and signage.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is [matthew.scott@glo.texas.gov](mailto:matthew.scott@glo.texas.gov).

Sincerely,



Matthew T. Scott, P.E.  
Petroleum Engineer  
Energy Resources/Mineral Leasing

cc: Robert Hatter, Director Mineral Leasing w/o attachments

16

File No. ME103134  
SLO COMMINGLING REQUIREMENTS

Date Filed: 5/2/12  
Jerry E. Patterson, Commissioner

By M. T. SCOTT

**Matthew Scott - RE: Commingling of State of Texas Mineral Leases, MF109134, MF109574, and MF112581, Glasscock County, Texas**

---

**From:** Matthew Scott  
**To:** Thomas Sloan  
**Date:** 9/6/2012 2:31 PM  
**Subject:** RE: Commingling of State of Texas Mineral Leases, MF109134, MF109574, and MF112581, Glasscock County, Texas

---

Tom

I appreciate the update. I agree with the naming convention, a pooled unit lease name that includes a state lease tract does not have to have the word "state" in it.

Please be aware though that GLO staff, typically myself, review all requests to commingle state leases and units, whether as new RRC commingling permit applications or amendments of existing RRC permits. The scope includes the lease types identified per TAC Rule 9.21 (1) - (5) and per 9.2 (a).

With respect to the commingling of state leases and units TAC Rule 9.35 (a)(3) applies and the requirement for separation and measurement is per TAC Rule 9.35 (a)(2). The Operator is supposed to obtain permission from the GLO **before** filing the RRC P-17.

I am surprised that Apache staff are not aware of our requirements regarding the commingling of state leases. We worked with the RRC to add the certification paragraph to the RRC Form P-17 when it was last revised to better inform the applicant, but seems regulatory staff sign it anyway. Can be a serious problem for the Lessee/Operator.

My concern was that Apache was not responsive. When I came across my May 8th letter I made a follow up call this week to Ms. Stark. While Apache may have many Permanent University Fund (PUF) leases, I am quite confident that Apache has many state leases under the scope of the GLO. Except for the one notice from Ms. Stark I have never seen a request from Apache staff in West Texas/Permian Basin in the 10 or so years I have been reviewing applications to commingle state leases. Staff in Apache's Houston office are aware, but communication between regions appears to be lacking.

As I advised Keisha Stark today our primary concerns are the royalty value to the state as related to the state's NRI, the produced volume, and the use or application of full well stream/wet gas meters on state leases and/or units. I also advised her that I may, on a case by case basis, reduce the data requirements listed per Attachment No. 1 of my letter to Ms. Stark, but I have to know what I am working with first and establish a level of trust and cooperation with each Operator.

I look forward to working with you and other Apache staff.

Thanks,

Matthew

Matthew T. Scott, P.E.  
Petroleum Engineer  
Texas General Land Office  
1700 N. Congress  
Mineral Leasing  
Room 840  
Austin, TX 78701  
512 475-2230 Office  
512 475-1543 Fax

[Matthew.Scott@glo.texas.gov](mailto:Matthew.Scott@glo.texas.gov)>>> "Sloan, Thomas" <[Thomas.Sloan@apachecorp.com](mailto:Thomas.Sloan@apachecorp.com)> 9/6/2012 12:10 PM >>>  
Matthew,

With regard to your letter dated May 8, 2012, please know that Apache Corporation is in the process of having the plumbing sorted out in the field and that the related P-17s are being dealt with as well. We had all three of the concerned leases reviewed and they are all for right of ways and are on the HROW lease form and they cover highway right of way in Section 7, Block 34, T-4-S, Section 40, Block 33, T-2-S and Sections 36, 37 and 48, Block 34, T-3-S, Glasscock County, Texas. Additionally, we had someone visit the State Land Office website and we understand that the instructions for pooling specifically exempts highway right of ways leases from the pooling rules and procedures as the HROW lease form grants pooling authority to the Lessee, provided the pooled unit does not exceed 160 acres or the size provided for by the RRC. All of the pooled units on these lands are 160 acres or less and do not exceed the maximum allowed by the RRC. We also had the lease form reviewed to make sure it did not require GLO permission before commingling state oil and gas with private oil and gas. With regard to the naming of the well, we do understand that Rule 9.32(4)(C)(a) states that under certain leases taken on lands as set forth in Rule 9.21 (1), (2), (3)(a) and (4) the well is required to be identified as a state well with the word "state "in the well name, however, these highway right of way leases were taken under Rule 9.21 (5) and, therefore, we believe they are not subject to this naming requirement.

Please feel free to let us know if you have any additional questions or concerns.

Sincerely,

Thomas (Tom) McRae Sloan, CPL  
Landman Supervisor - Permian Region



303 Veterans Airpark, Suite 3000  
Midland, Texas 79705  
432-818-1100 direct  
432-312-6012 cell  
Email: [Thomas.Sloan@apachecorp.com](mailto:Thomas.Sloan@apachecorp.com)

---

**From:** Stark, Keisha  
**Sent:** Thursday, September 06, 2012 10:02 AM  
**To:** [matthew.scott@glo.texas.gov](mailto:matthew.scott@glo.texas.gov)  
**Cc:** Sloan, Thomas; Henkhaus, Mark  
**Subject:** Commingling of State of Texas Mineral Leases, MF109134, MF109574, and MF112581, Glasscock County, Texas

Mr. Scott,

We are reviewing and gathering our data in response to your letter. Someone within our organization will be contacting you soon with your requested information.

Sincerely,

*Keisha Stark*

# *Apache*

KEISHA STARK  
REGULATORY TECH  
432-818-1181 (OFFICE)  
432-818-1193 (FAX)

~~16~~ 17

File No. ME109134  
EMAIL SCOPE OF SLOREVIEW

Date Filed: 9/6/12  
Jerry E. Patterson, Commissioner

By M. T. SCOTT

**Matthew Scott - RRC Commingling Permit 08-6451**

---

**From:** Matthew Scott  
**To:** keisha.stark@apachecorp.com  
**Date:** 12/20/2012 11:32 AM  
**Subject:** RRC Commingling Permit 08-6451  
**Attachments:** SAMPLE GLO COMMINGLE LEASE TABLES 6-15-07 REV 1.xls

---

Keisha

Per our telephone conversation today please find attached a copy of the GLO Lease List spreadsheets (Attachments 2 thru 5 of my letter dated 5/8/2012) per your request.

Your letter dated 12/11/2012 advised that RRC Commingling Permit 08-6450 was cancelled due to dedicated separation for each lease.

Included in your letter was a copy of RRC Commingling Permit 08-6451.

Pursuant to my letter to you dated 5/8/2012 please prepare the necessary documents per Attachment No 1 of that letter and then submit a request to commingle any affected state leases and/or units in the scope of Permit 08-6451.

If the process flow diagram attached to the permit is representative then describe or explain how Apache proposes to allocate the production from the state and private leases and/or units in the scope of Commingling Permit 08-6451.

Thank you,

Matthew

Matthew T. Scott, P.E.  
Petroleum Engineer  
Texas General Land Office  
1700 N. Congress  
Mineral Leasing  
Room 840  
Austin, TX 78701  
512 475-2230 Office  
512 475-1543 Fax  
[Matthew.Scott@glo.texas.gov](mailto:Matthew.Scott@glo.texas.gov)

18

File No. ME109134  
EMAIL EXPEDITE REVIEW

Date Filed: 12/20/12  
Jerry E. Patterson, Commissioner

By MTSCOTT

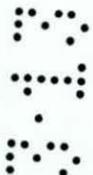


12/20/2012

Texas General Land Office  
Attn: Matthew Scott  
P.O. Box 12873  
Austin, TX 78711-2873

Re: Commingling Permit, District 8  
Permit No. 6451  
Glasscock County, Texas

Dear Mr. Scott,



This is a request to surface commingle mineral lease 109134. Gibson 7B Lease and Gibson 7C Lease into one battery. I have enclosed a copy of the attachment no. 2 spreadsheet per the GLO requirements, RRC P-17 application, flow diagram with explanation, and a plat for your convenience.

If you have any questions please don't hesitate to contact me at 432-818-1181 or via email at [keisha.stark@apachecorp.com](mailto:keisha.stark@apachecorp.com)



Sincerely,

Keisha Stark  
Regulatory Tech  
Permian Region



<input type="checkbox"/> New <input checked="" type="checkbox"/> Amended Existing Permit No. <u>6451</u>  Effective Month/Year of Requested Exception: <u>11</u> / <u>2011</u>	<b>RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION</b>  <b>APPLICATION FOR EXCEPTION TO STATEWIDE RULES (SWR) 26 AND/OR 27</b>	<b>FORM P-17</b> Eff 01/2008 \$150 FILING FEE  District <u>08</u>  County <u>GLASSCOCK</u>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------

**SECTION 1. OPERATOR INFORMATION (See instructions under "Who Files")**

Operator Name (as shown on P-5): APACHE CORPORATION Operator P-5 No. 027200

Operator Address: 303 VETERANS AIRPARK LANE STE 3000 City, State, Zip: MIDLAND, TX 79705

**SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)**

Gatherer Name (as shown on P-5): PLAINS MARKETING Gatherer P-5 No. 667883

Gatherer Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Gatherer E-mail Address: \_\_\_\_\_  
 (Optional – If provided, e-mail address will become part of this public record.)

**SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY):**  OIL  CASINGHEAD GAS  GAS WELL GAS  CONDENSATE

a.  Gas well full well stream into common separation and storage facility with liquids reported on Form PR.  
 b.  Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # \_\_\_\_\_ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)  
 c.  Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.  
 d.  This request is for off lease:  storage  separation  metering. Gibson 7C  
 e.  This exception is for common storage.  
 f.  This exception is for common separation.  
 g.  This exception is for casinghead gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_  
 h.  This exception is for gas well gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_  
 i.  This request is an exception to measure liquid with a: (check one below)  
 a Turbine Meter or  a Coriolis Meter (an additional \$150.00 and a letter of explanation is required for each exception.)

**SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)** The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

a.  The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)  
 b.  The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)  
 c.  The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)  
 If b. or c. checked, production will be allocated by:  W-10 (oil)  W-2 retest (oil)  PD Meter (oil & condensate)  G-10 (gas)  
 d.  The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)  
 e.  The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)  
 f.  The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)  
 g.  Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

**SECTION 5.**  Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

**SECTION 6.**  For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

**SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)**

DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	727482	<input type="checkbox"/> Existing	<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Delete	GIBSON 7 JAILHOUSE (FUSSELMAN)	1A
08	718617	<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7C SPRABERRY (TREND AREA)	4
08	727479	<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7C SPRABERRY (TREND AREA)	6
08	41918	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7B SPRABERRY (TREND AREA)	ALL

**ATTACH ADDITIONAL PAGES AS NEEDED.**  No additional pages  Additional pages 1 (# of additional pages)

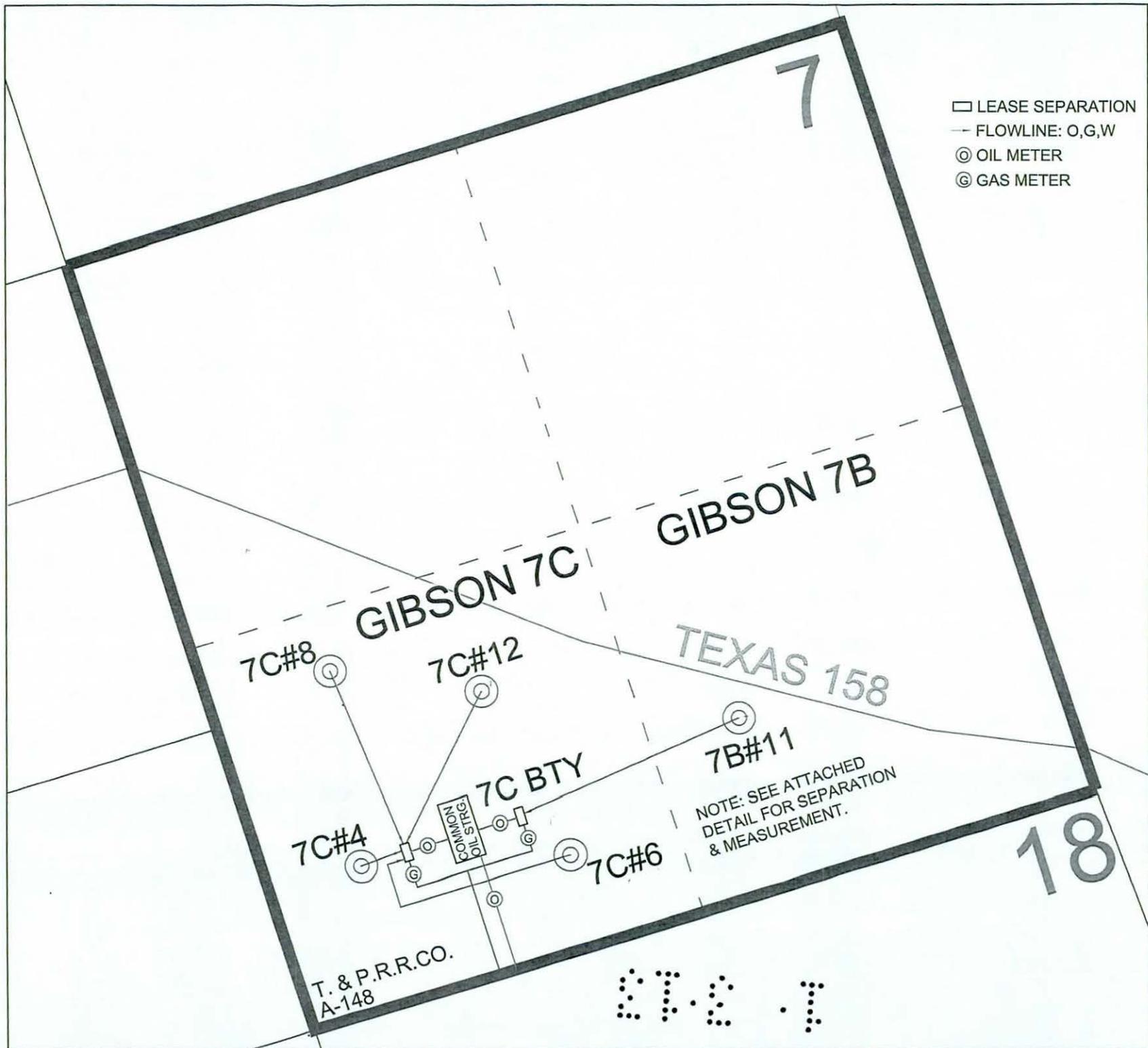
**CERTIFICATE:** I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected State Agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected State Agencies being obtained.

Signature Keisha Stark Title REGULATORY TECH Date 12/10/2012  
 Operator E-mail Address: Keisha.Stark@apachecorp.com Operator Phone No. 432-818-1181  
 (Optional – If provided, e-mail address will become part of this public record.)

**RRC USE ONLY**

Commingling Permit No. \_\_\_\_\_ Approval date: \_\_\_\_\_ Approved by: \_\_\_\_\_







19

File No. MF109134  
LTR REQUEST PERMISSION  
TO COMMINGLE

Date Filed: 4/3/13  
Jerry E. Patterson, Commissioner

By M J SCOTT

1. 272



12/27/2012

Matthew T. Scott, P.E.  
Texas General Land Office  
1700 N. Congress  
Mineral Leasing  
Room 840  
Austin, TX 78701  
512 475-2230 Office  
512 475-1543 Fax  
[Matthew.Scott@glo.texas.gov](mailto:Matthew.Scott@glo.texas.gov)

Mr. Scott,

The following letter is in regards to your inquiry about production allocation for Commingle Permit 08-6451:

Production from the two leases, Gibson 7B and Gibson 7C, will be metered separately prior to be being commingled. Each lease will have its own dedicated separation and metering equipment. Upon separation, oil will be metered through a turbine meter per Railroad Commission regulations and produced gas will be metered through an orifice plate meter. After metering, the production from each lease will be commingled for pipeline transmission. Production allocation will be based solely on the daily meter readings from each lease.

Please let me know if you have any questions or need any additional information.

Sincerely,

*Cole Wright*

Cole Wright  
Apache Corporation  
Facility Engineer  
O: 432-818-1846  
C: 432-260-5184  
[Cole.Wright@apachecorp.com](mailto:Cole.Wright@apachecorp.com)

ZO,

File No. MF 109134  
CTR PRODUCTION ALLOCATION

Date Filed: 4/3/13  
Jerry E. Patterson, Commissioner  
By M TSCOTT

4 3 3

TEXAS  GENERAL LAND OFFICE  
JERRY PATTERSON, COMMISSIONER

January 9, 2013

Via Certified Mail

Receipt No. 7011 1150 0001 2416 0174

Ms. Keisha Stark  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705-9909

RE: Your Application Requesting Permission to Commingle State Unit Production, Surface  
Commingling Permit 08-6451, MF109134, GLO Units 4716, 5441, and 5442, Glasscock  
County, Texas.

Dear Ms. Stark

Please reference the process flow diagram (PFD) submitted with your application letters dated  
December 20th and 27th, 2012 for the oil leases in the scope of the proposed amendment of  
commingling permit 08-6451.

Per the PFD each unit produces through a dedicated three phase metering separator that separates  
and measures gas and commingles same in a gas gathering system and also measures the oil and  
water separately prior to commingling into common storage. The purpose of the RRC Form P-17  
commingling permit is to allow for the production from multiple state units to be commingled  
into common storage.

In this unique case the gas royalty due shall be based on the gross or total MMBTUs of gas  
separated and metered at the dedicated separator serving each unit. Oil volumes and oil royalty  
due, in this unique case, shall be based on the proportionate share of the total stock tank barrels  
of oil produced monthly in lieu of correcting the as measured oil volume at each unit's separator  
to stock tank barrels.

Please be advised that the subject application is approved **subject to the following conditions.**

1. All oil production royalties shall be due based on the proportionate share of the  
total oil production (in stock tank barrels) that are allocated to each unit  
determined by the oil meter reading at each unit's three phase metering  
separator.
2. All gas production royalties shall be due based on the gross gas production  
volumes (adjusted to MMBTUs) as measured at the orifice meter located  
downstream of each unit's dedicated three phase metering separator, 2) the

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

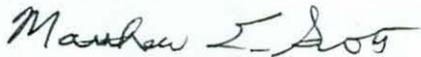
[www.glo.state.tx.us](http://www.glo.state.tx.us)

proportionate share of the total flash gas production volume (adjusted to MMBTUs) allocated to each RRC lease well based on the proportionate share of the total oil production allocated to each RRC lease well, and 3) any other non-sales dispositions such as fuel, vent, and flare volumes. The gas BTU content and component analysis obtained at each metering separator shall be determined by gas sample chromatographic analysis or other industry-accepted practices.

3. Retain, for lease audit purposes, all meter and test records, volume statements/reports, oil and gas analyses reports, and shrinkage/flash gas calculation records for all state and private lease or unit wells in the scope of the commingle permit for a period of at least seven (7) years after creation of each report or record.
4. Any changes to the flow process, metering scheme, or the addition of any wells that are not currently processed at the commingle facility shall require the Lessee to obtain permission from the GLO prior to making said changes.
5. Please provide me a copy of the RRC Form P-17 permit within ten days of its approval by RRC staff.

If you have questions, please contact me at (512) 475-2230, or by FAX at (512) 475-1543. My e-mail address is [matthew.scott@glo.texas.gov](mailto:matthew.scott@glo.texas.gov).

Sincerely,



Matthew T. Scott, P.E.  
Petroleum Engineer  
Energy Resources/Mineral Leasing

cc: Robert Hatter, Director Mineral Leasing

21

File No. MF109134

AGREE TO COMMERCE

Date Filed: 1/2/13

Jerry E. Patterson, Commissioner

By MT SCOTT

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

DATE: 5/14/2012

Property: 01588401/00002 GIBSON #3-7B ALL  
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 023829

8

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0085439001 STATE OF TEXAS	(RI) - ROYALTY INTEREST	01	0.01188282	5/1/2011

**Legal Description:**

TX GLASSCOCK T&P RR CO ABST/ID# 148 Twsp 4S Blk 33 Sec 7 QQ SE

MF 109134

UNIT# 5441



# OIL AND GAS DIVISION ORDER

Date: 05/14/2012

TO: APACHE CORPORATION ("Payor")  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
SUITE 100  
HOUSTON, TX 77056-4400

01588401/00002.1  
GIBSON #3-7B ALL

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

**TERMS OF SALE:** The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities. Deductions may be made for gathering, transportation, treating, conditioning, marketing and other post-production costs downstream of the wellhead, and for gross production, severance or other similar taxes on production or the proceeds thereof, as allowed by applicable law.

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

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

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

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

**NOTICES:** The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by Payor. Any correspondence regarding this agreement shall be furnished to the above address unless otherwise advised by either party.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

**FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.**

**NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.** THIS COPY FOR YOUR FILE



\_\_\_\_\_  
WITNESS NAME

\_\_\_\_\_  
SIGNATURE OF INTEREST OWNER

\_\_\_\_\_  
WITNESS NAME

742079879

\_\_\_\_\_  
SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O

\_\_\_\_\_  
OWNER TELEPHONE NUMBER

0085439001

STEPHEN F AUSTIN BUILDING  
1700 NORTH CONGRESS AVENUE  
AUSTIN TX US 78701

51013

File No. 109134

~~DIVISION ORDER~~

Date Filed: 05/16/12

Jerry E. Patterson, Commissioner

By 

APACHE CORPORATION  
OIL AND GAS DIVISION ORDER

Property: 01588401/00002 GIBSON #3-7B ALL  
State: TEXAS County/Parish: GLASSCOCK

Venture Number: 023829

8

<u>OWNER</u>	<u>INTEREST TYPE</u>	<u>EXC</u>	<u>INTEREST</u>	<u>EFF DATE</u>
0085439001 STATE OF TEXAS	(RI) - ROYALTY INTEREST	01	0.01188282	5/1/2011

Legal Description:

TX GLASSCOCK T&P RR CO ABST/ID# 148 Twsp 4S Blk 33 Sec 7 QQ SE

MF 109134

UNIT# 5441



OIL AND GAS DIVISION ORDER

Date: 05/14/2012

TO: APACHE CORPORATION ("Payor")
ONE POST OAK CENTRAL
2000 POST OAK BOULEVARD
SUITE 100
HOUSTON, TX 77056-4400

01588401/00002.1
GIBSON #3-7B ALL

The undersigned severally and not jointly certifies it is the legal Owner of the interest(s) of all the oil (including all liquid hydrocarbons) and gas (including all casinghead and other gaseous hydrocarbons) produced from the property described on the attached EXHIBIT A.

The following provisions apply to each interest "Owner" who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest(s) set out on the attached EXHIBIT A. The Payor shall pay all parties pursuant to applicable state statutes regarding accumulation of proceeds and the lease or operating agreement between the parties or any other contract for the purchase of oil and gas.

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

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

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

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

NOTICES: The Owner agrees to notify Payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on Payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to Payor at the time the change occurs.

In addition to the legal rights provided by the terms and provisions of the division order, an Owner may have certain statutory rights under the laws of the state of the property described on EXHIBIT A.

FAILURE TO FURNISH YOUR SOCIAL SECURITY OR TAX I.D. NUMBER WILL RESULT IN WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW. ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR AND WILL BE REMITTED TO THE INTERNAL REVENUE SERVICE.

NOTE: (1) DIVISION ORDERS FOR CORPORATIONS MUST BE EXECUTED BY AN AUTHORIZED OFFICER; (2) DIVISION ORDERS FOR INDIVIDUALS SHOULD BE WITNESSED BY TWO (2) DISINTERESTED THIRD PARTIES IN THE SPACES PROVIDED; (3) IF THE DIVISION ORDER IS SIGNED BY AN AGENT, ATTORNEY-IN-FACT, GUARDIAN, OR ANY PARTY OTHER THAN THE NAMED INTEREST OWNER, PLEASE FURNISH EVIDENCE OF THE RIGHTS VESTED IN THE SIGNATORY PARTY; (4) TO ENSURE PROMPT RECEIPT OF CHECKS, BE SURE YOUR MAILING ADDRESS, INCLUDING ZIP CODE, IS CORRECT AS SHOWN ON THIS DIVISION ORDER.

THIS COPY FOR YOUR FILE

WITNESS NAME

SIGNATURE OF INTEREST OWNER

WITNESS NAME

SOCIAL SECURITY OR TAX ID NUMBER

STATE OF TEXAS

4326844404

COMMISSIONER OF THE GENERAL LAND O
0085439001

OWNER TELEPHONE NUMBER

STEPHEN F AUSTIN BUILDING
1700 NORTH CONGRESS AVENUE
AUSTIN TX US 78701

91013

File No. 109134

~~DIVISION ORDER~~

Date Filed: 05/16/12  
Jery E. Patterson, Commissioner

By 



July 29, 2014

Certified Mail Receipt



Texas General Land Office  
Attn: Ronald Widmayer  
1700 North Congress Ave  
Austin TX, 78701

RE: Oil and Gas Lease Dated July 1, 2008, by and between State of Texas, as Lessor, and Apache Corporation, Successor to Veritas 321 Energy Partners, as Lessee, covering the 17.34 acres of land in the N/2 of Section 7, Block 33, Township 4 South, T&P Ry. Co. Survey, described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas in which Memorandum of Oil and Gas Lease is filed at Volume 119, Page 47 of the Lease Records of Glasscock County, Texas.

Dear State Representative,

Per our telephone conversation, please see the enclosed Designation of Unit and a Ratification and Consent to Pooling Agreement for your review. Apache Corporation is in the process of forming a unit for horizontal wells only containing approximately 960 acres, which will be known as the Gibson – Keathley Unit comprising of Section 6 and the N/2 of Section 7, Block 33, Township 4-S, T&P RR Co. Survey which are lands covered by your lease. We request your written consent to the right to pool all or any portion of the acreage covered by your lease.

Please execute the enclosed Ratification of the Gibson-Keathley Unit. Your signature on the Ratification should be acknowledged by a Notary Public. Once signed and notarized, please return the original signed Ratification in the envelope provided. An additional copy of the Ratification is provided for your files.

Should you have any questions, please contact me at the information below. Thank you for your consideration.

Sincerely,

Jeff Stout  
Landman  
(432)-818-1153

414

File No. \_\_\_\_\_

\_\_\_\_\_

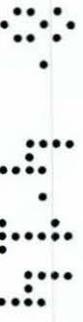
Date Filed: \_\_\_\_\_

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

**DESIGNATION OF UNIT  
(Gibson Keathley Unit)**

**State:** Texas  
**County:** Glasscock  
**Lessee:** Apache Corporation and Apache Deepwater LLC, successor to Mariner Energy, Inc.  
303 Veterans Airpark Lane, Suite 1000  
Midland, TX 79705



Lessee, named above, designates the following lands, for horizontal wells only, covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

**All of Section 6 and the North half (N/2) of Section 7, Block 33, Township 4 South, T&P R.R. Co. Svy., Glasscock County, Texas, comprising 960 acres, more or less, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.**

This Declaration and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessee, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed by Lessee as of the date of the acknowledgement, but effective for all purposes as of the date of first production.

APACHE CORPORATION

\_\_\_\_\_  
**Name:** James C. Swetnam  
**Title:** Attorney-in-Fact

STATE OF TEXAS            §  
                                          §  
COUNTY OF MIDLAND    §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by James C. Swetnam, Attorney-in-Fact for APACHE CORPORATION, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC FOR STATE OF TEXAS

APACHE DEEPWATER LLC

\_\_\_\_\_  
**Name:** James C. Swetnam  
**Title:** Attorney-in-Fact

STATE OF TEXAS            §  
                                          §  
COUNTY OF MIDLAND    §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by James C. Swetnam, Attorney-in-Fact for APACHE DEEPWATER LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
NOTARY PUBLIC FOR STATE OF TEXAS

EXHIBIT "A"

Attached to and made part of the Designation of the  
Gibson Keathley Unit

Date: January 20, 2012  
Recording: Volume 52, Page 14, Official Public Records of Glasscock Co., Texas  
Lessor: William Fred Chaney  
Lessee: Apache Corporation  
Lands: Section 6, Block 33, T4S T&P Ry. Co. Survey

Date: March 14, 2008  
Recording: Volume 119, Page 42, Official Public Records of Glasscock Co., Texas  
Lessor: Diane Harris Berger  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: March 14, 2008  
Recording: Volume 119, Page 50, Official Public Records of Glasscock Co., Texas  
Lessor: Bryant A. Harris, Jr.  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: February 6, 2008  
Recording: Volume 119, Page 61, Official Public Records of Glasscock Co., Texas  
Lessor: William J. Gibson, Jr., Attorney-In-Fact for Ethal C. Gibson  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: February 6, 2008  
Recording: Volume 119, Page 55, Official Public Records of Glasscock Co., Texas  
Lessor: William J. Gibson, Jr.  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: April 14, 2008  
Recording: Volume 117, Page 376, Official Public Records of Glasscock Co., Texas  
Lessor: Barbara Harris Hall, Trustee for the Barbara Harris Hall Trust  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

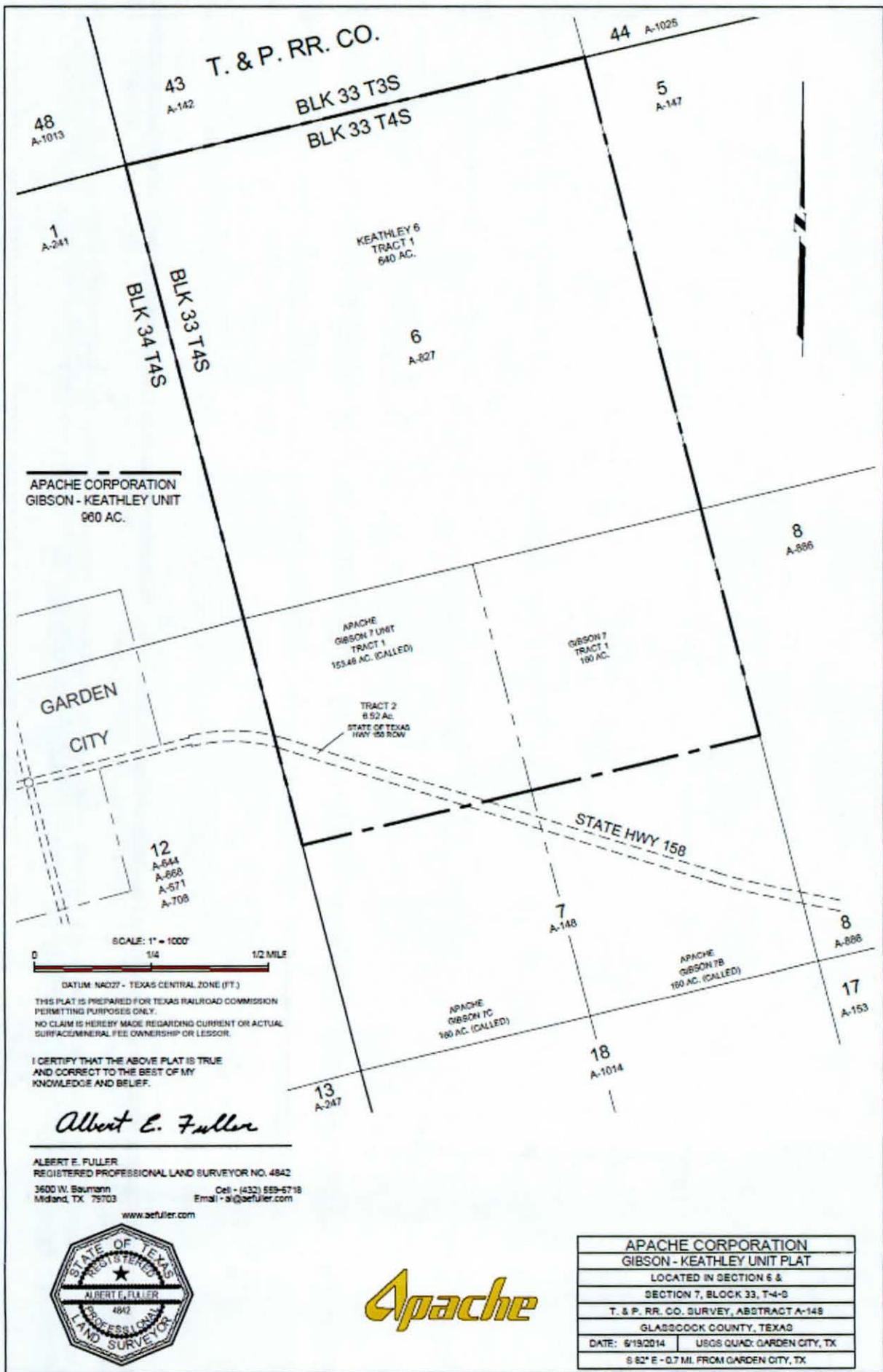
Date: March 14, 2008  
Recording: Volume 119, Page 47, Official Public Records of Glasscock Co., Texas  
Lessor: David E. Harris  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: July 1, 2008 - MF 109134  
Recording: Volume 119, Page 47, Official Public Records of Glasscock Co., Texas  
Lessor: State of Texas  
Lessee: Veritas 321 Energy Partners, LP  
Lands: 17.34 acres of land in the N/2 of Section 7, Block 33, T4S, T&P Ry. Co. Survey, more particularly described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.



EXHIBIT "B"

Attached to and made part of the Designation of the  
Gibson Keathley Unit



23

File No. M-109134  
Utr. From Appellate

Date Filed: 8/4/17  
Jerry E. Patterson, Commissioner

By [Signature]

RATIFICATION OF UNIT

State: Texas
County: Glasscock
Owner: State of Texas
Stephen F. Austin Building
1700 North Congress Ave
Austin Texas, 78701

Effective \_\_\_\_\_, Apache Corporation and Apache Deepwater LLC, successor to Mariner Energy, Inc., placed of record a Designation of Unit for the - Gibson Keathley Unit in Volume \_\_\_\_\_, Page \_\_\_\_\_, of the Official Records of Glasscock County, Texas.

The undersigned owns an interest in the following land:

6.52 ACRES, MORE OR LESS, SITUATED IN THE N/2 OF SECTION 7, BLOCK 33, TOWNSHIP 4 SOUTH, T&P RR. CO. SVY., GLASSCOCK COUNTY, TEXAS. SAID LANDS BEING PART OF THAT CERTAIN 17.34 ACRES, MORE PARTICULARLY DESCRIBED IN VOLUME 52, PAGE 14, OF THE DEED RECORDS OF GLASSCOCK COUNTY, TEXAS.

Included in the above mentioned Unit and the undersigned does hereby adopt, ratify, confirm and consent to said Unit Designation during the term of such Unit and agree his respective interest is subject to all terms and provisions thereof.

The undersigned owner's production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each tract bears to the total number of surface acres in the Unit.

This ratification is signed as the date of acknowledgement below, but is effective for all purposes as of the date of first production.

Date: 10/10/14

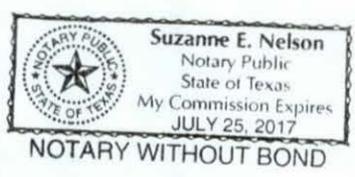
Jerry E. Patterson
Commissioner, General Land Office

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

Approved Legal [Signature]
Contents [Signature]
Min. Leasing [Signature]
Executive [Signature]

BEFOREME, the undersigned authority, on this day personally appeared Jerry E. Patterson, Commissioner of the General Land Office, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10th day of October, 2014.



Suzanne E. Nelson
NOTARY PUBLIC-STATE OF TEXAS

File No. M-109134  
Ret. Fiction of Unit

Date Filed: 10/10/14

Jerry E. Patterson, Commissioner

By [Signature]



*[Faint handwritten text, possibly "M-109134"]*

*[Faint handwritten text]*

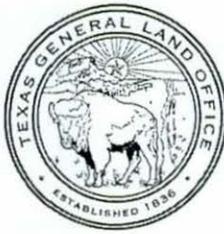
*[Faint rectangular stamp or box]*

*[Faint handwritten text]*

*[Faint handwritten text]*

*[Faint handwritten text]*

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 10, 2014

Mr. Jeff Stout  
Apache Corporation  
303 Veterans Airpark Lane, Suite 3000  
Midland, Texas 79705-4561

Re: Ratification of Unit  
Gibson Keathley Horizontal Unit  
Glasscock County, Texas

Dear Mr. Stout:

On October 7, 2014, the School Land Board approved your application to have the State ratify the referenced Unit. Enclosed is an original Ratification of Unit for the referenced Unit that has been executed by Jerry E. Patterson, Commissioner of the Texas General Land Office. Please have the ratifications recorded in Glasscock County, Texas and provide our office with a copy of the recorded ratification and the recorded Designation of Unit.

Thank you for your assistance with this matter and let me know if you have any questions.

Sincerely,

J. Daryl Morgan, CPL  
Energy Resources Division  
(512) 305-9106

Enclosure

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

P.O. Box 12873 • Austin, Texas 78711-2873

512.463.5001 • 800.998.4GLO

[glo.texas.gov](http://glo.texas.gov)

23

File No. M-109134

Ltr. to Apache

Date Filed: 10/10/17

Jerry E. Patterson, Commissioner

By 

**DO NOT DESTROY**



**Texas General Land Office  
UNIT AGREEMENT MEMO**

UPA148292

Unit Number 6965  
 Operator Name Apache Corporation  
 Customer ID C000023272  
 Unit Name Gibson Keathley Unit  
 County 1 Glasscock RRC District 1 08  
 County 2 RRC District 2  
 County 3 RRC District 3  
 County 4 RRC District 4  
 Unit type Permanent  
 State Net Revenue Interest 0.00152810  
 State Part in Unit 0.00679167  
 Unit Depth Allow All Depths  
 From Depth Well  
 To Depth Formation  
 Participation Basis Surface Acreage  
 If Excluions Apply: See Remarks

Effective Date 10/07/2014  
 Unitized For Oil And Gas  
 Unit Term  
 Old Unit Number Inactive Status Date

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF109134	1	6.520000	960.000000	0.00679167	0.22500000	0.00152812	No

API Number 173-36887, 173-36895, 173-36896, 173-36897 ✓

Remarks: HROW-SPRABERRY TREND UNIT

Prepared By: REW Prepared Date: 10-7-14  
 GLO Base Updated By: REW GLO Base Date: 10-7-14  
 RAM Approval By: VSD RAM Approval Date: 10-20-14  
 GIS By: MC GIS Date: 11-12-15  
 Well Inventory By: amb WI Date: 10/7/14

# Pooling Committee Report

To: School Land Board

UPA148292

Date of Board Meeting:

Unit Number: 6965

Effective Date: 10/07/2014

Unit Expiration Date:

Applicant: Apache Corporation

Attorney Rep:

Operator: Apache Corporation

Unit Name: Gibson Keathley Unit

Field Name: Spraberry (Trend Area)

County: Glasscock

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
HROW	MF109134	0.22500000	07/01/2011	3 years	17.340000	6.520000	0.00152812

<b>Private Acres:</b>	953.480000
<b>State Acres:</b>	6.520000
<b>Total Unit Acres:</b>	960.000000

<b><u>Participation Basis:</u></b>	Surface Acreage
Surface Acreage	
<b><u>State Acreage:</u></b>	0.68%
<b><u>State Net Revenue Interest:</u></b>	0.15%

<b><u>Unit Type:</u></b>	<b><u>Unitized for:</u></b>
Permanent	Oil And Gas
<b><u>Term:</u></b>	

<b><u>RRC Rules:</u></b>	<b><u>Spacing Acres:</u></b>
Yes	480 acres for a 7835 foot lateral

**Working File Number: UPA148292**

**REMARKS:**

- Apache Corporation is requesting School Land Board ratification of the 960 acre Gibson Keathley Unit which includes a 6.52 acre Highway Right of Way tract. This unit will be for horizontal wells only.
- The applicant plans to drill 4 horizontal unit wells in order to test the Spraberry and Wolfcamp Formations. The wells will be drilled to approximately 9410 feet TVD with 7,835 foot laterals.
- With Board ratification of the unit, the State's unit royalty participation will be 0.15%.
- The State will participate on a unitized basis from the date of first production.

**POOLING COMMITTEE RECOMMENDATION:**

The Pooling Committee recommends Board ratification of the Gibson Keathley Unit under the above-stated provisions.



Mary Smith - Office of the Attorney General

9/23/2014

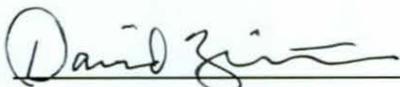
Date



Robert Hatter - General Land Office

9/23/14

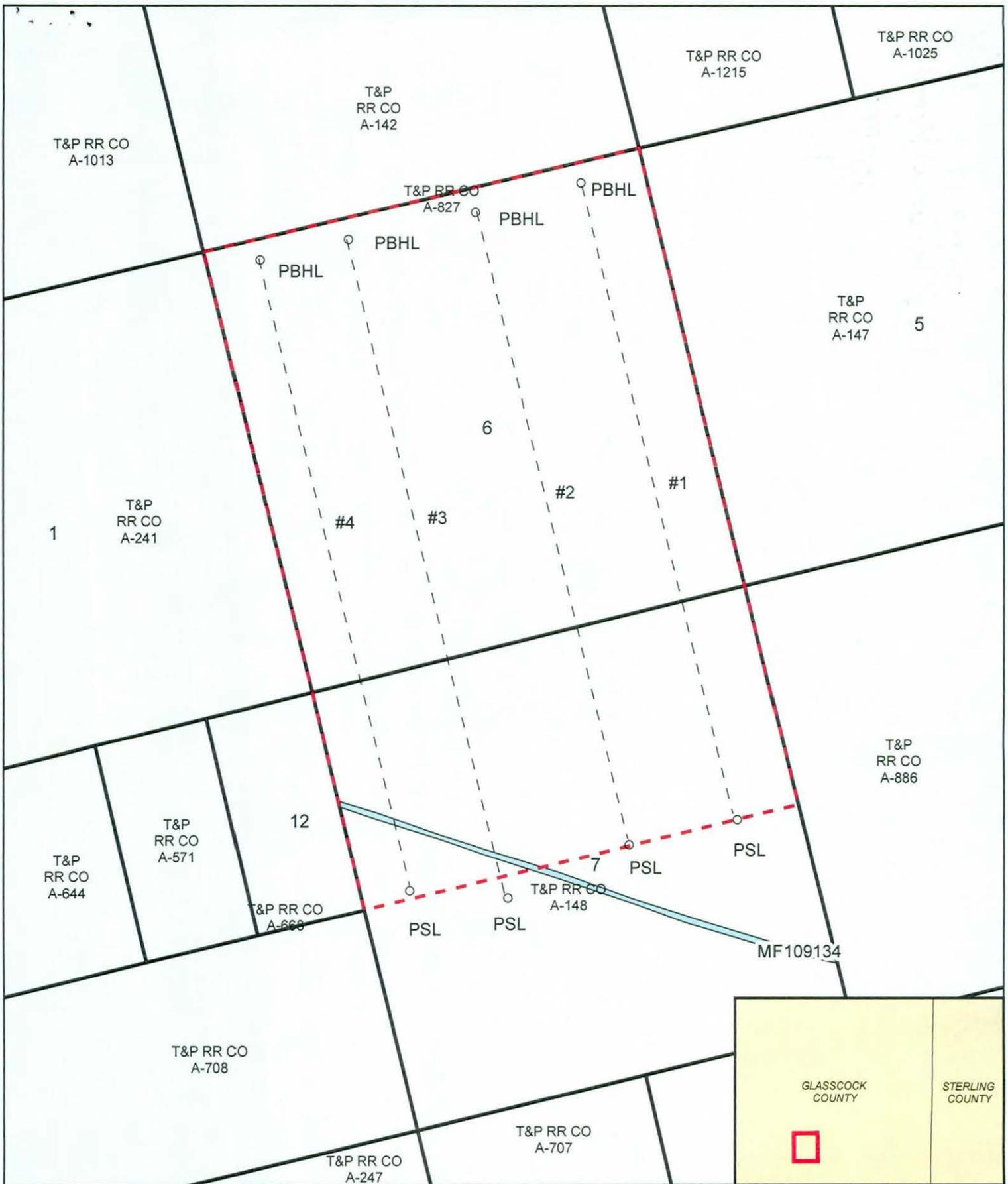
Date



David Zimmerman - Office of the Governor

9/23/14

Date



Unit #6965  
 Apache Corporation  
 Gibson Keathley Unit  
 Spraberry (Trend Area) Field  
 Glasscock County, Texas

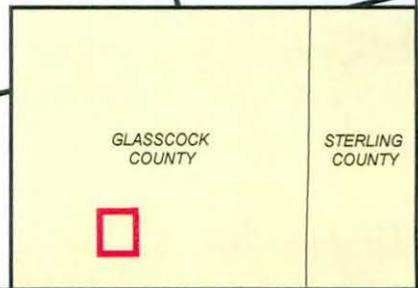


1,500 750 0 1,500 Feet

The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on this map or the data from which it was produced. This map IS NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Generated by:  
 Mark Conway  
 IS/BAS/GIS  
 October 2014



(26)

M-109134

File No. \_\_\_\_\_

Re: F. Agreements + Memo

Date Filed: \_\_\_\_\_

By \_\_\_\_\_

Jerry E. Patterson, Commissioner

*JEP*



2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400

(713) 296 6000  
WWW.APACHECORP.COM

February 7, 2011

Texas General Land Office  
P.O. Box 12873  
Austin, Texas 78711  
Attn: Beverly Boyd

**NOTICE OF MERGER**

Ladies and Gentlemen:

Effective November 10, 2010, Mariner Energy, Inc. merged into Apache Deepwater LLC a wholly owned subsidiary of Apache Corporation. As a result of this merger, all of the rights, assets, properties, and interests of Mariner Energy, Inc. were vested by operation of law in Apache Deepwater LLC.

Our records indicate that Mariner Energy, Inc. currently owns an interest in the leases listed on the attached. In connection with the merger, we respectfully request that you update your records for these leases and any others not listed in which Mariner Energy, Inc. also owns an interest. Enclosed herewith is a copy of the Merger Certificate issued by the Secretary of State of the State of Delaware.

Any questions regarding this notice may be directed to:

Rob J. Maier  
Landman – Business Development  
Office Phone: (713) 296-6573  
Email: [rob.maier@apachecorp.com](mailto:rob.maier@apachecorp.com)

Thank you for your cooperation.

Yours very truly,

**APACHE DEEPWATER LLC**

A handwritten signature in black ink, appearing to read "Rob J. Maier", written over a horizontal line.

Rob J. Maier  
Landman – Business Development

---

County	Lease Name	Eff Date	Exp Date
GLASSCOCK	M 109134	7/1/2008	7/1/2011
GLASSCOCK	M 109579	12/16/2008	12/16/2011
GLASSCOCK	M 110193	7/14/2009	7/14/2012
GLASSCOCK	M 110215	7/14/2009	7/14/2012
UPTON	M 108354	10/2/2007	10/2/2012

---

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 01:01 PM 11/10/2010  
FILED 01:01 PM 11/10/2010  
SRV 101074052 - 4811178 FILE

**CERTIFICATE OF MERGER  
MERGING  
MARINER ENERGY, INC.  
INTO  
APACHE DEEPWATER LLC**

Pursuant to Title 8, Section 264(c) of the Delaware General Corporation Law (the "DGCL") and Title 6, Section 18-209(c) of the Delaware Limited Liability Company Act (the "DLLC"), the undersigned limited liability company executed the following Certificate of Merger:

**FIRST:** The name and jurisdiction of formation or organization of each of the constituent entities which are to merge are as follows:

Name	Jurisdiction of Formation or Organization
Apache Deepwater LLC	Delaware
Mariner Energy, Inc.	Delaware

**SECOND:** The Agreement and Plan of Merger, dated April 14, 2010, as amended by Amendment No. 1 dated August 2, 2010, by and among Apache Corporation, Apache Deepwater LLC (formerly known as ZMZ Acquisitions LLC), and Mariner Energy, Inc. (the "Agreement and Plan of Merger") has been approved, adopted, certified, executed and acknowledged by the surviving limited liability company pursuant to Section 18-209 of the DLLC and by the merging corporation pursuant to Section 264 of the DGCL.

**THIRD:** The name of the surviving limited liability company is Apache Deepwater LLC.

**FOURTH:** The merger is to become effective upon filing of this certificate.

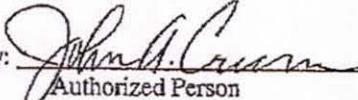
**FIFTH:** The Agreement and Plan of Merger is on file at One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400, the place of business of the surviving limited liability company.

**SIXTH:** A copy of the Agreement and Plan of Merger will be furnished by the surviving limited liability company, on request and without cost, to any stockholder of any constituent corporation or member of any constituent limited liability company.

---

IN WITNESS WHEREOF, said limited liability company has caused this certificate to be signed  
by an authorized person, the 10<sup>th</sup> day of November, 2010.

Apache Deepwater LLC

By:   
Authorized Person

Name: John A. Crum

Title: Chief Operating Officer and President

---

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"MARINER ENERGY, INC.", A DELAWARE CORPORATION,  
WITH AND INTO "APACHE DEEPWATER LLC" UNDER THE NAME OF  
"APACHE DEEPWATER LLC", A LIMITED LIABILITY COMPANY ORGANIZED  
AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS  
RECEIVED AND FILED IN THIS OFFICE THE TENTH DAY OF NOVEMBER,  
A.D. 2010, AT 1:01 O'CLOCK P.M.

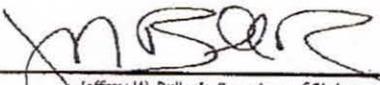
A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE  
NEW CASTLE COUNTY RECORDER OF DEEDS.

4811178 8100M

101074052

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8344052

DATE: 11-10-10

File No. MF 109134  
Notice of Merger

Date Filed: 2-7-11

Jerry E. Patterson, Commissioner

By JEP

**DO NOT DESTROY**



**Texas General Land Office  
UNIT AGREEMENT MEMO**

UPA148292

Unit Number 6965  
 Operator Name Apache Corporation  
 Customer ID ~~000044329~~ 0000 23272  
 Unit Name Gibson Keathley Unit  
 County 1 Glasscock RRC District 1 08  
 County 2 RRC District 2  
 County 3 RRC District 3  
 County 4 RRC District 4  
 Unit type Permanent  
 State Net Revenue Interest 0.00152810  
 State Part in Unit 0.00679167  
 Unit Depth Allow All Depths Well  
 From Depth Formation  
 To Depth Participation Basis Surface Acreage  
 If Excluions Apply: See Remarks

Effective Date 07/25/2014  
 Unitized For Oil And Gas  
 Unit Term  
 Old Unit Number Inactive Status Date

Re done for SLB  
 Approval  
 10-7-14

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	Lease Royalty	Tract Royalty Participation	Royalty Rate Reduction Clause
MF109134	1	6.520000	960.000000	0.00679167	0.22500000	0.00152812	No

API Number

Remarks: HROW-SPRABERRY TREND UNIT

Prepared By: REW Prepared Date: 7-25-14  
 GLO Base Updated By: REW GLO Base Date: 7-25-14  
 RAM Approval By: VD RAM Approval Date: 7/7/14  
 GIS By: MC GIS Date: 1-5-15  
 Well Inventory By: mm WI Date: 8/5/14

# Pooling Committee Report

To: School Land Board

UPA148292

Date of Board Meeting:

Unit Number: 6965

Effective Date: 07/25/2014

Unit Expiration Date:

Applicant: Apache Corporation

Attorney Rep:

Operator: Apache Corporation

Unit Name: Gibson Keathley Unit

Field Name: Spraberry (Trend Area)

County: Glasscock

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
HROW	MF109134	0.22500000	07/01/2011	3 years	17.340000	6.520000	0.00152812

<b>Private Acres:</b>	953.480000
<b>State Acres:</b>	6.520000
<b>Total Unit Acres:</b>	960.000000

<b><u>Participation Basis:</u></b>	Surface Acreage
Surface Acreage	
<b><u>State Acreage:</u></b>	0.68%
<b><u>State Net Revenue Interest:</u></b>	0.15%

<b><u>Unit Type:</u></b>	<b><u>Unitized for:</u></b>
Permanent	Oil And Gas
<b><u>Term:</u></b>	

<b><u>RRC Rules:</u></b>	<b><u>Spacing Acres:</u></b>
Yes	

**DESIGNATION OF UNIT  
(Gibson Keathley Unit)**

**State:** Texas  
**County:** Glasscock  
**Lessee:** Apache Corporation and Apache Deepwater LLC, successor to Mariner Energy, Inc.  
303 Veterans Airpark Lane, Suite 1000  
Midland, TX 79705

Lessee, named above, designates the following lands, for horizontal wells only, covered by the Leases described in Exhibit "A", attached hereto and made a part hereof for all purposes, as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

**All of Section 6 and the North half (N/2) of Section 7, Block 33, Township 4 South, T&P R.R. Co. Svy., Glasscock County, Texas, comprising 960 acres, more or less, as shown on the plat attached hereto as Exhibit "B" and made a part hereof for all purposes.**

This Declaration and the Unit created shall be in effect, unless sooner dissolved, terminated or modified by Lessee, as long as the Leases are maintained in force and effect, insofar as they cover the lands contained within said Unit.

Executed by Lessee as of the date of the acknowledgement, but effective for all purposes as of the date of first production.

APACHE CORPORATION

\_\_\_\_\_  
**Name:** James C. Swetnam  
**Title:** Attorney-in-Fact

STATE OF TEXAS           §  
                                          §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by James C. Swetnam, Attorney-in-Fact for APACHE CORPORATION, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC FOR STATE OF TEXAS

APACHE DEEPWATER LLC

\_\_\_\_\_  
**Name:** James C. Swetnam  
**Title:** Attorney-in-Fact

STATE OF TEXAS           §  
                                          §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by James C. Swetnam, Attorney-in-Fact for APACHE DEEPWATER LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
NOTARY PUBLIC FOR STATE OF TEXAS

EXHIBIT "A"

Attached to and made part of the Designation of the  
Gibson Keathley Unit

Date: January 20, 2012  
Recording: Volume 52, Page 14, Official Public Records of Glasscock Co., Texas  
Lessor: William Fred Chaney  
Lessee: Apache Corporation  
Lands: Section 6, Block 33, T4S T&P Ry. Co. Survey

Date: March 14, 2008  
Recording: Volume 119, Page 42, Official Public Records of Glasscock Co., Texas  
Lessor: Diane Harris Berger  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: March 14, 2008  
Recording: Volume 119, Page 50, Official Public Records of Glasscock Co., Texas  
Lessor: Bryant A. Harris, Jr.  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: February 6, 2008  
Recording: Volume 119, Page 61, Official Public Records of Glasscock Co., Texas  
Lessor: William J. Gibson, Jr., Attorney-In-Fact for Ethal C. Gibson  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: February 6, 2008  
Recording: Volume 119, Page 55, Official Public Records of Glasscock Co., Texas  
Lessor: William J. Gibson, Jr.  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: April 14, 2008  
Recording: Volume 117, Page 376, Official Public Records of Glasscock Co., Texas  
Lessor: Barbara Harris Hall, Trustee for the Barbara Harris Hall Trust  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: March 14, 2008  
Recording: Volume 119, Page 47, Official Public Records of Glasscock Co., Texas  
Lessor: David E. Harris  
Lessee: Mariner Energy, Inc.  
Lands: The N/2 of Section 7, Block 33, T4S T&P Ry. Co. Survey, Save and Except 17.34 acres described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

Date: July 1, 2008  
Recording: Volume 119, Page 47, Official Public Records of Glasscock Co., Texas  
Lessor: State of Texas  
Lessee: Veritas 321 Energy Partners, LP  
Lands: 17.34 acres of land in the N/2 of Section 7, Block 33, T4S, T&P Ry. Co. Survey, more particularly described in Volume 52, Page 14, of the Deed Records of Glasscock Co., Texas.

RATIFICATION OF UNIT

State: Texas
County: Glasscock
Owner: State of Texas
Stephen F. Austin Building
1700 North Congress
Austin, Texas 78701

Effective \_\_\_\_\_, Apache Corporation and Apache Deepwater LLC, successor to Mariner Energy, Inc., placed of record a Designation of Unit for the - Gibson Keathley Unit in Volume \_\_\_\_\_, Page \_\_\_\_\_, of the Official Records of Glasscock County, Texas.

The undersigned owns an interest in the following land:

N/2 OF SECTION 7, BLOCK 33, TOWNSHIP 4 SOUTH, T&P RR. CO. SVY., GLASSCOCK COUNTY, TEXAS, SAVE AND EXCEPT 17.34 ACRES, MORE OR LESS, MORE PARTICULARLY DESCRIBED IN VOLUME 52, PAGE 14, OF THE DEED RECORDS OF GLASSCOCK COUNTY, TEXAS.

Included in the above mentioned Unit and the undersigned does hereby adopt, ratify, confirm and consent to said Unit Designation during the term of such Unit and agree his respective interest is subject to all terms and provisions thereof.

The undersigned owner's production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each tract bears to the total number of surface acres in the Unit.

This ratification is signed as the date of acknowledgement below, but is effective for all purposes as of the date of first production.

Date: \_\_\_\_\_

\_\_\_\_\_  
Commissioner, General Land Office

THE STATE OF TEXAS

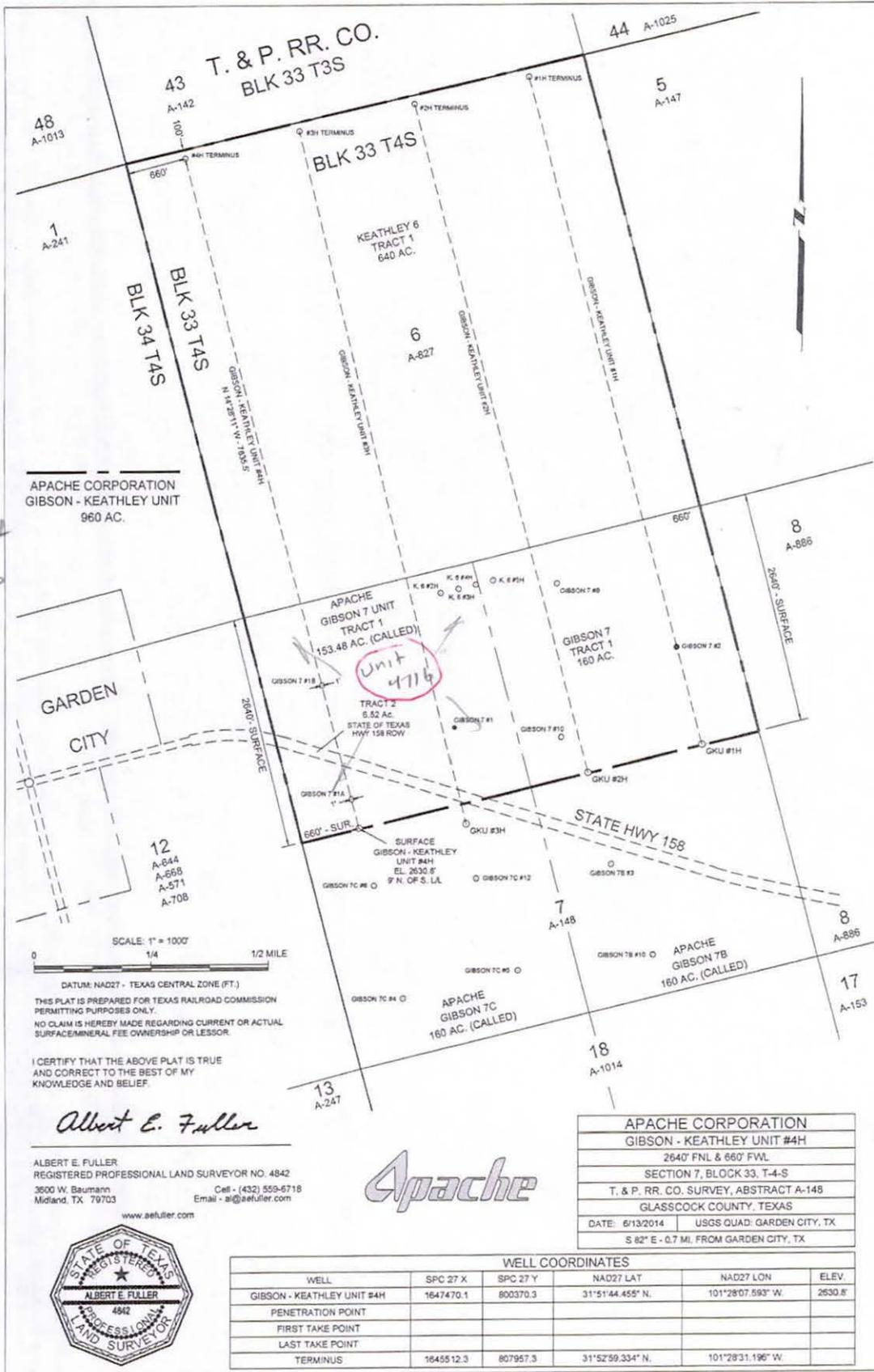
COUNTY OF TRAVIS

§
§
§

BEFOREME, the undersigned authority, on this day personally appeared \_\_\_\_\_, Commissioner of the General Land Office, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
NOTARY PUBLIC-STATE OF TEXAS



Large Horizontal and  
 Amount and 4716  
 for vertical wells only  
 7-16-14  
 Titled to  
 Jesse  
 Stuart  
 432-818-  
 1153

MF 109134

APACHE CORPORATION  
 GIBSON - KEATHLEY UNIT  
 960 AC.

GARDEN  
 CITY

SCALE: 1" = 1000'  
 0 1/4 1/2 MILE

DATUM: NAD27 - TEXAS CENTRAL ZONE (FT.)  
 THIS PLAT IS PREPARED FOR TEXAS RAILROAD COMMISSION  
 PERMITTING PURPOSES ONLY.  
 NO CLAIM IS HEREBY MADE REGARDING CURRENT OR ACTUAL  
 SURFACE MINERAL FEE OWNERSHIP OR LESSOR.

I CERTIFY THAT THE ABOVE PLAT IS TRUE  
 AND CORRECT TO THE BEST OF MY  
 KNOWLEDGE AND BELIEF.

*Albert E. Fuller*

ALBERT E. FULLER  
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4842  
 3600 W. Baumann Cell: (432) 559-6718  
 Midland, TX 79703 Email: ae@aeFuller.com  
 www.aefuller.com



APACHE CORPORATION	
GIBSON - KEATHLEY UNIT #4H	
2640' FNL & 660' FWL	
SECTION 7, BLOCK 33, T-4-S	
T. & P. RR. CO. SURVEY, ABSTRACT A-148	
GLASSCOCK COUNTY, TEXAS	
DATE: 6/13/2014	USGS QUAD: GARDEN CITY, TX
S 82° E - 0.7 Mi. FROM GARDEN CITY, TX	

WELL COORDINATES					
WELL	SPC 27 X	SPC 27 Y	NAD27 LAT	NAD27 LON	ELEV.
GIBSON - KEATHLEY UNIT #4H	1647470.1	800370.3	31°51'44.455" N.	101°28'07.593" W.	2630.8'
PENETRATION POINT					
FIRST TAKE POINT					
LAST TAKE POINT					
TERMINUS	1645512.3	807957.3	31°52'59.334" N.	101°28'31.196" W.	

REF NO.: APA - 101145

Unit 4716  
 Gibson 7 #1  
 12-8-09 All Depths  
 Spraberry Trend

NW/4 sec 7  
 In a unit to  
 All Depths.

**From:** "Stout, Jeff" <Jeff.Stout@apachecorp.com>  
**To:** "ronald.widmayer@glo.texas.gov" <ronald.widmayer@glo.texas.gov>  
**Date:** 7/15/2014 9:09 AM  
**Subject:** FW: Jeff Stout Apache Corporation - Gibson Keathley  
**Attachments:** Gibson Keathley Map.pdf

Jeffrey S. Stout  
direct 432-818-1153 | mobile 972-814-2681

From: McLain, William  
Sent: Monday, July 14, 2014 9:52 AM  
To: Stout, Jeff  
Subject: FW: Jeff Stout Apache Corporation - Gibson Keathley

From: McLain, William  
Sent: Wednesday, July 09, 2014 2:30 PM  
To: 'daryl.morgan@glo.texas.gov'  
Subject: Jeff Stout Apache Corporation - Gibson Keathley

Mr. Morgan,

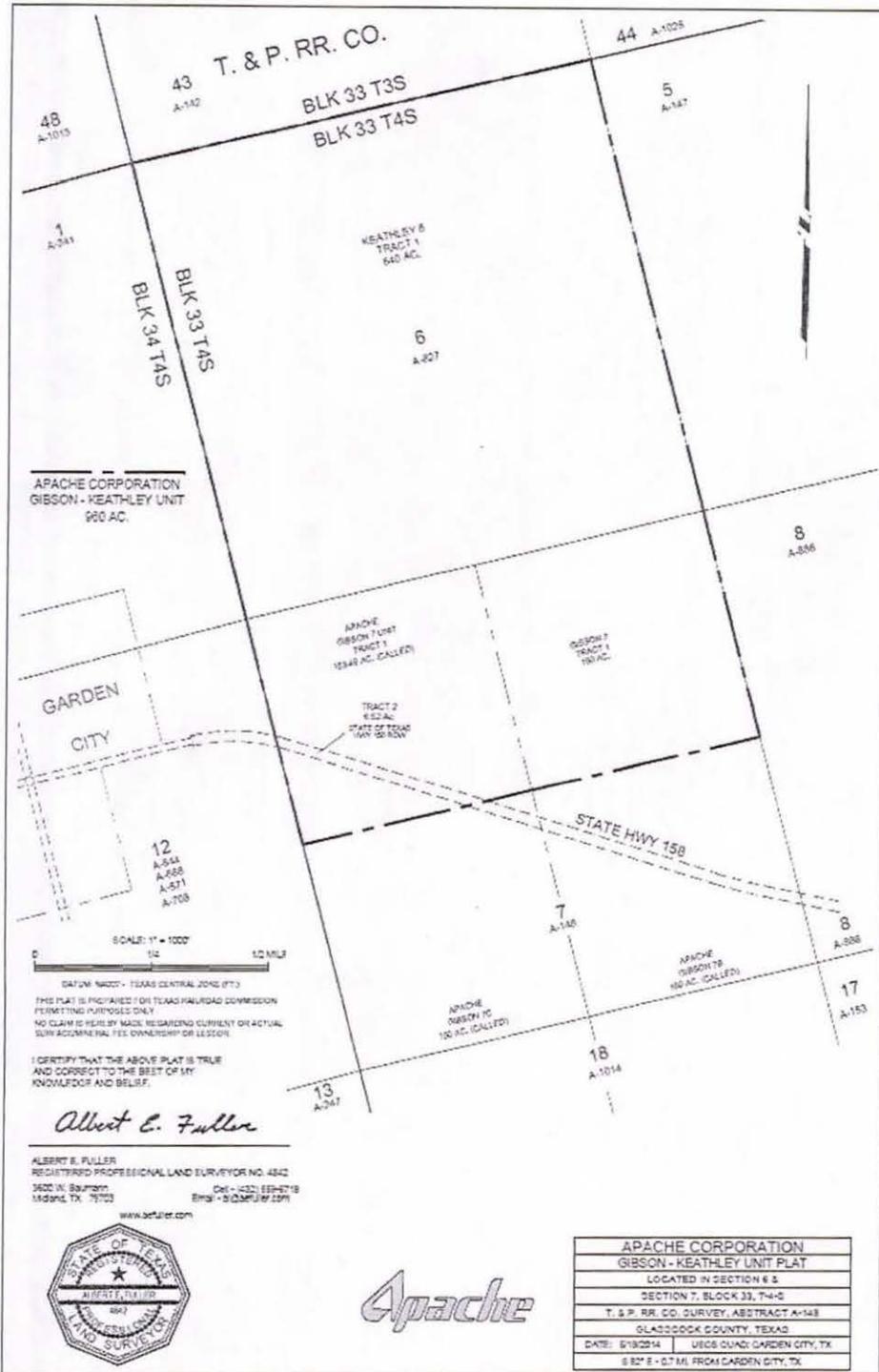
I am emailing you on behalf of Jeff Stout from Apache Corporation, whom mentioned speaking to you on the phone. I have attached a map of the Gibson Keathley unit you two discussed. I was told he will contact you again soon. Thank you for your time.

Sincerely,

William R. McLain  
Landman  
Apache Corporation  
Permian Region  
Phone: 432-818-1000

EXHIBIT "B"

Attached to and made part of the Designation of the  
Gibson Keathley Unit



SCALE: 1" = 1000'  
1" = 10 MILES

DATE: 11/20/14  
THIS PLAT IS PREPARED FOR THE TEXAS SURVEY COMMISSION FOR RECORDING PURPOSES ONLY.  
NO CLAIM IS MADE BY THIS PLAT REGARDING CURRENT OR ACTUAL SURVEY ACCURACY OR OWNERSHIP OR LESSEES.

I CERTIFY THAT THE ABOVE PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Albert E. Fuller*

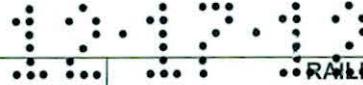
ALBERT E. FULLER  
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4242  
3600 W. SOUTHWEST  
MCKINNEY, TX 75069  
Cell: (409) 889-2718  
Email: aef@aeffuller.com  
www.aefuller.com



APACHE CORPORATION	
GIBSON - KEATHLEY UNIT PLAT	
LOCATED IN SECTION 6 & 7	
SECTION 7, BLOCK 33, T-4-S	
T. & P. RR. CO. SURVEY, ABSTRACT A-148	
GLASSCOCK COUNTY, TEXAS	
DATE: 6/18/2014	VECS OUND: GARDEN CITY, TX
S 82° E - 0.7 MI. FROM GARDEN CITY, TX	

28

File No. MF109134  
Unit Designation for Gibson Keathley Unit #6965  
Date Filed: 12/29/14  
Jerry E. Patterson, Commissioner  
By JEP



RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION

FORM P-17  
Eff 01/2008  
\$150 FILING FEE

New  
 Amended  
Existing Permit No. 6451  
Effective Month/Year of Requested  
Exception: 11 / 2011

APPLICATION FOR EXCEPTION TO  
STATEWIDE RULES (SWR) 26 AND/OR 27

District 08  
County GLASSCOCK

SECTION 1. OPERATOR INFORMATION (See instructions under "Who Files")

Operator Name (as shown on P-5): APACHE CORPORATION Operator P-5 No. 027200  
Operator Address: 303 VETERANS AIRPARK LANE STE 3000 City, State, Zip: MIDLAND, TX 79705

SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)

Gatherer Name (as shown on P-5): PLAINS MARKETING Gatherer P-5 No. 667883  
Gatherer Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_  
Gatherer E-mail Address: \_\_\_\_\_  
(Optional - If provided, e-mail address will become part of this public record.)

SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY):  OIL  CASINGHEAD GAS  GAS WELL GAS  CONDENSATE

- a.  Gas well full well stream into common separation and storage facility with liquids reported on Form PR.
- b.  Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # \_\_\_\_\_ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form G-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)
- c.  Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.
- d.  This request is for off lease:  storage  separation  metering. Gibson 7C
- e.  This exception is for common storage.
- f.  This exception is for common separation.
- g.  This exception is for casinghead gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_.
- h.  This exception is for gas well gas metering by:  deduct metering  allocation by well test  other \_\_\_\_\_.
- i.  This request is an exception to measure liquid with a: (check one below)  
 a Turbine Meter or  a Coriolis Meter (an additional \$150.00 and a letter of explanation is required for each exception.)

SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY) The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

- a.  The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)
- b.  The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)
- c.  The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)  
If b. or c. checked, production will be allocated by:  W-10 (oil)  W-2 retest (oil)  PD Meter (oil & condensate)  G-10 (gas)
- d.  The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)
- e.  The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)
- f.  The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)
- g.  Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

SECTION 5.  Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

SECTION 6.  For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)

DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	727482	<input type="checkbox"/> Existing	<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Delete	GIBSON 7 JAILHOUSE (FUSSELMAN)	1A
08	718617	<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7C SPRABERRY (TREND AREA)	4
08	727479	<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7C SPRABERRY (TREND AREA)	6
08	41918	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7B SPRABERRY (TREND AREA)	ALL

ATTACH ADDITIONAL PAGES AS NEEDED.  No additional pages  Additional pages 1 (# of additional pages)

CERTIFICATE: I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected State Agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected State Agencies being obtained.

Signature Keisha Stark Title REGULATORY TECH Date 12/10/2012  
Operator E-mail Address: Keisha.Stark@apachecorp.com Operator Phone No. 432-818-1181  
(Optional - If provided, e-mail address will become part of this public record.)

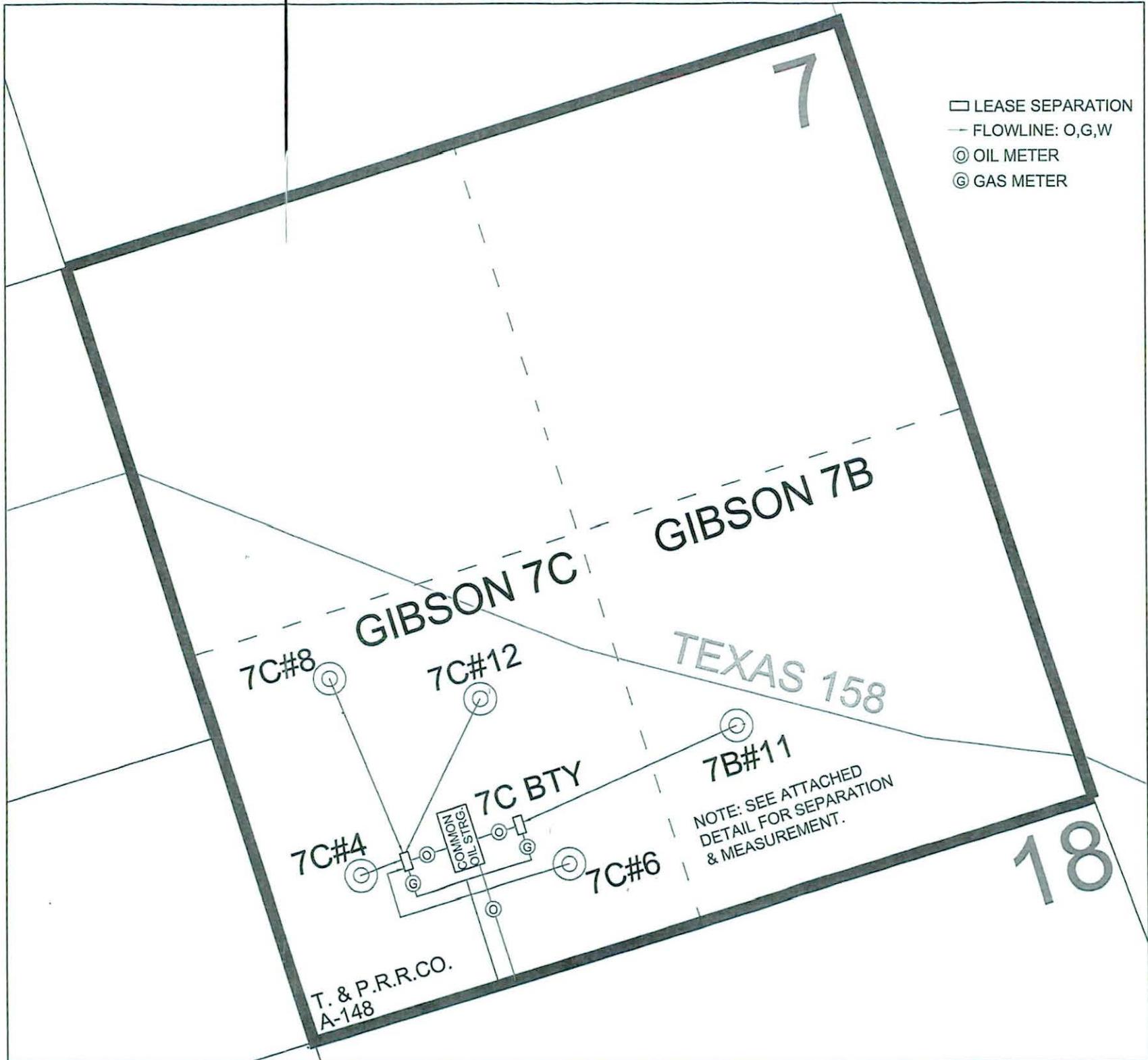
RRC USE ONLY

Commingling Permit No. \_\_\_\_\_ Approval date: \_\_\_\_\_ Approved by: \_\_\_\_\_

12/20/12  
CALLED TO ADVISE HER OF NEED  
TO COMPLY WITH ATTACHMENT 1 OF GLO  
COMMINGLE APPLICATION REQUIREMENTS



2025



07191



29

MF 109134

County

Form P-17 12/17/12

Date Filed:

9/1/14

George P. Bush, Commissioner

AG

000000

12.17.12



12/11/2012

TEXAS RAILROAD COMMISSION  
ATTN: P-17 Department  
1701 NORTH CONGRESS AVE  
AUSTIN, TX 78711-2967

Re: Commingling Permit, District 8  
Permit No. 6450  
Glasscock County, Texas

Dear P-17 Department,

Please cancel the referenced P-17 surface commingle permit, as the leases for which this permit was obtained have been separated to their own battery and the permit is no longer need. I have enclosed a copy of the P-17 for the permit, for your convenience.

If you have any questions please don't hesitate to contact me at 432-818-1181 or via email at [keisha.stark@apachecorp.com](mailto:keisha.stark@apachecorp.com)

Sincerely,

Keisha Stark  
Regulatory Tech  
Permian Region

6451 SOUTH  $\frac{1}{2}$  OF SECTION.

MF109134



<input checked="" type="checkbox"/> New <input type="checkbox"/> Amended Existing Permit No. _____  Effective Month/Year of Requested Exception: <u>03</u> / <u>2011</u>	RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION  <b>APPLICATION FOR EXCEPTION TO          STATEWIDE RULES (SWR) 26 AND/OR 27</b> <u>11U1423</u>	<b>FORM P-17</b> Eff 01/2008 \$150 FILING FEE  District <u>08</u>  County <u>GLASSCOCK</u>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------

**SECTION 1. OPERATOR INFORMATION (See instructions under "Who Files")**

Operator Name (as shown on P-5): APACHE CORPORATION Operator P-5 No. 027200

Operator Address: 303 VETERANS AIRPARK LANE STE 3000 City, State, Zip: MIDLAND, TX 79705

**SECTION 2. GATHERER (of oil or condensate) INFORMATION (not required if 3b is checked)**

Gatherer Name (as shown on P-5): PLAINS MARKETING Gatherer P-5 No. 667883

Gatherer Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Gatherer E-mail Address: \_\_\_\_\_  
 (Optional - If provided, e-mail address will become part of this public record.)

**SECTION 3. APPLICATION APPLIES TO (CHECK ALL THAT APPLY):**  OIL  CASINGHEAD GAS  GAS WELL GAS  CONDENSATE

a.  Gas well full well stream into common separation and storage facility with liquids reported on Form PR.  
 b.  Gas well full well stream into a gasoline plant/common separation and storage facility with liquids reported on Form R-3 Serial # \_\_\_\_\_ (If full well stream is checked, the results of periodic tests to determine the number of stock tank barrels of liquid hydrocarbons recovered per 1,000 standard cubic feet of gas must be reported on Form R-10 in accordance with SWR 55. Attach an explanation of any exceptions to SWR 55.)  
 c.  Condensate and low-pressure Gas Well Gas are commingled into low-pressure separation and storage facilities.  
 d.  This request is for off lease:  storage  separation  metering.  
 e.  This exception is for common storage.  
 f.  This exception is for common separation.  
 g.  This exception is for casinghead gas metering by:  deduct metering  allocation by well test  other  
 h.  This exception is for gas well gas metering by:  deduct metering  allocation by well test  other  
 i.  This request is an exception to measure liquid with a: (check one below)  
 a Turbine Meter or  a Coriolis Meter (an additional \$150.00 and a letter of explanation is required for each exception.)

RECEIVED  
RRC OF TEXAS  
MAR 29 2012  
O&G  
AUSTIN TX

**SECTION 4. NOTICE REQUIREMENTS AND ALLOCATION METHOD. (CHECK ALL THAT APPLY)** The following questions determine if 21-day notice is required and applies to all wells proposed for commingling:

a.  The production is measured separately from all leases or individual wells before commingling. (Notice not required; Skip to Section 5)  
 b.  The royalty interests and working interests are the same with respect to identity and percentage. (Notice not required)  
 c.  The royalty interests and working interests are not the same with respect to identity and percentage. (Notice required)  
 If b. or c. checked, production will be allocated by:  W-10 (oil)  W-2 retest (oil)  PD Meter (oil & condensate)  G-10 (gas)  
 d.  The wells produce from multiple reservoirs. (Notice required unless 4e. or 4f. apply; see instructions for additional requirements)  
 e.  The wells produce from multiple reservoirs and have SWR10 exceptions. (Notice not required)  
 f.  The wells produce from multiple reservoirs and are measured separately from each reservoir. (Notice not required)  
 g.  Any one of the wells proposed for commingling produces from a Commission-designated reservoir for which special field rules have been adopted. (Notice required)

**SECTION 5.**  Wells proposed for commingling have an operator's name other than the applicant listed in SECTION 1. (See instructions)

**SECTION 6.**  For oil production, the production from all oil wells on each oil lease is to be commingled. (See instructions)

**SECTION 7. IDENTIFY LEASES AS SHOWN ON COMMISSION RECORDS (attach additional pages as needed)**

DISTRICT	RRC IDENTIFIER	ACTION			LEASE AND FIELD NAME	WELL NO.
08	39847	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7 SPRABERRY (TREND AREA)	1
08	41096	<input type="checkbox"/> Existing	<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Delete	GIBSON 7 JAILHOUSE (FUSSELMAN)	2
08		<input type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete		
		<input type="checkbox"/> Existing	<input type="checkbox"/> Add	<input type="checkbox"/> Delete		

ATTACH ADDITIONAL PAGES AS NEEDED.  No additional pages  Additional pages \_\_\_\_\_ (# of additional pages)

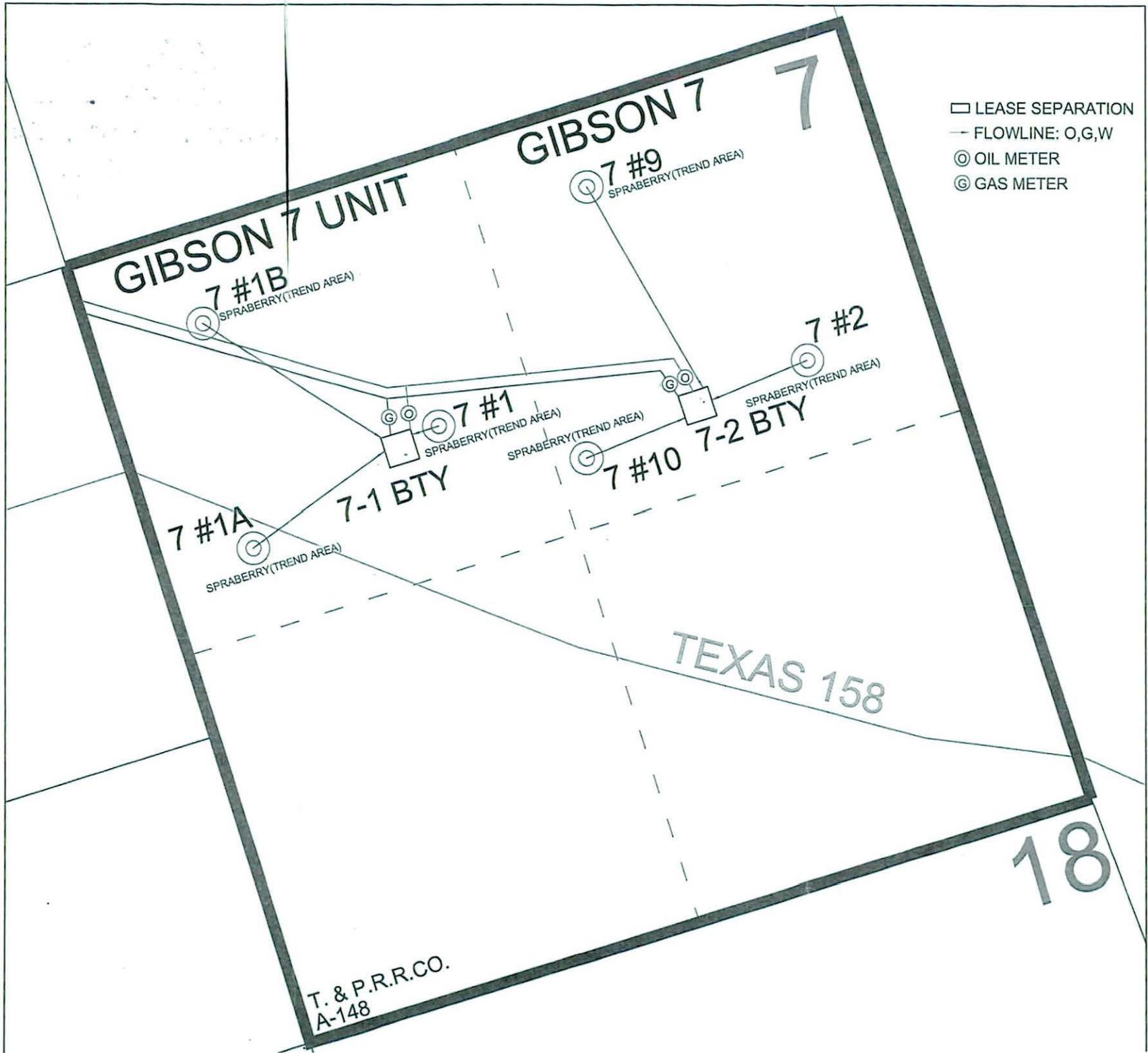
**CERTIFICATE:** I declare under penalties in Sec. 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge. I certify that all requests for related required approvals from other affected State Agencies have been submitted and that I understand that any authorization granted by Commission approval of this application is contingent upon the approvals from other affected State Agencies being obtained.

Signature Keisha Stark Title REGULATORY TECH Date 03/28/2012  
 Operator E-mail Address: Keisha.Stark@apachecorp.com Operator Phone No. 432-818-1181  
 (Optional - If provided, e-mail address will become part of this public record.)

**RRC USE ONLY**

Commingling Permit No. 6450 Approval date: 4/2/12 Approved by: [Signature]

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100



File No. MF109134  
12/11/12 County

Letter To cancel Commingling

Date Filed: 9/1/14

George P. Bush, Commissioner  
By [Signature]

