February 5, 2014

Arkansas Oil and Gas Commission
2215 West Hillsboro
El Dorado, Arkansas 71730

Re:  ORDER REFERENCE NO. 043-2014-02

Application of XTO Energy Inc. for Integration of Unleased Mineral Interests in a unit described as Section 30, Township 11 North, Range 10 West, Cleburne County, Arkansas

Commissioners:

XTO Energy Inc. 810 Houston Street, Fort Worth, TX 76102, hereby applies to the Arkansas Oil and Gas Commission for the integration of unleased mineral interests in its drilling unit which is described above.

1. The drilling unit is an established drilling unit as defined in paragraph (f) of Arkansas Oil and Gas Commission General Rule B-43. Applicant applied for and was granted an order integrating this unit in Docket Reference No. 253-2011-09.

2. Applicant incorporates herein by reference all exhibits and geologic testimony of record in Order Reference No. 253-2011-09. Applicant states that there are is one producing well in the unit.

3. Applicant states that Docket Reference No. 253-2011-09, failed to include certain unleased mineral owners within the application.

4. Applicant states that it has made efforts to locate and negotiate the parties listed on Exhibit “A” in order to agree on a plan of development of said drilling unit but, as of this date, has been unsuccessful in obtaining a leases or participation from them; that such parties were offered a fair and reasonable bonus consideration for the execution of oil and gas lease covering their interest; that they have been furnished with a proposed oil and gas lease and a copy of the AAPL operating agreement form which applicant proposes to use in connection with the drilling of said well.
5. Applicant states that it is in the best interest of conservation and the protection of correlative rights of all interested parties that the proposed unit be developed for oil and gas production without undue delay.

6. Applicant requests that the Arkansas Oil and Gas Commission set this matter for public hearing, and after same, issue its order, in the alternative, that:

   (a) The owners of the unleased mineral interests indicated above execute and deliver to applicant a one year oil and gas lease, on an AAPL lease form, for a bonus consideration of $2,100.00 per net mineral acre to be paid as fair and reasonable compensation in lieu of the right to participate in the working interest in said unit, and that said oil and gas lease provide for a 1/5 royalty on oil and gas.

   (b) The owner of unleased mineral interest indicated above be force pooled and integrated into the captioned unit with assessment of a reasonable risk factor penalty against their interest.

   (c) The owner of unleased mineral interest shall participate in the cost of drilling, testing and completion of the test well to be drilled by applicant on the captioned unit, subject to the terms of an operating agreement which substantially employs the terms of the AAPL Operating Agreement.

Applicant further requests that said mineral owners be required to elect within fifteen (15) days after issuance of the Commission's order which method will be pursued in the development of the above described unit, and, in the event no election is made, that it shall be assumed that the owner of said unleased mineral interest has elected to accept a bonus of $2,100.00 per net mineral acre as compensation in lieu of the right to participate in the working interest in said unit, and with the royalty to be 1/5.

7. Applicant further states that due to the risks and costs inherent in the drilling of the proposed well, the Commission should fix a reasonable risk factor to be assessed as a penalty against the integrated interests within the unit. The risk factor should be applied to the proportionate cost and expenses of drilling, completing and equipping the well, which would have been borne by the interest of said parties had they participated.

8. Applicant further requests that this Commission's order specifically provide that any party electing either to participate or be force pooled subject to recoupment of a risk factor penalty be bound by the terms of the attached AAPL Operating Agreement for the life of commercial production within the unit so that all future unit operations might be proposed pursuant to the provisions of such agreement without the necessity of future action by this Commission.

9. Applicant also requests that said order be made applicable to any unknown spouse, heir, devisee, personal representative, successor or assign of said parties.
10. The name and address of the party interested in this proceeding is set forth in Exhibit "A" attached hereto and made a part hereof.

11. Please note the appearance of Thomas A. Daily of Daily & Woods, P.L.L.C., P.O. Box 1446, Fort Smith, Arkansas, 72902, on behalf of applicant.

Very truly yours,

Thomas A. Daily

jmt
Respondent’s List

SECTION 30 TOWNSHIP 11 NORTH, RANGE 10 WEST
CLEBURNE COUNTY, ARKANSAS

Unleased Mineral Interest:

Kevin Lee Britton, Trustee
Judith Ann Britton, Trustee
The Britton Revocable Trust
RESUME OF EFFORTS

SECTION 30 TOWNSHIP 11 NORTH, RANGE 10 WEST
CLEBURNE COUNTY, ARKANSAS

Kevin Lee Britton and Judith Ann Britton, Trustees of
The Britton Revocable Trust

8/14/2013 Spoke with Kevin Britton by phone. Discussed previously used lease.
8/15/2013 Spoke with Kevin Britton by phone. Discussed lease provisions.
8/20/2013 Emailed Kevin Britton new lease form with offer.
8/21/2013 Spoke with Kevin Britton by phone. Discussed lease provisions.
8/22/2013 Spoke with Kevin Britton by phone and by email. Discussed lease and offer.
8/30/2013 Emailed Kevin Britton. Discussed lease provisions.
9/3/2013 Spoke with Kevin Britton by phone.
9/20/2013 Emailed Kevin Britton. Discussed lease provisions.
10/2/2013 Spoke with Kevin Britton by phone.
10/24/2013 Emailed Kevin Britton.
11/18/2013 Spoke with Kevin Britton by phone.
11/22/2013 Spoke with Kevin Britton by phone.
11/25/2013 Spoke with Kevin Britton by phone.
12/3/2013 Emailed Kevin Britton regard lease and offer.
1/21/2014 Sent lease packet by FedEx
1/31/2014 Well Proposal and JOA sent by FedEx
Total Gross Well Costs – Inception to January 24, 2014

SECTION 30 TOWNSHIP 11 NORTH, RANGE 10 WEST
CLEBURNE COUNTY, ARKANSAS

List of Wells:

Carr #1-30H Section 30-11N-10W
Total Gross Well Costs = $2,993,310.61
Total Gross Well Revenue – Inception to January 24, 2014

SECTION 30 TOWNSHIP 11 NORTH, RANGE 10 WEST
CLEBURNE COUNTY, ARKANSAS

List of Wells:

Carr #1-30H Section 30-11N-10W
Total Gross Well Revenue = $2,435,510.40
INTEGRATION OF A DRILLING UNIT

After due notice and public hearing in El Dorado, Arkansas, on September 27, 2011, the Arkansas Oil and Gas Commission, in order to prevent waste, carry out an orderly program of development and protect the correlative rights of each owner in the common source(s) of supply in this drilling unit, has found the following facts and issued the following Order.

STATEMENT OF THE CASE

XTO Energy, Inc. (the “Applicant”) filed its application for an Order pooling and integrating the unleased mineral interest(s) and/or uncommitted leasehold working interest(s) of certain parties named therein who have failed to voluntarily integrate their interest(s) for the development of the unit comprising of Section 30, Township 11 North, Range 10 West, Cleburne County, Arkansas.

The Applicant presented proof that they had attempted unsuccessfully to acquire voluntary leases and/or other agreements for consideration or on terms equal to that otherwise offered and paid for similar leases or leasehold interest(s) in this drilling unit.

At the request of the Applicant, the following parties were dismissed by the Commission, regardless of whether the party or parties are listed as unleased mineral interest(s) or uncommitted leasehold working interest(s) to be integrated:

NONE

FINDINGS OF FACT

From the evidence introduced at said hearing, the Commission finds:

1. That the Applicant has proposed to drill a well within a drilling unit (Unit) that the Commission has previously established, consisting of Section 30, Township 11 North, Range 10 West, Cleburne County, Arkansas containing 640 acres, more or less.

2. The Applicant plans to drill such well (the “initial well”) to test the Fayetteville Shale Formation and any intervening formations for the production of hydrocarbons.

3. The requested Model Form Joint Operating Agreement employed by the Applicant and proposed to the owners set out in Finding Nos. 5 and 6 (if any) below, is in the form of A.A.P.L. Form 610-1982 Model Form Operating Agreement (JOA), amended, and modified as adopted by the Commission on October 28, 2008.

4. The requested one-year term oil and gas lease (Lease) employed by the Applicant is in the form of Exhibit “B” of the JOA.

5. The unleased mineral interest(s) to be integrated are:

   Baptist Church of Pleasant Ridge; Mary E. Brewer and Roger Dale Brewer, her husband; Eugenia A. Brown and Marvin Stanley Brown, her husband; Brenda K. Carey; Jerry J. Carr (a/k/a Jerry Carr) and Kathy Carr, his wife; Clarabel Davis and Freddie E. Davis, her husband; Karen S. Hutson and Rocky Hutson, her husband; Paul Oliver Morgan and Linda Ann Morgan, h/w; Pleasant Ridge Cemetery; Raymond A. Schwab and Melva R. Schwab, h/w; Kurt Robert Swanson; Dorothy P. Vaughan; Curtis D. Wakefield; Vickie L. Whitehead;

   and any unknown spouse, heir, devisee, personal representative, successor or assigns of said owners of unleased interests.
6. The uncommitted leasehold working interest(s) to be integrated are:

   BHP Billiton Petroleum (Fayetteville) LLC, (f/k/a BHP Billiton Petroleum, (North America), LLC); BP America
   Production Company; SEECO, Inc.; Typhoon Energy PA, LLC;

   and any unknown spouse, heir, devisee, personal representative, successor or assigns of said owners of uncommitted
   leasehold interests.

7. The Applicant requests that any parties listed in Findings Nos. 5 and/or 6 (unless dismissed at the request of the
   Applicant in the Statement of the Case above) be integrated.

8. The alternatives for integrated parties are:

   A. Unleased Mineral Interest(s) Alternatives:

      1. **Lease**

         Execute a lease covering the unleased mineral interest(s) with any party upon mutually agreed terms,
         provided that Applicant receives notice prior to the close of the “Election Period” provided in Paragraph No. 4
         of the Order below (lessee would then be bound by the terms of this order as an uncommitted working
         interest owner, regardless of whether such owner is listed in Finding No. 6 above); or execute and deliver to
         the Applicant a Lease as identified in Finding No. 4 covering their unleased mineral interest(s) in the
         aforementioned Unit, for a cash bonus of **$2100.00 per net mineral acre** as fair and reasonable
         compensation in lieu of the election to participate with a working interest in said Unit and that said Lease(s)
         provide for a **1/5 royalty**, and that each such owner thereafter be bound by the terms of said Lease, including
         for purposes of subsequent operations, (whether or not such owner actually executes such Lease) for so
         long as there is production of hydrocarbons from within the Unit. Applicant must tender said lease bonus,
         subject to any applicable federal or state income tax “backup withholding” provisions, within thirty (30) days
         of the date an election is made; if such payment cannot be made due to issues regarding marketability of
title, unknown addresses, or unknown successors in interests, then the Applicant shall pay said bonus into
one or more identifiable trust accounts (which shall be accounts in a bank, savings bank, trust company,
savings and loan association, credit union, or federally regulated investment company, and the institution
shall be insured by an agency of the federal government); or if payment cannot be made for any other
reason, then the Applicant may appear before the Commission to request an extension of time and the
Commission may condition the granting of such extension upon payment of a reasonable sum which shall be
paid as an additional bonus to the unleased mineral owner.

      2. **Participate in the initial well**

         Participate by paying their proportionate share in the costs of drilling, completing, equipping and operating
         the initial well, subject to the terms of the JOA, and that each such owner thereafter be bound by the terms of
         such JOA (whether or not such owner actually executes such agreement), including for purposes of
         subsequent operations, for so long as there is production of hydrocarbons from within the Unit; or

      3. **Elect “Non-Consent”**

         Neither execute a lease nor participate in said costs and become a “Non-Consenting Party” under the JOA
         with respect to the initial well, and be subject to all of the non-consent provisions thereunder, until the
         proceeds realized from the sale of such owner’s share of production from the initial well, except 1/8th thereof,
         shall equal the total recoupment amount described in subparagraphs (a) and (b) of Article VI.B.2 of the JOA,
         with the non-consent penalty under Article VI.B.2(b) of the JOA, with the non-consent penalty under Article VI.B.2(b) of the JOA, with the non-consent penalty under Article VI.B.2(b) of the JOA, being **400%** for the initial well and/or **400%** for each
         subsequent well drilled on the Unit. Each such owner shall be bound by the terms of the JOA both before and
         after recovery of such recoupment amount and also for purposes of proposals for and the conduct of any and
         all subsequent operations within the Unit, for so long as there is hydrocarbon production from within the Unit.
         One-eighth (1/8th) of the revenue realized from the sale of such owner’s share of production from the initial
         well, and any subsequent well proposed under the terms of the JOA in which such owner elects not to
         participate, shall be paid to such mineral interest owner from the date of first production at the times and in
         the manner prescribed by law for the payment of royalty; or
4. **Failure to Make an Election.**

Unleased mineral owners who fail to affirmatively elect one of the options listed in 8A above, shall be deemed integrated into the Unit and shall be compensated for the removal of hydrocarbons by the payment of a cash bonus of **$2100.00 per net mineral acre**, and a 1/5 royalty.

Applicant must tender said lease bonus, subject to any applicable federal or state income tax “backup withholding” provisions, within thirty (30) days of the expiration period of the “Election Period,” described in No. 4 of the Order below; if such payment cannot be made due to issues regarding marketability of title, unknown addresses, or unknown successors in interests, then the Applicant shall pay said bonus into one or more identifiable trust accounts (which shall be accounts in a bank, savings bank, trust company, savings and loan association, credit union, or federally regulated investment company, and the institution shall be insured by an agency of the federal government); or if payment cannot be made for any other reason, then the Applicant may appear before the Commission to request an extension of time and the Commission may condition the granting of such extension upon payment of a reasonable sum which shall be paid as an additional bonus to the unleased mineral owner.

B. **Uncommitted Leasehold Working Interest(s) Alternatives:**

1. **Participate in the well**

Participate by paying their proportionate share in the costs of drilling, completing, equipping and operating the initial well, subject to the terms of the JOA, and that each such owner thereafter be bound by the terms of such JOA (whether or not such owner actually executes such agreement), including for purposes of subsequent operations, for so long as there is production of hydrocarbons from within the Unit; or

2. **Elect “Non-Consent”**

Not participate and become a “Non-Consenting Party” under the JOA with respect to the initial well, and be subject to all of the non-consent provisions thereunder, until the proceeds realized from the sale of hydrocarbons allocable to the mineral interest subject to said parties’ leasehold interest(s) in the initial well, exclusive of reasonable leasehold royalty, shall equal the total recoupment amount described in subparagraphs (a) and (b) of Article VI.B.2 of the JOA, with the non-consent penalty under Article VI.B.2(b) being **400%** for the initial well, and/or **400%** for each subsequent well drilled on the Unit; or

3. **Failure to Make an Election**

Uncommitted leasehold working interest(s) owners who fail to timely elect either alternative shall be deemed to have elected Alternative (B2), above.

9. **Applicant requests that all parties listed in Finding Nos. 5 and/or 6 (unless dismissed at the request of the Applicant in the Statement of the Case above) be required to elect within fifteen (15) days after the effective date of the Order, unless, for cause shown, a shorter or longer period is approved. ALL INTEGRATED PARTIES SHALL NOTIFY XTO ENERGY, INC., 810 HOUSTON ST. FORT WORTH, TX 76102, IN WRITING, OF THE ALTERNATIVE ELECTED.**

10. That the Applicant should be designated to be the operator of the Unit described above.

11. That a written objection was filed by Kurt R. Swanson.

**CONCLUSIONS OF LAW**

1. That due notice of public hearing was given as required by law and that this Commission has jurisdiction over said parties and the matter herein considered.

2. That the land described in Finding No. 1 has been previously established as a drilling unit.

3. That this Commission has authority to grant said application and force pool and integrate the unleased mineral interest(s) and uncommitted leasehold working interest(s) of said parties under the provisions of Act No. 105 of 1939, as
ORDER NO. 253-2011-09
October 07, 2011
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amended.

ORDER

Now, therefore, it is Ordered that:

1. **INTEGRATION**

   All of the unleased mineral interest(s) and/or uncommitted leasehold working interest(s) described in Finding Nos. 5 and/or 6 (unless dismissed at the request of the Applicant in the Statement of the Case above) within the Unit described in Finding No. 1 be and are hereby integrated into one unit for drilling and production purposes.

2. **ALLOCATION OF PRODUCTION**

   The hydrocarbons that are produced and saved from the well or wells assigned to the above described Unit shall be allocated to each separately owned tract embraced therein in the proportion that the acreage of such tract bears to the total acreage in the Unit and shall be considered as if produced from each such tract.

3. **OPERATOR TO CHARGE COSTS**

   The designated operator of the Unit shall have the right to charge to each participating party its proportionate share of the actual expenditures required for the costs of developing and operating the well in the manner set forth in Exhibit “C” of the JOA.

4. **ELECTION OF ALTERNATIVES**

   The owners of the unleased mineral and/or uncommitted leasehold working interests designated in Finding Nos. 5 and/or 6 above (unless dismissed at the request of the Applicant in the Statement of the Case above), in the aforementioned Unit shall have **fifteen (15) days** from the effective date of this order (the “Election Period”) to elect one of the alternatives as described in Finding No. 8 above. If no such election is made within the Election Period, the owners of unleased mineral interest(s) shall be deemed to have elected under Alternative A4 and uncommitted leasehold working interest(s) owners shall be deemed to have elected under Alternative B3, as described in Finding No. 8. Any party choosing to participate or go non-consent or, who by the terms of this Order are deemed non-consent, shall be subject to the election period set forth in the JOA with respect to all subsequent wells drilled on the Unit.

5. **RECEIPT OF VALUE OF PRODUCTION**

   A. **Unleased Mineral Interest Owner(s)**

      In the event the owners of the unleased mineral interest(s) elect Alternative No. A3 (Non-Consent) described in Finding No. 8 above, then the value of the production proceeds attributable to such unleased mineral interest shall be subdivided and paid in accordance with the provisions of Order No. 6 as hereinafter set forth. The value of hydrocarbons produced shall be equal to the proceeds realized from the sale thereof at the well. Upon recoupment by the “Consenting Parties” (as defined in the JOA) of the total recoupment amount described in Finding No. 8A3 above, the production due the interest(s) of said parties shall be paid to them, their heirs, successors or assigns.

   B. **Uncommitted Leasehold Working Interest Owner(s)**

      In the event an uncommitted leasehold working interest owner under one or more valid lease(s) elects Alternative No. B2 (Non-Consent) described in Finding No. 8 above, the Consenting Parties shall have the right to receive the hydrocarbon production which would otherwise be delivered or paid to such uncommitted leasehold working interest owner under such lease(s) until such time as the proceeds realized from the sale of such production equals the total recoupment amount described in Finding No. 8B2 above.

      The leasehold royalty payable during the recoupment period shall be calculated on the basis of the rate or rates provided in each of the leases creating the rights temporarily transferred pending recoupment.

6. **SUBDIVISION OF TRACT ALLOCATION**
The revenue realized by the Consenting Parties from the sale of hydrocarbons shall be allocated among the separately owned tracts within the integrated unit and, pending recoupment of the costs and additional sum described at Paragraph No. 5 of this Order, shall be paid to the integrated parties as follows:

A. **Unleased Mineral Interest Owner(s)**

Unleased mineral interest owners who have elected under Alternative No. A3 (Non-Consent) described in Finding No. 8 above shall have the total allocation given to the tract subdivided into the working interest and royalty interest portions on the basis of seven-eighths (7/8th) of the total allocation being assigned to the working interest portion and one-eighth (1/8th) of the total allocation being assigned to the royalty interest portion.

B. **Uncommitted Leasehold Working Interest Owner(s)**

Leasehold royalty shall be paid according to the provisions of the valid lease(s) existing for each separately owned tract, except where the Commission finds that such lease(s) provide for an excessive, unreasonably high, rate of royalty, as compared with the royalty determined by the Commission to be reasonable and consistent with the royalty negotiated for lease(s) made at arm's length in the general area where the Unit is located, in which case the royalty stipulated in the second paragraph of Paragraph 5B of this Order shall be payable with respect to such lease(s).

7. **RECORDS OF UNIT OPERATION**

The designated Operator shall, upon request and at least monthly, furnish to the other parties any and all information pertaining to wells drilled, production secured and hydrocarbons marketed from the Unit. The books, records and vouchers relating to the operation of the Unit shall be kept open to the non-operators for inspection at reasonable times.

8. **PAYMENT FOR PRODUCTION**

During the period of recoupment, the revenue allocable to those owners of the integrated unleased mineral interest(s) who elect Alternative No. A3 (Non-Consent) and to the mineral interest(s) subject to and covered by the integrated uncommitted leasehold working interest(s) whose owners elect or shall be deemed to have elected Alternative No. B2 (Non-Consent), both described in Finding No. 8 above (collectively, the “non-consent interests”), shall be paid to those Consenting Parties that elect to acquire their proportionate share of such non-consent interests pursuant to Paragraph 9 of this Order.

9. **SHARING OF NON-CONSENT INTERESTS**

The designated Operator shall offer each Consenting Party in the initial well who executes the JOA, or who elects to participate under this Order, prior to the expiration of the Election Period an opportunity to acquire its proportionate share of all non-consent interests in the initial well pursuant to the terms of Article VI.B.2. of the JOA. The designated Operator shall likewise offer each Consenting Party in the initial well the opportunity to acquire its proportionate share of any leasehold interest acquired by the Applicant as the result of any unleased mineral owner’s deemed election under Alternative A4 of Finding No. 8 (collectively, the “A4 Interests”); provided, however, this Paragraph 9 shall not apply to:

(i) any A4 Interest that is not marketable; or

(ii) any A4 Interest that is less than a perpetual interest in the mineral estate (i.e. a term interest, life estate or remainder interest) and which must be integrated in order to make perpetual an existing leasehold interest in the Unit.

Any A4 Interest described in subpart (ii) of the immediately preceding sentence shall be retained by the Applicant if the Applicant is the owner of the existing leasehold interest which is made perpetual by such A4 Interest. If the Applicant is not the owner of such existing leasehold interest, the Applicant shall tender such A4 Interest to the owner(s) of the existing leasehold interest that is made perpetual by such A4 Interest.

Any Consenting Party electing to acquire a share of any A4 Interests, pursuant to this paragraph, shall notify the Applicant within five business days after receiving an offer from the Applicant indicating the amount of interest available and the cost of that interest, and immediately reimburse the Applicant for such Consenting Party’s proportionate share of the lease bonus payable with respect to such A4 Interests.
10. **UNIT OPERATION**

The Unit described above shall be operated in accordance with the terms of the JOA and existing rules and regulations and any amendments thereto, of the Arkansas Oil and Gas Commission.

11. **DESIGNATED OPERATOR**

The Applicant is hereby designated as operator of and authorized to operate the Unit described above.

12. **SIGNED JOA**

The Applicant shall provide all parties, except those parties who elect to lease under Alternative A1 or who are deemed to have elected under Alternative A4, both described in Finding No. 8 above, with signed copies of the JOA as adopted by the Commission which shall include an Exhibit “A” showing a before payout and after payout decimal interest for the effected parties, within 30 days from the end of the election period.

This Order shall be effective from and after **October 07, 2011**; and the Commission shall have continuing jurisdiction for the purposes of enforcement, and/or modifications or amendments to the provisions of this Order. This Order will automatically terminate under any of the following conditions: well drilling operations have not been commenced within one year after the effective date; or one year following cessation of drilling operations if no production is established; or, within one year from the cessation of production from the unit.

ARKANSAS OIL AND GAS COMMISSION

[Signature]

Lawrence E. Bengal
Director
AFFIDAVIT AND TESTIMONY OF BRAD RENDELeman,
A PETROLEUM LANDMAN

STATE OF TEXAS §
§ ss.
COUNTY OF TARRANT §

Brad Rendleman, having been first duly sworn, makes the following affidavit:

My name is Brad Rendleman. I am employed as a petroleum landman by XTO Energy Inc. to secure oil and gas leases and/or commitments to participate in certain wells including the applicant's well, which is subject to this application (the “subject proposed well”), the Carr #1-30H well located in a unit consisting of Section 30-11N-10W, Cleburne County, Arkansas.

I understand that I am submitting this Affidavit, under oath, as testimony in this docketed matter. This Affidavit is submitted in lieu of live testimony in this matter and is materially the same as the testimony which I would present herein as a live witness.

I am familiar with the information contained within the Resume of Efforts to Secure Leases and/or Participation which has been pre-filed as an exhibit in connection with this Application. The summary of efforts to secure such leases and/or participation documented within that exhibit is true and correct, to the best of my knowledge, as of immediately before the filing of the Application. If there are material additional efforts made to secure such leases and/or participation up to, and including, the hearing date, they will be documented on a supplemental or replaced exhibit, which, I pledge, will likewise be true and correct, to the best of my knowledge.

To the best of my knowledge, as of the date of filing of the Application the best terms (bonus and royalty) paid in Section 30-11N-10W are $2100 per net mineral acre and 1/5th royalty. Section 30 has been previously integrated by Order No. 253-2011-09. To the best of my knowledge, as of the date of filing of the Application the best terms (bonus and royalty) offered in Section 30-11N-10W are $2100 per net mineral acre and 1/5th royalty.

I know of my own personal knowledge that the applicant and its participating partners have secured oil and gas leases covering approximately 85% of the net mineral acres contained within the unit containing the proposed subject well, as of the date of the filing of the Application. I also know of my own personal knowledge that persons supporting the drilling of the subject proposed well controlled at least 50% of the right to drill within the unit as of the date of the filing of the Application.

I also know of my own personal knowledge that either the applicant or another working owner has secured one or more oil and gas leases covering the proposed drill site of the subject proposed well
or, if not, that a written surface use agreement, permitting the use of the proposed drill site, has been executed by the owner thereof.

This Affidavit executed the 31st day of January, 2014.

[Signature]

BRAD RENDLEMAN

Subscribed and sworn to before me, the undersigned Notary Public on this 31st day of January, 2014.

[Stamp]

[Signature] Katie Gunter
Notary Public