LEGAL DESCRIPTION: 8 tracts being more specifically described as follows:

TRACT 1: Comprised of 2 parcels each described as follows:

Parcel 1:

3778.17 Acres of land out of that certain tract of land described as containing 7814.23 acres in a Deed from Travelorn Insurance Company to Wayne Webber Dated August 4, 1922 and recorded in Volume 243, page 600 of the Real Records of Dinant County and being out of the Blas Reyes Survey, Abstract No. 4 and being described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod set at a fence corner and being the occupied South Corner of the Blas Reyes Survey;

THENCE N80°E-05Min-39Sec W generally along and through an existing fence and wit the occupied south line of said Reyes Survey a distance of 12160.37 feet to an iron rod set at a point of interaction with the West line of the above described 7814.23 acre tract and also being the East line of the Needmore Ranch;

THENCE N12°W-40Min-30Sec E with said East line and generally along and through an existing fence a distance of 13972.57 feet to an iron rod set for North corner of the here-in described 3778.17 acres;

THENCE S55°W-06Min-39Sec E a distance of 12281.07 feet to an 1/2" iron rod set in the East line of the above described 7814.23 acre tract and the West line of that certain 3981.388 acre tract being the Kong Estate and also being the occupied division line between the Jesus Cardenas Survey and the Blas Reyes Survey;

THENCE S30°E-06Min-53Sec W generally along and through an existing fence a distance of 14469.58 feet to the POINT OF BEGINNING and containing 3778.17 acres of land.

All bearings are grid bearings based on the Texas Plane Coordinate System for the South Central Zone.
Parcel 2:

4000.00 Acres of land out of that certain tract of land described as containing 7814.23 acres in a Deed from Travelers Insurance Company to Wayne Webber Dated August 4, 1992 and recorded in Volume 243, page 600 of the Deed Records of Dimmit County and being out of the Blas Reyes Survey. Abstract No. 4 and being described by metes and bounds as follows:

CONCERNING a 1/2" iron rod set at a fence corner and being the occupied South Corner of the Blas Reyes Survey;

THENCE N30Deg-03Min-38Sec E with the East line of the above described 7814.23 acres and the West line a 9951.305 acre tract of land being the Kone Estate and also being the occupied line between the Jesus Cardenas Survey and the Blas Reyes Survey generally along and through an existing fence a distance of 12456.56 feet to a 1/2" iron rod and being the POINT OF BEGINNING of the here-in described 4000.00 acres of land;

THENCE E88Deg-06Min-38Sec W a distance of 12261.87 feet to a 1/2" iron rod set in the West line of the above described 7814.23 acres and being the East line of the Needmore Ranch;

THENCE N39Deg-40Min-20Sec E generally along and through an existing fence and with the East line of the Needmore Ranch a portion of which is described in a Deed from Needmore Ranch to H.E. Stumbrig recorded in Volume 234, Page 185 and generally along and through an existing fence a distance of 618.89 feet to an offset in said fence;

THENCE N7Deg-35Min-43Sec E with said offset a distance of 65.90 feet to an angle point;

THENCE N29Deg-47Min-05Sec E with said East line of the Needmore Ranch as described in said Needmore to Stumbrig Deed and generally along and through an existing fence a distance of 1164.14 feet to an iron rod set for North corner of the here-in described 4000.00 acres on the South Bank of the Nueces River;

THENCE WITH THE SOUTH BANK OF THE NUECES RIVER AS FOLLOWS:
S 76Deg-51Min-56Sec E 12.19'
N77Deg-42Min-48Sec W 152.11'
S74Deg-40Min-38Sec E 245.99'
N76Deg-22Min-15Sec W 91.85'
N10Deg-03Min-49Sec W 139.79'
N36Deg-10Min-40Sec E 108.60'

Exhibit A: Page 2 of 14
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SOUTH BANK OF RIVER CONTINUED

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S 340 Deg-07 Min-52 Sec W 179.17'
530 Deg-12 Min-56 Sec W 249.73'
S 230 Deg-04 Min-02 Sec E 128.82'
S 160 Deg-20 Min-52 Sec W 421.07'
540 Deg-11 Min-34 Sec E 115.90'
N 400 Deg-47 Min-38 Sec E 460.21'
N 560 Deg-30 Min-08 Sec E 183.89'
S 370 Deg-24 Min-01 Sec E 202.75'
S 510 Deg-01 Min-54 Sec W 177.11'
S 375 Deg-52 Min-23 Sec W 219.20'
S 600 Deg-38 Min-11 Sec W 229.01'
N 850 Deg-44 Min-17 Sec W 167.17'
S 200 Deg-50 Min-53 Sec W 104.89'
S 190 Deg-36 Min-10 Sec E 109.06'
S 60 Deg-46 Min-06 Sec E 113.87'
N 020 Deg-40 Min-17 Sec E 325.32'
S 110 Deg-18 Min-24 Sec E 146.53'
S 550 Deg-44 Min-17 Sec W 253.35'
S 260 Deg-06 Min-27 Sec W 114.19'
S 470 Deg-27 Min-22 Sec E 115.31'
N 490 Deg-45 Min-08 Sec E 304.25'
S 600 Deg-25 Min-42 Sec E 79.22'
S 140 Deg-41 Min-52 Sec E 395.05'
N 800 Deg-50 Min-15 Sec E 139.76'
S 110 Deg-28 Min-02 Sec E 81.04'
S 450 Deg-43 Min-40 Sec W 164.66'
S 470 Deg-35 Min-08 Sec E 99.74'
N 530 Deg-47 Min-09 Sec E 282.27'
S 600 Deg-55 Min-55 Sec W 143.56'
S 30 Deg-43 Min-59 Sec E 107.99'
S 410 Deg-55 Min-32 Sec W 222.33'
S 700 Deg-23 Min-49 Sec E 216.09'
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N 110 Deg-12 Min-34 Sec W 78.91'
N 220 Deg-03 Min-24 Sec W 101.75'
S 820 Deg-42 Min-38 Sec E 19.91'
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S 520 Deg-58 Min-55 Sec W 110.50'
S 610 Deg-12 Min-16 Sec W 218.99'
S 330 Deg-39 Min-19 Sec E 73.15'
S 870 Deg-22 Min-14 Sec E 135.59'
N 300 Deg-59 Min-45 Sec E 183.34'

Exhibit A: Page 4 of 14
SOUTH BANK OF NUECES RIVER CONTINUED

H63Deg-03Hin-29Sec E 257.57'
S75Deg-22Hin-40Sec E 105.67'
N60Deg-29Hin-33Sec E 158.65'
N59Deg-36Hin-64Sec E 93.01'
N 1Deg-40Hin-56Sec E 202.98'
S40Deg-30Hin-42Sec E 174.93'
S 0Deg-29Hin-54Sec W 117.15'
S19Deg-02Hin-21Sec W 25.37'
S49Deg-22Hin-27Sec E 56.30'
S13Deg-01Hin-45Sec W 302.86'
N59Deg-46Hin-22Sec E 131.91'
N63Deg-40Hin-38Sec W 351.34'
S59Deg-04Hin-16Sec E 33.63'
S 1Deg-49Hin-47Sec E 113.63'
N72Deg-31Hin-50Sec E 319.42'
N48Deg-14Hin-14Sec E 171.10'
N01Deg-21Hin-14Sec E 95.08'
S79Deg-19Hin-30Sec E 91.80'
S32Deg-52Hin-38Sec E 87.93'
S26Deg-01Hin-05Sec E 84.12'
S 7Deg-40Hin-23Sec E 167.65'
S82Deg-23Hin-53Sec E 72.97'
N41Deg-13Hin-09Sec E 138.99'
N33Deg-12Hin-20Sec S 172.61'
N57Deg-24Hin-01Sec E 104.27'
S85Deg-19Hin-22Sec E 107.95'
S32Deg-31Hin-18Sec E 76.11'
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S61Deg-35Hin-27Sec W 102.40'
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S17Deg-44Hin-43Sec W 88.10'
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N 5Deg-15Hin-16Sec E 97.22'
N38Deg-37Hin-33Sec W 83.28'
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N11Deg-24Hin-18Sec W 23.36'
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S41Deg-34Hin-09Sec W 86.39'
S31Deg-28Hin-13Sec W 98.30'
S 8Deg-48Hin-12Sec W 132.06'
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N88Deg-09Hin-29Sec W 343.94'
S41Deg-30Hin-84Sec W 96.78'
S 0Deg-43Hin-30Sec E 96.77'
S25Deg-58Hin-21Sec E 65.81'
S84Deg-44Hin-08Sec E 155.18'

Exhibit A: Page 5 of 14
SOUTH BANK OF HUECES RIVER CONTINUED
N72Deg-44Min-18Sec E 118.11'
N64Deg-32Min-54Sec E 205.78'
N76Deg-13Min-01Sec E 233.72'
N37Deg-06Min-49Sec E 111.32'
N65Deg-23Min-17Sec E 112.18'
S 0Deg-03Min-05Sec W 141.50'
S21Deg-03Min-28Sec E 174.78'
S41Deg-05Min-03Sec W 138.90'
E16Deg-30Min-07Sec W 245.20'
S36Deg-33Min-59Sec E 288.04'
N69Deg-14Min-18Sec E 149.67'
S77Deg-32Min-08Sec W 114.74'
S 3Deg-20Min-40Sec W 130.59'
S 6Deg-20Min-19Sec W 125.60' to an iron rod set on the South Bank
of the Huesces River.

THENCE S20Deg-39Min-39Sec W a distance of 49.86 feet to the
beginning of a fence along the East line of the afore-described
7814.23 acres and the West line of the afore-described 9951.388
acres;

THENCE S30Deg-44Min-21Sec W with said East line of the
7814.23 acres and said West line of said 9951.388 acres a distance of
7773.05 feet;

THENCE E30Deg-03Min-56Sec W continuing with said line a distance of
S356.93 feet;

THENCE N90Deg-05Min-55Sec W generally along and through an
existing fence a distance of 1125.98 feet to the POINT OF BEGINNING
and containing 4000.00 acres of land.

All bearings are grid bearings based on the Texas Plane
Coordinate System for the South Central Zone.

Being the same property conveyed to CATARINA RANCH PARTNERSHIP, LTD., a Texas
limited partnership in that Special Warranty Deed from HENRY E. STUMBERG, JR., also
known as H.E. STUMBERG, JR., as Grantor, to CATARINA RANCH PARTNERSHIP, LTD.,
as Grantee, dated October 27, 1995, recorded in Volume 257, Pages 397 to 419, of the Deed
Records of Dimmit County, Texas.
TRACT 2: Comprised of 3 parcels each described as follows:

Parcel 1: Comprised of 3 tracts

Tract 1:

*Field notes of 1012.617 acres of land out of the Blue Heron Grant, Abst. 1, Uimmit County, Texas and being described by metes and bounds as follows:

Begin at a stake for the westerly north corner of a 1012.617 acre tract in the southeastern line of that tract in said 4470.8 acre tract conveyed by the Frost National Bank, Inc. to Mrs. Ruth McLean Bowman, et al by deed recorded in Volume 97, page 390, Deeds Records, said Uimmit County, said stake being located 12,315.37 feet N30°08'20"E from its south corner;

Thence with the southeast line of said 4470.8 acre tract N30°08'20"E 6112.02 feet to a stake on the south bank of the Nueces River;

Thence downstream with its meanders as follows:

S7°48'24"E 91.30 feet; S0°29'50"W 234.0 feet; S3°47'24"E 108.9 feet; N77°07'36"E 104.1 feet; N0°48'51"E 320.0 feet; N1°12'56"E 143.7 feet; N1°30'06"E 273.4 feet; N1°03'24"E 320.0 feet; N0°10'40"E 125.7 feet; N0°20'12"E 201.3 feet; N0°32'44"W 704.0 feet; N0°20'24"W 120.3 feet; N0°20'21"E 103.1 feet; S80°21'04"E 368.1 feet; S4°11'14"E 391.1 feet; W21°21'48"E 394.9 feet; N0°32'44"W 209.0 feet; N28°03'04"W 240.9 feet; S80°17'04"E 282.9 feet; S80°39'08"E 210.2 feet; N1°17'24"W 390.1 feet; S97°20'14"N 110.9; N35°42'31"E 107.5 feet; N80°34'09"W 200.0 feet; S87°01'04"E 269.3 feet; N4°37'31"E 340.0 feet; N0°39'01"E 137.0 feet; S87°45'24"E 170.1 feet; S87°03'45"E 232.0 feet; S7°48'30"E 553.7 feet; N4°22'36"E 181.0 feet; N0°42'41"E 104.3 feet; N38°35'56"E 435.4 feet; N4°19'56"W 234.9 feet; N9°47'10"E 165.0 feet; S61°13'30"W 132.1 feet; S83°09'30"W 140.2 feet; S1°34'10"W 140.9 feet; S7°09'44"E 231.3 feet; N31°59'01"E 203.6 feet; N0°04'10"E 119.9 feet; S87°11'44"E 119.4 feet; S0°45'44"W 122.8 feet; S4°14'34"E 227.9 feet; N97°10'45"W 109.7 feet; N8°13'05"E 200.8 feet; N0°52'36"W 361.0 feet; N7°22'43"E 442.0 feet; S10°04'11"W 309.0 feet; N0°59'30"E 171.0 feet and S65°39'14"E 110.24 feet to a stake on said bank for the north corner of another 1012.617 acre tract;

Thence with the northwest line of said second-mentioned 1012.617 acre tract S27°12'42"W at 6210.02 feet past its west corner and the easterly north corner of said first-mentioned 1012.617 acre tract and continuing on the same course 10377.04 feet to a stake for its interior corner;

Thence N59°51'32"W 5173.03 feet to the place of beginning.
Tract 2:

Field notes of a thirty-foot-wide access easement:

BEGINNING at the easternmost Southeast corner of TRACT II described in the partition deed dated March 10, 1904, by and among Noel Chester King, III, et al., recorded in Vol. 203, p. 800, Deed Records of Dimmit County, Texas; THENCE with the East line of said TRACT II, N. 29°59'30" E. 4,000.24 feet to a point; THENCE parallel to and distant 30 feet from the East line of TRACT II, S. 29°59'30" W. 30 feet to a point; THENCE with the South line of TRACT II, S. 29°59'30" W. 30 feet to the place of BEGINNING.

Tract 3:

Field notes of a thirty-foot-wide access easement:

BEGINNING at the Southeast corner of TRACT III described in the partition deed dated March 10, 1904, by and among Noel Chester King, III, et al., recorded in Vol. 203, p. 800, Deed Records of Dimmit County, Texas; THENCE with the North line of said TRACT II, N. 29°59'30" E. 4,472.01 feet to the Southeast corner of said TRACT II, continuing with the East line of Tract IV described in said partition deed, a total distance of 9,264.13 feet to the Northeast corner of said TRACT III; THENCE with the North line of said TRACT IV, S. 29°59'30" W. 30 feet to a point; THENCE with a line parallel to and 30 feet from the East line of said TRACT IV and III, S. 29°59'30" W. 9,264.13 feet to a point in the South line of said TRACT III; THENCE with said South line, S. 59°51'32" E. 30 feet to the place of BEGINNING.
Parcel 2: Comprised of 2 tracts

Tract 1:

Field notes of 1012.017 acres of land out of the Blue Roper Grant, *about 4*, Dimmit County, Texas and being described by lawful and bounds as follows:

Begin at a stake for the north corner of a 1012.017 acre tract in the southeast line of that certain 4470.0 acre tract conveyed by the Frost National Bank, Inc. Exec. to Mrs. Ruth McLean Downey, et al by deed recorded in Volume 97, page 390, Deed Records, said Dimmit County; said stake being located 3070.25 feet N30°08'28"E from its south corner;

Then to the southeast line of said 4470.0 acre tract N30°08'28"E 3245.12 feet to a stake for the west corner of a 1012.617 acre tract;

Then to the southwest line of said second-mentioned 1012.617 acre tract S59°51'32"E 4173.00 feet to a stake for its south corner;

Then to the southwest line of said second-mentioned 1012.617 acre tract S27°12'42"E 2566.42 feet to a stake for the west corner of another 1012.017 acre tract;

Then to the southwest line of said third-mentioned 1012.617 acre tract S29°51'32"E 4797.70 feet to a stake for its south corner in the southeast line of that certain 1285.62 acre tract allotted to Joe S. Wooten by partition deed recorded in Volume 10, page 415, Deed Records, said Dimmit County;

Then to the southwest line of said 1285.62 acre tract S29°51'32"W 1016.99 feet to a turn and S29°51'32"W 791.32 feet to a stake for the east corner of said first-mentioned 1012.617 acre tract;

Then NS9°51'32"W 9055.90 feet to the place of beginning.

Tract 2:

Field notes of a thirty-foot-wide access easement:

Running at the easternmost Southeast corner of TRACT II described in the partition deed dated March 10, 1984, by and among Noel Chester King, III, et al, recorded in Vol. 203, p. 099, Deed Records of Dimmit County, Texas; THENCE with the east line of said TRACT II, N. 29°59'30" E. 4,000.24 feet to its northeast corner; THENCE with North line of said TRACT II, N. 59°51'32" W. 30 feet to a point; THENCE parallel to and distant 30 feet from the east line of TRACT I, S. 29°59'30" W. 4,000.24 feet to a point in the south line of said tract; THENCE with said south line, S. 50° 3'27" E. 30 feet to the place of BEGINNING.
Parcel 3:

Field notes of 1012.617 acres of land out of the Blas Reyes Grant, Abst. 4, Dimmit County, Texas and being described by metes and bounds as follows:

Begin at a stake on the south bank of the Nueces River for the east corner of that certain 1285.62 acre tract allotted to Joe S. Wooten by partition deed recorded in Volume 10, page 415, Deed Records, said Dimmit County;

Thence with the southeast line of said 1285.62 acre tract S29°55'54"W 10,178.81 feet to a stake for the east corner of a 1012.617 acre tract;

Thence with the easterly northeast line of said 1012.617 acre tract N59°51'32"W 4797.79 feet to a stake for a north corner in the southeast line of another 1012.617 acre tract;

Thence with the southeast line of said second-mentioned 1012.617 acre tract N27°12'42"E 7810.62 feet to a stake for its east corner on the south bank of said Nueces River;

Thence downriver with its meanders as follows:

S6°53'39"E 52.66 feet; S5°04'14"E 150.3 feet S4°35'31"W 225.0 feet; S23°57'16"W 219.2 feet; S24°18'24"E 160.5 feet; S21°43'44"E 85.6 feet; S14°19'59"E 86.5 feet; S16°45'09"E 110.7 feet; N43°35'21"E 256.1 feet; N15°09'36"W 92.6 feet; N51°39'16"W 110.7 feet; N88°58'26"E 110.8 feet; S62°10'24"E 229.9 feet; N63°16'11"W 122.5 feet; S23°16'36"W 223.1 feet; S26°09'11"W 197.9 feet; S71°30'54"E 283.7 feet; N63°57'36"E 102.5 feet; N40°42'51"E 193.5 feet; N13°11'24"W 134.6 feet; N02°22'16"E 184.5 feet; S73°15'49"E 262.2 feet; S75°01'14"E 185.3 feet; N49°58'11"E 95.0 feet; S83°51'44"E 111.0 feet; S74°31'44"E 91.0 feet; N15°43'16"E 205.4 feet; N45°24'34"W 261.0 feet; N31°07'36"E 74.2 feet; S81°17'44"E 248.7 feet; S53°19'44"E 174.4 feet; S11°47'41"W 225.4 feet; S12°23'44"E 117.8 feet; S08°18'24"E 176.2 feet; S80°56'24"E 192.9 feet; N41°13'10"E 137.52 feet; S18°39'11"E 397.95 feet; N60°22'41"E 168.4 feet; N22°39'46"E 231.4 feet; N11°06'25"E 202.2 feet; N32°43'39"W 137.4 feet; N23°41'26"E 101.2 feet; S57°35'24"E 131.6 feet; S12°00'24"E 219.7 feet; S81°38'04"E 185.1 feet; N12°50'46"E 231.7 feet; N45°20'34"E 151.9 feet; N28°46'56"E 428.2 feet; N28°30'14"W 186.9 feet; S83°03'44"E 283.7 feet; S66°00'14"E 115.4 feet; S09°37'18"W 216.1 feet; S70°29'44"E 239.5 feet; N64°21'01"E 154.4 feet; N18°41'46"E 129.6 feet; S28°51'44"E 188.1 feet; N41°17'36"E 281.9 feet; N40°56'41"E 154.9 feet; S50°09'04"E 217.4 feet; N59°52'06"E 287.1 feet; N40°05'46"E 61.6 feet; N80°56'16"E 79.3 feet; S56°22'59"E 202.0 feet; S80°15'19"E 106.0 feet; N59°45'46"E 92.7 feet; N54°16'36"W 171.5 feet; S77°47'24"E 113.0 feet; S27°38'44"E 83.4 feet; S15°34'21"W 364.0 feet and S53°10'47"E 154.75 feet to the place of beginning.

Being the same property conveyed to CATARINA RANCH PARTNERSHIP, LTD., a Texas limited partnership in that Special Warranty Deed from HENRY E. STUMBERG, JR., also

Exhibit A: Page 10 of 14

109
known as H.E. STUMBERG, JR., as Grantor, to CATARINA RANCH PARTNERSHIP, LTD., as Grantee, dated October 27, 1995, recorded in Volume 257, Pages 397 to 419, of the Deed Records of Dimmit County, Texas.

TRACT 3: 1,003.38 acres of land, more or less, out of the Blas Reyes Eleven League Land Grant, Abstract No. 4 located in Dimmit County, Texas, being more particularly described in that certain Special Warranty Deed dated December 23rd, 2009, from Catarina Ranch Partnership, Ltd., to Helmcamp Family Enterprises, Ltd. et al, being recorded in Volume 379, Page 141, of the Official Records of Dimmit County, Texas.

Surface owned by: Helmcamp Family Enterprises, LTD,
HFP Management, Inc.
Allen Helmcamp
Elain Helmcamp
Mitzi Helmcamp
Rick Allen Helmcamp, Tracy Helmcamp Schieffer, Sharon Helmcamp Leissner and Penny Helmcamp Borman, individually and as Trustees of the Helmcamp Grandchildrens Trust

TRACT 4: 1,068.67 acres of land, more or less, out of Blas Reyes Eleven League Land Grant, Abstract No. 4, located in Dimmit County, Texas, and being a portion of that certain 1,220.08 acres of land, situated in the S.C. Ward Survey No. 83, Abstract 1534, and the Blas Reyes Eleven League Land Grant, Abstract No. 4 being described in that certain Warranty Deed dated February 1, 1995, from South Texas Distributors, Inc. to A.L. Helmcamp, recorded in Volume 254, Page 389, of the Deed Records of Dimmit County, Texas; SAVE & EXCEPT HOWEVER:

140.84 acres of land, more or less, being all of the lands out of the S.C. Ward Survey No. 83, Abstract 1534, as set out in “Exhibit A” of the above referenced deed.

10.57 acres land, more or less, being a portion of a 16.28 acre tract being more particularly described in a Special Warranty Deed dated December 22, 2009 from Allen L. Helmcamp and HFP Management, Inc. to Catarina Ranch Partnership, Ltd. in Volume 379, Volume 121 of the Official records of Dimmit County Texas. Said 10.57 acres is set out in “Exhibit A” of the above referenced Special Warranty Deed as being 10.57 acres all of which is situated in the Blas Reyes Eleven League Land Grant, Abstract No. 4 in Dimmit County, Texas.

Surface owned by: Helmcamp Family Enterprises, LTD.
TRACT 5: 526.28 acres of land, more or less, out of the S.C. Ward Survey No. 83, Abstract 1534, and the Albert E. Eardley Survey No. 38%, Abstract 1537, located in Dimmit County, Texas, and being a portion of that certain 781.52 acres of land which is described in that certain Warranty Deed dated February 11, 1999, from Richard Flores et al to Allen Helmcamp, and recorded in Volume 270, Page 506, of the Official Records of Dimmit County, Texas; SAVE & EXCEPT 255.24 acres of land, more or less, being all of the lands out of the S.C. Ward Survey No. 83, Abstract 1534, as set out in “Exhibit A” of the above referenced deed.

Surface owned by: Helmcamp Family Enterprises, LTD

TRACT 6: Comprised of 2 tracts each described as follows:

Tract One:

Being 16.28 acres of land, lying in Dimmit County, Texas and being approximately 10.57 acres out of Blas Reyes Eleven League Land Grant, Abstract No. 4 and approximately 5.71 acre out of the S. C. Ward Survey No. 83, Abstract No. 1534 and said 16.28 acres being out of and a part of that same certain 19.176 acre tract of land described in conveyance to Allen L. Helmcamp and recorded in Volume 276, Pages 432-436 of the Official Public Records of Dimmit County, Texas, and being out of and a part of that same certain Tract 2 (1220.08 acres) described in conveyance to HFP Management, Inc. and recorded in Volume 260, Pages 174-179 of the Deed Records of Dimmit County, Texas, said 16.28 acres of land being more particularly described by metes and bounds as follows: (The bearings and distances shown herein conform to the Texas Coordinate System, North American Datum 1927, Texas South Central Zone.) (All corners called for as being set are marked on the ground with ½” diameter steel stakes with identification markers stamped “SMYTH/2046” attached unless otherwise noted or shown.):

BEGINNING at a 3" iron pipe 3-way fence corner in concrete for the south corner of the herein described tract and being the northwest corner of a certain 0.35 acre tract of land simultaneously surveyed this same day, and from which a ¾” iron stake found for the ostensible reentrant corner of said Survey No. 83, Abstract No. 1534 and the ostensible southeast corner of the John Webster Survey No. 529, Abstract No. 790 bears S 00° 40' 32" E, at a distance of 300.22 feet;

THENCE: N 00° 30' 38" W, with the common line of that same certain 243.91 acre tract of land described in conveyance to Lee Roy Soechting, et ux and recorded in Volume 221, Pages 354-357 of the Deed Records of Dimmit County, Texas and said 19.176 acre Allen L. Helmcamp tract and generally with occupied fence for a distance of 1302.39 feet to a ¾” steel stake, found near old 6” cedar 3-way fence corner for the lower northwest corner of the herein described tract and being the north corner of said Helmcamp 19.176 acre tract;

THENCE: S 58° 39' 54" E, with the common line of the herein described tract and that same certain 8224.17 acre tract of land described in conveyance to Ruth Bowman Russell and recorded in Volume 277, Pages 48-55 of the Deed Records of Dimmit County, Texas and generally with old occupied fence and southerly of game control fence, for a distance of 748.65 feet to a ¾” steel stake, found near 3-way fence corner, for a deflection point of the herein described tract and being the east corner of said 19.176 acre tract;
THENCE: With the common line of said Ruth Bowman Russell 8224.17 acre tract and that same certain Tract 2 (1220.08 acres) described in conveyance to HFP Management, Inc. and recorded in Volume 260, Pages 174-179 of the Deed Records of Dimmit County, Texas, and generally with old occupied fence line and southerly and in part easterly of game control fence for the following two (2) calls:

1.) S 58° 31' 22" E, for a distance of 522.36 feet to a ¼” steel stake, found near 6” cedar 2-way fence corner for a reentrant corner of the herein described tract;

2.) N 30° 03' 10" E, for a distance of 4602.50 feet to a 4” iron pipe fence post for the north corner of the herein described tract and being the north corner of said HFP Management, Inc. 1220.08 acre tract and being the west corner of that same certain 7778.17 acre tract of land described in conveyance to E. H. Stumberg and recorded in Volume 249, Pages 173-194 of the Deed Records of Dimmit County, Texas;

THENCE: S 59° 40' 13" E, with the common line of the herein described tract and said 7778.17 acre E. H. Stumberg tract and generally with game control fence, for a distance of 100.11 feet to a ¼” steel stake set for the east corner of the herein described tract;

THENCE: With the easterly and in part southerly line of the herein described tract and being 100 feet parallel to the previous calls and crossing in part said HFP Management, Inc. 1220.08 acre tract and in part crossing said Allen L. Helmcamp 19.176 acre tract for the following three (3) calls:

1.) S 30° 03' 14" W, for a distance of 4704.53 feet to a ½” steel stake, set for the upper southeast comer of the herein described tract;

2.) N 58° 35' 26" W, for a distance of 1193.45 feet to a reentrant corner;

3.) S 00° 30' 38 E, for a distance of 1105.04 feet to a ⅘” steel stake, set for the lower southeast corner of the herein described tract, from which a 3” iron pipe fence corner bears S 79° 33' 13" W, at a distance of 2.21 feet;

THENCE: S 79° 33' 13" W, with the southerly line of the herein described tract and generally with game proof fence for a distance of 101.52 feet to the the Place of Beginning and containing 16.28 acres of land within the herein described tract as surveyed by D. G. Smyth & Co., Inc. on September 9, 2009.

Tract Two:

An undivided 50% interest in the following described property:

Being 0.35 acre of land, lying in Dimmit County, Texas and being wholly with the S. C. Ward Survey No. 83, Abstract No. 1534 and being out of and a part of that same certain 19.176 acre tract of land described in conveyance to Allen L. Helmcamp and recorded in Volume 276, Pages 432-436 of the Official Public Records of Dimmit County, Texas and also being out of and a part of that same certain closed county road (Buckhorn Road) described in Volume 272, Pages 516-523 of the Deed Records of Dimmit County, Texas and said 0.35 acre of land being more particularly described by metes and bounds as follows: (The bearings and distances shown herein conform to the Texas Coordinate System, North American Datum 1927, Texas South Central Zone.) (All corners called for as being set are marked on the ground with ⅘” diameter steel stakes with identification markers stamped “SMYTH/2046” attached unless otherwise noted or shown.)
BEGINNING at a 2" iron pipe 3-way fence corner, found for the southeast corner of a certain 16.28 acre tract of land, simultaneously surveyed this same day and being the northwest corner of the herein described tract from which a ¾" steel stake found near 6" cedar 3-way fence corner for the northwest corner of said 19.176 acre tract of land bears N 00° 30' 38" W at a distance of 1302.39 feet;

THENCE: N 79° 33' 13" E, with the common line of the herein described tract and said 16.28 acre tract for a distance of 101.52 feet to a ½" steel stake set for the northeast corner of the herein described tract and being the southeast corner of said 16.28 acre tract;

THENCE: Generally with occupied fences and gates on the boundary line of the herein described enclosed entrance area for the following nine (9) calls:

1) S 14° 00' 22" E, for a distance of 114.37 feet to a 2" iron pipe 2-way fence corner for a deflection point;
2) S 33° 11' 30" W, crossing said abandoned county road, for a distance of 52.95 feet to a 3" iron pipe 3-way fence corner for a deflection point;
3) N 66° 14' 27" W, with common line of the herein described tract and that same certain 781.52 acres described in conveyance to Helmcamp Family Enterprises, Ltd. and recorded in Volume 335, Pages 474-478 of the Official Public Records of Dimmit County, Texas, for a distance of 107.55 feet to a 3" iron pipe 3-way fence corner for a deflection point;
4) N 03° 28' 36" W, with the common line of the herein described tract and that same certain 243.91 acres described in conveyance to Lee Roy Soechting, et ux and recorded in Volume 221, Pages 354-357 of the Deed Records of Dimmit County, Texas, for a distance of 27.82 feet to a fence post for a deflection point;
5) N 18° 39' 08" W, for a distance of 4.83 feet to a fence post for a deflection point;
6) N 42° 01' 52" W, for a distance of 21.95 feet to a 5" iron pipe gate post for a deflection point;
7) N 33° 32' 38" E, recrossing said abandoned county road for a distance of 27.40 feet to a 5" iron pipe gate post for a deflection point;
8) N 03° 00' 49" E, for a distance of 11.41 feet to a 3" iron pipe fence post for a deflection point;
9) N 11° 09' 39" E, for a distance of 10.85 feet to the Place of Beginning and containing 0.35 acre of land within the herein described tract as surveyed by D. G. Smyth & Co., Inc. on September 9, 2009.

Being the same property conveyed to CATARINA RANCH PARTNERSHIP, LTD., a Texas limited partnership in that Special Warranty Deed from ALLEN L. HELMCAMP and HFP MANAGEMENT, INC., a Texas corporation, collectively as Grantor, to CATARINA RANCH PARTNERSHIP, LTD., as Grantee, dated December 22, 2009, recorded in Volume 379, Pages 121 to 127, of the Deed Records of Dimmit County, Texas.

Exhibit A: Page 14 of 14
Exhibit B

Leases

1. That certain Amended and Restated Oil and Gas Lease dated effective the 1st day of November, 2011 by and between Stanifer Creek Minerals, Ltd., whose address is 3838 Oak Lawn Ave., Ste. 1720, Dallas, Texas 75219; Womack Mineral Holdings, Ltd., whose address is 711 Navarro, Ste. 404, San Antonio, Texas 78205; Kay J. Giesecke, whose address is 3205 Cornell Ave., Dallas, Texas 75205; Richard L. Giesecke, whose address is 3205 Cornell Ave., Dallas, Texas 75205; Wayne Webber, whose address is 2070 Genoa Red Bluff Rd., Houston, Texas 77034; Richard Edward Giesecke, whose address is P.O. Box 36, Marble Falls, Texas 78654; Jan Downs, whose address is 1200-62 Barton Creek Rd., Austin, Texas 78735; and Judy Lewis McLean, whose address is 2607 Crider Rd., Marble Falls, Texas 78654 and Murphy Exploration & Production Company—USA, whose address is 16290 Katy Freeway, Suite 600, Houston, Texas 77094, evidenced by that certain Memorandum of Amended and Restated Oil and Gas Lease recorded in Vol. , Pg. , Oil & Gas Records of Dimmit County, Texas.
Form 301  
(Revised 05/11)  
Submit in duplicate to:  
Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
512 463-5555  
FAX: 512/463-5709  
Filing Fee: $750  

| Application for Registration of a Foreign For-Profit Corporation | This space reserved for office use. |

1. The entity is a foreign for-profit corporation. The name of the entity is:

Murphy Oil Corporation

2A. The name of the corporation in its jurisdiction of formation does not contain the word "corporation," "company," "incorporated," or "limited" (or an abbreviation thereof). The name of the corporation with the word or abbreviation that it elects to add for use in Texas is:

2B. The corporation name is not available in Texas. The assumed name under which the corporation will qualify and transact business in Texas is:

3. Its federal employer identification number is: 71-0361522

☐ Federal employer identification number information is not available at this time.

4. It is incorporated under the laws of: (set forth state or foreign country) Delaware

and the date of its formation in that jurisdiction is: 6/29/1964

5. As of the date of filing, the undersigned certifies that the foreign corporation currently exists as a valid corporation under the laws of the jurisdiction of its formation.

6. The purpose or purposes of the corporation that it proposes to pursue in the transaction of business in Texas are set forth below.

To engage in any lawful activity for which corporations may be qualified in the state of Texas.

The corporation also certifies that it is authorized to pursue such stated purpose or purposes in the state or country under which it is incorporated.

7. The date on which the foreign entity intends to transact business in Texas, or the date on which the foreign entity first transacted business in Texas is: 2/01/2012

8. The principal office address of the corporation is:

200 Peach Street El Dorado AR USA 71730

Address City State Country ZipCode  

RECEIVED  
FEB 09 2012  
Secretary of State
Complete item 9A or 9B, but not both. Complete item 9C.

☐ 9A. The initial registered agent is an organization (cannot be entity named above) by the name of:

CT Corporation System

OR

☐ 9B. The initial registered agent is an individual resident of the state whose name is:

First Name  	 M.I.  	 Last Name  	 Suffix

9C. The business address of the registered agent and the registered office address is:

350 N. St. Paul Street, Suite 2900  	 Dallas  	 TX  	 75201-4234

Street Address  	 City  	 State  	 Zip Code

10. The corporation hereby appoints the Secretary of State of Texas as its agent for service of process under the circumstances set forth in section 5.251 of the Texas Business Organizations Code.

11. The name and address of each person on the board of directors is:  

Dirctor 1

First Name  	 M.I.  	 Last Name  	 Suffix

Street or Mailing Address  	 City  	 State  	 Country  	 Zip Code

Director 2

First Name  	 M.I.  	 Last Name  	 Suffix

Street or Mailing Address  	 City  	 State  	 Country  	 Zip Code

Director 3

First Name  	 M.I.  	 Last Name  	 Suffix

Street or Mailing Address  	 City  	 State  	 Country  	 Zip Code

Supplemental Provisions/Information

Text Area: (The attached addendum, if any, is incorporated herein by reference.)
Effectiveness of Filing (Select either A, B, or C.)

A. ☑ This document becomes effective when the document is filed by the secretary of state.

B. □ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: ____________________________

C. □ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: ____________________________

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: February 1, 2012

[Signature]

John A. Moore, Secretary

Printed or typed name of authorized person.
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>William C. Nolan, Jr.</td>
<td>Director, Chairman of the Board</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Frank W. Blue</td>
<td>Director</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Steven A. Cossé</td>
<td>Director</td>
<td>200 Peach St., El Dorado, AR 71730</td>
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<tr>
<td>Claiborne P. Deming</td>
<td>Director</td>
<td>200 Peach St., El Dorado, AR 71730</td>
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<tr>
<td>Robert A. Hermes</td>
<td>Director</td>
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<tr>
<td>James V. Kelley</td>
<td>Director</td>
<td>200 Peach St., El Dorado, AR 71730</td>
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<tr>
<td>R. Madison Murphy</td>
<td>Director</td>
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<td>Valentin Mirosh</td>
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<td>Neal E. Schnalle</td>
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<tr>
<td>David J.H. Smith</td>
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<tr>
<td>Caroline G. Theus</td>
<td>Director</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>David M. Wood</td>
<td>Director, President &amp; Chief Executive Officer</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Kevin G. Fitzgerald</td>
<td>Executive Vice President &amp; Chief Financial Officer</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Roger W. Jenkins</td>
<td>Executive Vice President</td>
<td>16290 Katy Fwy, Suite 600, Houston, TX 77094</td>
</tr>
<tr>
<td>Thomas McKinlay</td>
<td>Executive Vice President</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Bill H. Stobaugh</td>
<td>Executive Vice President</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Walter K. Compton</td>
<td>Senior Vice President &amp; General Counsel</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>John W. Eckart</td>
<td>Senior Vice President &amp; Controller</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Kelli M. Hammock</td>
<td>Vice President</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Thomas J. Mireles</td>
<td>Vice President</td>
<td>16290 Katy Fwy, Suite 600, Houston, TX 77094</td>
</tr>
<tr>
<td>Mindy K. West</td>
<td>Vice President &amp; Treasurer</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>John A. Moore</td>
<td>Secretary</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>Roger W. Landes</td>
<td>Assistant Secretary</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
<tr>
<td>E. Ted Botner</td>
<td>Assistant Secretary</td>
<td>200 Peach St., El Dorado, AR 71730</td>
</tr>
</tbody>
</table>

2/1/2012
STATEMENT OF CHANGE OF ADDRESS OF REGISTERED AGENT

1. The name of the entity represented is Murphy Oil Corporation

   The entity's filing number is 801548483

2. The address at which the registered agent has maintained the registered office address for such entity is: (Please provide street address, city, state and zip code presently shown in the records of the Secretary of State.)

   350 N. St. Paul Street, Suite 2900, Dallas, TX, 75201-4234

3. The address at which the registered agent will hereafter maintain the registered office address for such entity is: (Please provide street address, city, state and zip code. The address must be in Texas.)

   1999 Bryan St., Ste. 900, Dallas, TX, 75201 - 3136

4. Notice of the change of address has been given to said entity in writing at least 10 business days prior to the submission of this filing.

   Date: 12/02/2013

C.T Corporation System

Name of Registered Agent

Marie Hauer

Signature of Registered Agent

FILING OFFICE COPY
Form 509
(Revised 12/10)

Submit with relevant filing instrument.

Filing Fee: None

Consent to Use of Similar Name

(1) Murphy Oil USA, Inc.

Name of the entity or individual who holds the existing name on file with the secretary of state

consents to the use of

(2) Murphy Oil Corporation

as the name of a filing entity or foreign filing entity in Texas for the purpose of submitting a filing instrument to the secretary of state. This consent does not authorize the use of the similar name in violation of the Trademark Act of 1946, as amended (15 U.S.C. Section 1051 et seq.); Chapter 16 or 71, Business & Commerce Code; or common law.

(3) The undersigned certifies to being authorized by the holder of the existing name to give this consent. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: 2/1/2012

By: Murphy Oil USA, Inc.

Name of existing entity, if any (type or print)

File number of existing entity, if any

Signature of Authorized Person

John A. Moore

Name of Authorized Person (type or print)

Secretary

Title of Authorized Person, if any (type or print)
RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0290786
IN THE BRISCOE RANCH (EAGLEFORD) FIELD, ATASCOSA, DIMMIT, FRI, LA SALLE, MAVERICK, WEBB, AND ZAVALA COUNTIES, TEXAS

FINAL ORDER
AMENDING FIELD RULES FOR THE BRISCOE RANCH (EAGLEFORD) FIELD ATASCOSA, DIMMIT, FRI, LA SALLE, MAVERICK, WEBB, AND ZAVALA COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on September 17, 2014, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is ORDERED by the Railroad Commission of Texas that the field rules amended in Final Order No. 01-0280513, effective June 18, 2013, for the Briscoe Ranch (Eagleford) Field, Atascosa, Dimmit, Frio, La Salle, Maverick, Webb, and Zavala Counties, Texas, are hereby amended. The amended field rules are set out in their entirety as follows:

RULE 1: The entire correlative interval from 7,160 feet to 7,535 feet as shown on the log of the TXCO Resources Inc. - Briscoe Catarina West Lease, Well No. 1 (API No. 42 127 33421), Section 93, Block 8, I&GN RR Co. Survey, A-874, Dimmit County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Briscoe Ranch (Eagleford) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line, or subdivision line. There is no minimum between well spacing requirement. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well; and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling
more wells than herein prescribed, whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules are incorporated herein by reference.

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

Provided, however, that for purposes of spacing for horizontal wells, the following shall apply:

a. A take point in a horizontal drainhole well is any point along a horizontal drainhole where oil and/or gas can be produced from the reservoir/field interval. The first take point may be at a different location than the penetration point and the last take point may be at a location different than the terminus point.

b. No horizontal drainhole well for oil or gas shall hereafter be drilled such that the first and last take point are nearer than ONE HUNDRED (100) feet to any property line, lease line or subdivision line.

c. For each horizontal drainhole well, the perpendicular distance from any take point on such horizontal drainhole between the first take point and the last take point to any point or any property line, lease line or subdivision line shall be a minimum of THREE HUNDRED THIRTY (330) feet.

For the purpose of assigning additional acreage to a horizontal well pursuant to Rule 86, the distance from the first take point to the last take point in the horizontal drainhole shall be used in such determination, in lieu of the distance from penetration point to terminus.

In addition to the penetration point and the terminus of the wellbore required to be identified on the drilling permit application (Form W-1H) and plat, the first and last take points must also be identified on the drilling permit application (Remarks Section) and plat. Operators shall file an as-drilled plat showing the path, penetration point, terminus and the first and last take points of all drainholes in horizontal wells, regardless of allocation formula.

If the applicant has represented in the drilling application that there will be one or more no perf zones or "NPZ's" (portions of the wellbore within the field interval without take points), then the as-drilled plat filed after completion of the well shall be certified by a person with knowledge of the facts pertinent to the application that the plat is accurately drawn to scale and correctly reflects all pertinent and required data. In addition to the standard required data, the certified plat shall include the as-drilled track of the wellbore, the location of each take point on the wellbore, the boundaries of any wholly or partially unleased tracts within a Rule 37 distance of the wellbore, and
notations of the shortest distance from each wholly or partially unleased tract within a
Rule 37 distance of the wellbore to the nearest take point on the wellbore.

A properly permitted horizontal drainhole will be considered to be in compliance
with the spacing rules set forth herein if the as-drilled location falls within a rectangle
established as follows:

a. Two sides of the rectangle are parallel to the permitted drainhole and 33
feet on either side of the drainhole;
b. The other two sides of the rectangle are perpendicular to the sides
described in (a) above, with one of those sides passing through the first
take point and the other side passing through the last take point.

Any point of a horizontal drainhole outside of the described rectangle must
conform to the permitted distance of the nearest property line, lease line or subdivision
line measured perpendicular from the wellbore.

For any well permitted in this field, the penetration point need not be located on
the same lease, pooled unit or unitized tract on which the well is permitted and may be
located on an Offsite Tract. When the penetration point is located on such Offsite Tract,
the applicant for such a drilling permit must give 21 days notice by certified mail, return
receipt requested to the mineral owners of the Offsite Tract. For the purposes of this
rule, the mineral owners of the Offsite Tract are (1) the designed operator; (2) all
lessees of record for the Offsite Tract where there is no designated operator; and (3) all
owners of unleased mineral interests where there is no designated operator or lessee.
In providing such notice, applicant must provide the mineral owners of the Offsite Tract
with a plat clearly depicting the projected path of the entire wellbore. In the event the
applicant is unable, after due diligence, to locate the whereabouts of any person to
whom notice is required by this rule, the applicant must publish notice of this application
pursuant to the Commission's Rules of Practice and Procedure. If any mineral owner of
the Offsite Tract objects to the location of the penetration point, the applicant may
request a hearing to demonstrate the necessity of the location of the penetration point of
the well to prevent waste or to protect correlative rights. Notice of Offsite Tract
penetration is not required if (a) written waivers of objection are received from all
mineral owners of the Offsite Tract; or, (b) the applicant is the only mineral owner of the
Offsite Tract. To mitigate the potential for well collisions, applicant shall promptly
provide copies of any directional surveys to the parties entitled to notice under this
section, upon request.

RULE 3a: The acreage assigned to the individual oil well for the purpose of
allocating allowable oil production thereto shall be known as a proration unit. The
standard drilling and proration units are established hereby to be EIGHTY (80) acres.
No proration unit shall consist of more than EIGHTY (80) acres except as hereinafter
provided. All proration units shall consist of continuous and contiguous acreage which
can reasonably be considered to be productive of oil. No double assignment of acreage
will be accepted.
If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than EIGHTY (80) acres, then and in such event the remaining unassigned acreage up to and including a total of FORTY (40) acres may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

RULE 3b: The acreage assigned to the individual gas well for the purpose of allocating allowable gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be EIGHTY (80) acres. No proration unit shall consist of more than EIGHTY (80) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of EIGHTY EIGHT (88) acres may be assigned. Each proration unit containing less than EIGHTY (80) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

For the determination of acreage credit in this field, operators shall file for each oil or gas well in this field the applicable forms authorized or allowed by the Commission (Form P-15 Statement of Productivity of Acreage Assigned to Proration Units, or P-16 Data Sheet). Operators shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes and file a plat identifying the acreage for the lease, pooled unit or property on which the well is located, provided that such plat shall not be required to show individual proration units.

RULE 4a: The maximum daily oil allowable for a well in the field shall be determined by multiplying 800 barrels of oil per day by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. Each oil well shall have unlimited net gas-oil ratio authority.

RULE 4b: The gas field shall be classified as associated-prorated. The allowable production of gas from individual wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for
wells which are incapable of producing their gas allowables, among the individual wells in the proportion that the acreage assigned such well for proration purposes bears to the summation of the acreage with respect to all proratable wells producing from the same reservoir.

RULE 5: A flowing oil well will be granted administratively, without necessity of filing fees unless the Commission requires filing fees in the future for Statewide Rule 13(b)(4)(A) exceptions, a six month exception to Statewide Rule 13(b)(4)(A) regarding the requirement of having to be produced through tubing. A revised completion report will be filed once the oil well has been equipped with the required tubing string to reflect the actual completion configuration. This exception would be applicable for new drills, reworks, recompletions or for new fracture stimulation treatments for any flowing oil well in the field.

RULE 6: An oil well will be granted administratively, without necessity of filing fees unless the Commission requires filing fees in the future for Statewide Rule 51(a) exceptions, a six month exception to the provisions of Statewide Rule 51(a) regarding the 10 day rule for filing the potential test after testing of the well. This will allow for the backdating of allowables on the oil wells without requiring a waiver to be secured from all field operators. This rule will grant the Commission the authority to issue an allowable back to the initial completion date for all oil wells in the field to prevent unnecessary shut-ins to alleviate potential overproduction issues related to the completion paperwork filings and producing the oil wells without tubing.

RULE 7: All wells will be granted administratively, without the necessity of filing fees unless the Commission requires filing fees in the future for Statewide Rule 16(b) exceptions, an exception to the provisions of Rule 16(b) regarding the deadline for filing initial completion reports. Completion reports in this field are timely filed if filed within 90 days after completion of the well or within 150 days after the date on which the drilling operation is completed, whichever is earlier.

The Briscoe Ranch (Eagleford) Field is a hydrogen sulfide field and shall be regulated pursuant to Statewide Rule 36.

Pursuant to Final Order No. 01-0270024, all wells completed with a gas-oil ratio of 3,000 cubic feet per barrel and above in the Briscoe Ranch (Eagleford) Field, Dimmit, La Salle, Maverick and Webb Counties, Texas, are permanently classified as gas wells without the need of further administrative review, effective the date of initial completion.

Done this 27th day of January, 2015.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions’ Unprotested Master Order dated January 27, 2015)
LOSHAK EXHIBIT 7
MURPHY OIL RESPONSES TO STEC 3-10 AND 3-11
Question No. STEC 3-10

Admit or deny that Murphy Oil has leased all of the territory within the North Field and there are no portions for which Murphy Oil does not hold property rights.

Response:

Murphy Oil does not hold property rights in some areas of the North Field and will not provide electricity from its customer-owned distribution system to any facilities Murphy Oil does not own.

Preparer: Kane Heinen

Sponsor: Bobby J. Scott
Question No. STEC 3-11

Admit or deny that Murphy Oil has leased all of the territory within the South Field and there are no portions for which Murphy Oil does not hold property rights.

Response:

Murphy Oil does not hold property rights in some areas of the South Field and will not provide electricity from its customer-owned distribution system to any facilities that Murphy Oil does not own.

Preparer: Kane Heinen
Sponsor: Bobby J. Scott
LOSHAK EXHIBIT 8
MURPHY OIL RESPONSE TO STEC 1-7

132
Question No. STEC 1-7

Please admit or deny that the production wells operated by Murphy within the Field are subject to a unitization order.

Response:

Deny. Murphy’s wells within the Fields are not the subject of a unitization order. However, the wells in the North Field and South Fields are subject to pooling agreements that treat multiple lease areas as a unit for production and revenue allocation purposes.

Preparer: Kane Heinen

Sponsor: Murphy Oil has not yet identified witnesses for this proceeding, and will supplement with sponsoring witness information once it does.
LOSHAK EXHIBIT 9
LIST OF MURPHY OIL POOLING AGREEMENTS (CONF)

CONFIDENTIAL DOCUMENTS
SUBMITTED SEPARATELY UNDER SEAL
PURSUANT TO THE PROTECTIVE ORDER IN THIS PROCEEDING
LOSHAK EXHIBIT 10
MURPHY OIL RESPONSES TO STEC 2-3 AND 2-4
Question No. STEC 2-3

Admit or deny that all wells in the North Field are subject to one single pooling agreement.

Response:

Some of the wells in the North Field are the subject of more than one pooling agreement. Some of the wells in the North Field are not subject to a pooling agreement.

Preparer: Kane Heinen

Sponsor: Murphy Oil has not yet identified witnesses for this proceeding, and will supplement with sponsoring witness information once it does.
Question No. STEC 2-4

Admit or deny that all wells in the South Field are subject to one single pooling agreement.

Response:

Some of the wells in the South Field are the subject of more than one pooling agreement. Some wells in the South Field are not subject to a pooling agreement.

Preparer: Kane Heinen

Sponsor: Murphy Oil has not yet identified witnesses for this proceeding, and will supplement with sponsoring witness information once it does.
Question No. STEC 2-25

Admit or deny that Murphy Oil has acquired all necessary easements within the North and South Fields for the planned electric distribution lines to interconnect each well pad site and facility in the North and South Fields.

Response:

Murphy Oil's pre-acquisition of the easements needed to construct a customer-owned electric distribution system to serve its facilities in each of the North and South Fields is not relevant to this proceeding, the purpose of which is to confirm the right of Murphy Oil under PURA and current PUC case law, to take service from AEP. However, based on an initial review of its leases, Murphy Oil believes that all or most of those agreements would allow Murphy to build the customer-owned distribution system. Regardless, Murphy Oil would work with affected landowners to address any concerns they might have regarding the routing of the customer-owned distribution system.

Preparer: Kane Heinen

Sponsor: Murphy Oil has not yet identified witnesses for this proceeding, and will supplement with sponsoring witness information once it does.
Question No. STEC 3-16

Admit or deny that the mineral interests in the current and proposed wells within the North field are owned by the same persons in the same ratios. If denied, please identify the wells with identical mineral interest ownership and the wells with distinct mineral interest ownership.

Second Amended Response August 3, 2017:

Murphy Oil is the only mineral (working) interest owner in all but two of the current wells in the North Field. For the two wells in which Murphy Oil is not the only Mineral interest owner, Chesapeake Energy, Murphy Oil, Jamestown Resources, LLC (“Jamestown”) and OOGC America LLC (“OOGC”) hold working interests in the wells as follows:

<table>
<thead>
<tr>
<th>Kone Unit A 1H</th>
<th>Murphy Oil - 80%</th>
<th>Chesapeake Energy - 12.8%</th>
<th>Jamestown - .5%</th>
<th>OOGC - 6.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kone Unit B 1H</td>
<td>Murphy Oil - 70.5%</td>
<td>Chesapeake Energy - 19%</td>
<td>Jamestown - .7%</td>
<td>OOGC - 9.8%</td>
</tr>
</tbody>
</table>

Murphy Oil's current plans include only one additional well in each of Kone Unit A and Kone Unit B areas. The additional wells would have the same working interest breakdown currently associated with the unit. Murphy Oil would be the sole mineral interest owner in all other planned wells in the North Field.

Preparer: Kane Heinen

Sponsor: Bobby J. Scott
LOSHAK EXHIBIT 15
KONE UNIT A RECORDS FROM RRC AND MURPHY OIL (CONF)

ADDITIONAL CONFIDENTIAL DOCUMENTS
SUBMITTED SEPARATELY UNDER SEAL
PURSUANT TO THE PROTECTIVE ORDER IN THIS PROCEEDING
# Certificate of Pooling Authority

**RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division  
PO Box 12967  
Austin, Texas 78711-2967  
www.rrc.texas.gov

**CERTIFICATE OF POOLING AUTHORITY**

Revised 05/2001

<table>
<thead>
<tr>
<th>Field Name(s)</th>
<th>LeaseID Number (if assigned)</th>
<th>RRC District Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Fields</td>
<td></td>
<td>01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operator Name</th>
<th>Operator P-S Number</th>
<th>Well Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murphy Expl &amp; Prod Co - USA</td>
<td>524975</td>
<td>H</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Pooled Unit Name</th>
<th>API Number</th>
<th>Purpose of Filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kone Unit A</td>
<td>42-127-35812</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County</th>
<th>Total acres in pooled unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimmit</td>
<td>142.2</td>
</tr>
</tbody>
</table>

## Description of Individual Tracts Contained Within the Pooled Unit

<table>
<thead>
<tr>
<th>Tract Identifier</th>
<th>Tract Name</th>
<th>Acres in Tract</th>
<th>Unleased</th>
<th>Non-Pooled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Carroll Family LP</td>
<td>28.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1b</td>
<td>Carroll Family LP</td>
<td>85.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>State of Texas</td>
<td>13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>James L Drought ET AL</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Sultenfuss Family Interests LLC ET AL</td>
<td>4.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Texas Osage Royalty Pool ET AL</td>
<td>6.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Sarah E McFadin</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Certification:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Nicole Holloway

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40

1. When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
4. If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter “All Fields” if the Certificate pertains to all fields requested on Form W-1.
5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
6. Identify the drill site tract with an * to the left of the tract identifier.
7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

Page 1 of 1
RAILROAD COMMISSION OF TEXAS

1701 N. Congress
P.O. Box 12967
Austin, Texas 78701-2967

Acreage Designation

SECTION I. OPERATOR INFORMATION

<table>
<thead>
<tr>
<th>Operator Name:</th>
<th>Murphy Expl &amp; Prod Co - USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator P-S No.:</td>
<td>596675</td>
</tr>
<tr>
<td>Operator Address:</td>
<td>9805 Katy Freeway, Suite 200, Houston, TX 77024</td>
</tr>
</tbody>
</table>

SECTION II. WELL INFORMATION

<table>
<thead>
<tr>
<th>District No.:</th>
<th>'01</th>
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</thead>
<tbody>
<tr>
<td>County:</td>
<td>Dimmit</td>
</tr>
<tr>
<td>Well No.:</td>
<td>1H</td>
</tr>
<tr>
<td>API No.:</td>
<td>42-127-35812</td>
</tr>
<tr>
<td>Drilling Permit No.:</td>
<td>771447</td>
</tr>
<tr>
<td>Lease Name:</td>
<td>Kone Unit A</td>
</tr>
<tr>
<td>Lease No.:</td>
<td>#N/A</td>
</tr>
<tr>
<td>Field Name:</td>
<td>Briscoe Ranch (Eagleford)</td>
</tr>
<tr>
<td>Field No.:</td>
<td></td>
</tr>
</tbody>
</table>

Purpose of Filing:
- Drilling Permit Application (Form W-1)
- Completion Report (Form 01/W-2)

Filer is the owner or lessee, or has been authorized by the owner or lessee, of all or an undivided portion of the mineral estate under each tract for which filer is listed as operator below. For all leases operated by other entities, the number of assigned acres shown are reflected on current Commission records or the filer has been authorized by the current operator to change the assigned acreage of that operator as shown below.

SECTION III. LISTING OF ALL HORIZONTAL, DIRECTIONAL OR VERTICAL WELLS IN THE APPLIED FOR FIELD.

The acreage assignment for the 1H well has changed. The P-15 acreage assignment for the 2H and 3H will be submitted with their IP.

<table>
<thead>
<tr>
<th>RRC ID No. or Lease No.</th>
<th>Well No.</th>
<th>API No.</th>
<th>Acres Assigned</th>
<th>Operator Name and Operator No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>#N/A</td>
<td>1H</td>
<td>42-127-35812</td>
<td>142.2</td>
<td></td>
</tr>
</tbody>
</table>

Total Well Count > 1: 142.2 < A. Total Assigned Horiz. Acreage

<table>
<thead>
<tr>
<th></th>
<th>Total Remaining Horiz. Acreage</th>
<th>Total Assigned Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>142.2</td>
</tr>
</tbody>
</table>

B. Total Assigned Vert./Dir. Acreage

<table>
<thead>
<tr>
<th></th>
<th>Total Remaining Vert./Dir. Acreage</th>
<th>Total Remaining Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Signature:
Nicole Holloway,
Sr. Regulatory Analyst
nicole_holloway@murphyoilcorp.com

Certification:
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to make this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Nicole Holloway,
Sr. Regulatory Analyst

Email (include email address only if you affirmatively consent to its public release):
281.675.9453
5/3/2016

City, State, Zip Code
Operator Name and Operator No. (if different from filing operator)

146
Railroad Commission of Texas

PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B. 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit MUST be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37(h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, “Filing of Documents,” and/or Section 1.4, “Computation of Time,” the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection, Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state’s right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

*NOTIFICATION

The operator is REQUIRED to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office MUST also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number MUST be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

*Notification of Setting Casing. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the drilling permit number.
*Notification of Re-completion/Re-entry. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground Injection" to EXCLUDE "...the underground injection of fluids or propping agents (other than diesel fuels) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italics and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

Dry or Noncommercial Hole. Statewide Rule 14(6)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director’s delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

*Notification of Plugging a Dry Hole. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE
(512) 463-6751

MAIL:
PO Box 12967
Austin, Texas, 78711-2967
RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

<table>
<thead>
<tr>
<th>PERMIT NUMBER</th>
<th>DATE PERMIT ISSUED OR AMENDED (AMENDED)</th>
<th>DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>771447</td>
<td>Oct 07, 2016</td>
<td>* 01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>API NUMBER</th>
<th>FORM W-1 RECEIVED</th>
<th>COUNTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>42-127-35812</td>
<td>Sep 01, 2016</td>
<td>DMIT</td>
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</table>

<table>
<thead>
<tr>
<th>TYPE OF OPERATION</th>
<th>WELLBORE PROFILE(S)</th>
<th>ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW DRILL</td>
<td>Horizontal</td>
<td>142.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATOR</th>
<th>NOTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MURPHY EXPL. &amp; PROD. CO. - USA</td>
<td>This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEASE NAME</th>
<th>WELL NUMBER</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>KONE UNIT A</td>
<td>1H</td>
<td>8.6 miles NE direction from CATARINA, TX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DISTANCE TO SURVEY LINES</th>
<th>DISTANCE TO NEAREST LEASE LINE</th>
<th>DISTANCE TO NEAREST WELL ON LEASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1553 ft. NE</td>
<td>12022 ft. NW</td>
<td>See FIELD(s) Below</td>
</tr>
<tr>
<td>1553 ft. NE</td>
<td>12022 ft. NW</td>
<td></td>
</tr>
</tbody>
</table>

FIELD(s) and LIMITATIONS:

** SEE FIELD DISTRICT FOR REPORTING PURPOSES **

** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(A) **

CASE NO. 0288186

<table>
<thead>
<tr>
<th>FIELD NAME</th>
<th>ACRES</th>
<th>DEPTH</th>
<th>NEAREST LEASE</th>
<th>NEAREST WELL</th>
<th>DIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>** BRISCOE RANCH (EAGLEFORD) **</td>
<td>142.20</td>
<td>8,500</td>
<td></td>
<td>1H</td>
<td>01</td>
</tr>
<tr>
<td>KONE UNIT A</td>
<td>156</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WELLBORE PROFILE(s) FOR FIELD: Horizontal

RESTRICTIONS:

No acreage will be assigned until the Kone Unit 01/15474 acreage is reduced by 142.2 acres to avoid a double assignment of acreage between these two units.

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.

Lateral: TH1
Penetration Point Location
Lease Lines: 33.0 F NW L
1395.0 F NE L
Terminus Location
Lease Lines: 21.0 F SE L
902.0 F NE L
Survey Lines: 923.0 F NE L
17747.0 F NW L

**! PRECEDING FIELD NAME INDICATES RULE (R37)**

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS
PERMIT NUMBER 771447
DATE PERMIT ISSUED OR AMENDED (AMENDED) Oct 07, 2016
DISTRICT * 01

API NUMBER 42-127-35812
FORM W-1 RECEIVED Sep 01, 2016
COUNTY DIMMIT

TYPE OF OPERATION NEW DRILL
WELLBORE PROFILE(S) Horizontal
ACRES 142.2

OPERATOR MURPHY EXPL. & PROD. CO. - USA
ATTN: BRENT SONNIER
9805 KATY FREEWAY STE G200
HOUSTON, TX 77024-0000

NOTICE
This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.
District Office Telephone No: (210) 227-1313

LEASE NAME KONE UNIT A
WELL NUMBER 1H
LOCATION
8.6 miles NE direction from CATARINA, TX
TOTAL DEPTH 8500

SECTION CARDENAS, J
BLOCK X
ABSTRACT 2

DISTANCE TO SURVEY LINES
1553 ft. NE 12022 ft. NW
DISTANCE TO NEAREST LEASE LINE 156 ft.

DISTANCE TO LEASE LINES
1553 ft. NE 12022 ft. NW
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 37(h)(2)(A) **
CASE NO. 0288186

LEASE NAME
ACRES
DEPTH
WELL #
DIST
NEAREST LEASE
NEAREST WE

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.

No acreage will be assigned until the Kone Unit 01/15474 acreage is reduced by 142.2 acres to avoid a double assignment of acreage between these two units.

Currently there are no identified formations listed for this county. It is still the operators responsibility to isolate and report any potential flow zones that are encountered in the completion of this well.
**RAILROAD COMMISSION OF TEXAS**

**OIL & GAS DIVISION**

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

<table>
<thead>
<tr>
<th>API No.</th>
<th>42-127-35812</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drilling Permit #</td>
<td>771447</td>
</tr>
<tr>
<td>SWR Exception Case/Docket No</td>
<td>0288186 (R37)</td>
</tr>
</tbody>
</table>

1. **RRC Operator No.** 594675
2. **Operator's Name (as shown on form P-5, Organization Report):** MURPHY EXPL. & PROD. CO. - USA
3. **Operator Address (include street, city, state, zip):**
   
   ATTN: BRENT SONNIER
   
   9805 KATY FREEWAY STE G200
   
   HOUSTON, TX 77024-0000

4. **Lease Name:** KONE UNIT A
5. **Well No.:** 1H

**GENERAL INFORMATION**

6. **Purpose of filing (mark ALL appropriate boxes):**
   - [x] New Drill
   - [ ] Recompletion
   - [ ] Reclass
   - [ ] Amended
   - [ ] Amended as Drilled (BHL) (Also File Form W-1D)
   - [ ] Field Transfer
   - [ ] Re-Enter
7. **Wellbore Profile (mark ALL appropriate boxes):**
   - [ ] Vertical
   - [x] Horizontal (Also File Form W-1H)
   - [ ] Directional (Also File Form W-1D)
   - [ ] Sidetrack
8. **Total Depth:** 8500
9. **Do you have the right to develop the minerals under any right-of-way?**
   - [x] Yes
   - [ ] No
10. **Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?**
    - [x] Yes
    - [ ] No

**SURFACE LOCATION AND ACREAGE INFORMATION**

11. **RRC District No.:** 01
12. **County:** DIMMIT
13. **Surface Location:**
   - [ ] Land
   - [ ] Bay/Estuary
   - [ ] Inland Waterway
   - [ ] Offshore
14. **This well is to be located** 6.6 miles in a NE direction from Catarina, TX which is the nearest town in the county of the well site.
15. **Section:** 16
16. **Block:** X
17. **Survey:** CARDENAS, J
18. **Abstract No.:** A-2
19. **Distance to nearest lease line:** 156 ft.
20. **Number of contiguous acres in lease, pooled unit, or unitized tract:** 142.2
21. **Lease Perpendiculars:**
   - 1553 ft from the NE line and 12022 ft from the NW line.
22. **Survey Perpendiculars:**
   - 1553 ft from the NE line and 12022 ft from the NW line.
23. **Is this a pooled unit?**
   - [x] Yes
   - [ ] No
24. **Unitization Docket No.:**
25. **Are you applying for Substandard Acreage Field?**
   - [ ] Yes
   - [x] No

**FIELD INFORMATION**

**List all fields of anticipated completion including Wildcat. List one zone per line.**

<table>
<thead>
<tr>
<th>RRC District No.</th>
<th>Field No.</th>
<th>Field Name (exactly as shown in RRC records)</th>
<th>Well Type</th>
<th>Completion Depth</th>
<th>Distance to Nearest Well in this Reservoir</th>
<th>Number of Wells on this lease in this Reservoir</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>12018200</td>
<td>BRISCOE RANCH (EAGLEFORD)</td>
<td>Oil or Gas Well</td>
<td>8500</td>
<td>0.00</td>
<td>1</td>
</tr>
</tbody>
</table>

**BOTTOMHOLE LOCATION INFORMATION** is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

**Remarks:**
See W1 Comments attached

**Certificate:**
I certify that information stated in this application is true and complete, to the best of my knowledge.

**Name of Filer:** Nicole Holloway, Sr. Regulatory Analyst
**Date submitted:** Sep 01, 2016

**Phone:** (281)6759453
**E-mail Address:** Nicole_Holloway@Murphyoilcorp.com

**RRC Use Only**

**Data Validation Time Stamp:** Oct 7, 2016 5:32 PM (As Approved Version)
**RAILROAD COMMISSION OF TEXAS**

**OIL & GAS DIVISION**

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

This facsimile W-I was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

<table>
<thead>
<tr>
<th>Permit Status:</th>
<th>Approved</th>
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</table>

The RRC has not approved this application. Duplicating or distributing of information is at the user's own risk.

**Permit #: 771447**

**Approved Date: Oct 07, 2016**

---

<table>
<thead>
<tr>
<th>1. RRC Operator No.</th>
<th>2. Operator's Name (exactly as shown on form P-5, Organization Report)</th>
<th>3. Lease Name</th>
<th>4. Well No</th>
</tr>
</thead>
<tbody>
<tr>
<td>594675</td>
<td>MURPHY EXPL. &amp; PROD. CO. - USA</td>
<td>KONE UNIT A</td>
<td>1H</td>
</tr>
</tbody>
</table>

**Lateral Drainhole Location Information**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BRISCOE RANCH (EAGLEFORD) (Field # 12018200, RRC District 01)</td>
<td>X</td>
<td>CARDENAS. J</td>
<td></td>
<td>2</td>
<td>DIMMIT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21 ft. from the NE line. and 902 ft. from the SE line.</td>
<td>923 ft. from the NE line. and 17747 ft. from the NW line.</td>
<td>33 ft. from the NW line. and 1395 ft. from the NE line.</td>
</tr>
</tbody>
</table>
RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the transmitted data is available in the RRC's Austin office.

<table>
<thead>
<tr>
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<th>Approved</th>
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<tbody>
<tr>
<td>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</td>
<td></td>
</tr>
</tbody>
</table>

[FILER Sep 1, 2016 11:07 AM]: The full name for the fifth person on the service list is: Karen A Dibrell, Attorney In Fact for Raymond Allen Dibrell. It would not fit in the space.; [RRC STAFF Sep 9, 2016 11:23 AM]: Operator wishes to add an expedite fee to this permit. They will be transferred to public sales to make this payment.; [RRC STAFF Sep 9, 2016 11:41 AM]: Public Sales moved this permit to the DP Queue. It had not yet been worked in the mapping queue, and was moved back accordingly.; [RRC STAFF Sep 9, 2016 11:54 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 9, 2016 1:04 PM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 9, 2016 1:07 PM]: Lease acreage, well number, and well count have all changed with this amendment.; [RRC STAFF Sep 9, 2016 1:08 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 9, 2016 4:30 PM]: Problems identified with this permit are resolved.; [RRC STAFF Sep 9, 2016 4:31 PM]: Nicole Holloway provided a revised P-16, on which the total acreage matches the W1.; [RRC STAFF Sep 12, 2016 7:40 AM]: This well was originally permitted as part of a 10062.9 acre Kone Unit.; [RRC STAFF Sep 12, 2016 2:25 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Sep 13, 2016 10:39 AM]: Problems identified with this permit are resolved.; [RRC STAFF Oct 5, 2016 7:14 AM]: Protest received from Clayton Hoover representing Veda Frances Stone.; [RRC STAFF Oct 6, 2016 12:10 PM]: Uploaded Kone Unit A 1H_P-12 NPZ.; [RRC STAFF Oct 6, 2016 12:11 PM]: Uploaded Kone Unit A 1H_Pmt Plat NPZ.; [RRC STAFF Oct 7, 2016 4:36 PM]: Uploaded ALJ Memo, dated 10-7-16
Re: Rule 37 Case No. 0288186 (Status No. 771447); Application of MURPHY EXPL. & PROD. CO. - USA for a Rule 37 Exception for the KONE UNIT A, Well No. 1H, BRISCOE RANCH (EAGLEFORD) Field, DIMMIT County, Texas.

Dear Protestant,

You filed a protest to the referenced application. You are advised that the applicant has amended the application by filing a revised plat showing the boundaries of the unit, leased and unleased tracts within the perimeter of the unit, and the proposed horizontal well path. A copy of the plat is attached. This revised plat imposed a "no perforation zone" that precludes any perforations in the well within [330'] of the tract in which you own an interest. This made the well "regular" to your property under the field rules for the BRISCOE RANCH (EAGLEFORD) field.

On April 18, 2011, the Railroad Commissioners determined in Rule 37 Case No. 0268098 (Status No. 695940) that imposition of a "no perforation zone" restriction on an application for a drilling permit that restricts the applicant from perforating the proposed well any closer to all protestant(s)' unleased tract(s) resolves the protest(s) and entitles the applicant to administrative approval of the application without hearing. Accordingly, the referenced application has been approved administratively. Should the applicant subsequently file a new application seeking to remove the "no perforation zone" restriction and propose to perforate the well closer than allowed by the applicable field rules to your tract, you (assuming you remain an unleased owner of the minerals) will be entitled to notice of the application and an opportunity to protest the application at a hearing.

Sincerely,

Lorenzo Garza
Manager, Drilling Permits Section
TO: Lorenzo Garza, Manager  
Drilling Permits

FROM: Marshall Enquist, Administrative Law Judge

DATE: October 7, 2016

SUBJECT: Rule 37 Case No. 0288186: Application of Murphy Expl. & Prod. Co. - USA to Consider an Exception to SWR 37 for the Kone Unit A, Well No. 1H, Briscoe Ranch Eagleford Field, Dimmit County, Texas. (Permit No. 771447).

By email dated October 6, 2016, the Regulatory Compliance specialist for Murphy Expl. & Prod. Co. - USA ("Murphy"), Ms. Nicole Holloway, filed an amended plat and Form P-12 to create two NPZs. The intent is to eliminate the need for a Rule 37 exception, should the Drilling Permits Department accept the amendments. Both the Plat and the Form P-12 seem to be sufficient to create the NPZs, one 34 feet in length and the other 50 feet in length.

Should Murphy wish to eliminate the new NPZs, a hearing would be necessary.

Attachments:

File

CC: Nicole Holloway  
Regulatory Compliance  
Murphy Explr. & Prod. Co. - USA  
nicole_holloway@murphyoilcorp.com  
Via Email

Clayton J. Hoover, Attorney  
500 N. Shoreline, Suite 606  
Corpus Christi, Texas 78401  
[Via Fax 361-882-8185]  
Via Fax and First Class Mail
RAILROAD COMMISSION OF TEXAS
Oil and Gas Division
PO Box 12967
Austin, Texas 78711-2967
www.rrc.texas.gov

CERTIFICATE OF
POOLING AUTHORITY
Revised 05/2001

P-12

1. Field Name(s) All Fields
2. Lease/ID Number (if assigned) 594975
3. RRC District Number 01
4. Operator Name Murphy Expl & Prod Co - USA
5. Operator P-S Number 594975
6. Well Number 1H
7. Pooled Unit Name Kone Unit B
8. API Number 42-127-35913
9. Purpose of Filing ☑ Drilling Permit (W-1)
   ☑ Completion Report
10. County Dimmit
11. Total acres in pooled unit 107.8

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

<table>
<thead>
<tr>
<th>TRACT/PLAT IDENTIFIER</th>
<th>TRACT NAME</th>
<th>ACRES IN TRACT (See incl. #7 below)</th>
<th>INDICATE UNDIVIDED INTERESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carroll Family LP</td>
<td>9.7</td>
<td>☑</td>
</tr>
<tr>
<td>2</td>
<td>Missy Byrd Family LP</td>
<td>66.3</td>
<td>☑</td>
</tr>
<tr>
<td>3</td>
<td>State of Texas</td>
<td>12.7</td>
<td>☑</td>
</tr>
<tr>
<td>4</td>
<td>Janet K Burke, et al</td>
<td>13</td>
<td>☑</td>
</tr>
<tr>
<td>5</td>
<td>Redeaver for Cornilia Arnold, et al</td>
<td>6.1</td>
<td>☑</td>
</tr>
</tbody>
</table>

CERTIFICATION:
I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Signature

Nicole Holloway
Print Name

Regulatory nicole_holloway@murphyoilcorp.com 12/31/2016 281-875-9453
Title E-mail (if available) Date Phone

INSTRUCTIONS — Reference: Statewide Rules 31, 38 and 40
1. When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.
2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.
3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
4. If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter “All Fields” if the Certificate pertains to all fields requested on Form W-1.
5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.
6. Identify the drill site tract with an “*” to the left of the tract identifier.
7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.
**RAILROAD COMMISSION OF TEXAS**  
1701 N. Congress  
P.O. Box 12967  
Austin, Texas 78701-2967

**Acreage Designation**

<table>
<thead>
<tr>
<th>Operator Name: Murphy Expl &amp; Prod Co - USA</th>
<th>Operator P-5 No.: 594675</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Address: 9805 Katy Freeway, Suite G-200, Houston, TX 77024</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION I. OPERATOR INFORMATION**

<table>
<thead>
<tr>
<th>District No.:</th>
<th>'01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well No.:</td>
<td>1H</td>
</tr>
<tr>
<td>Total Lease Acres:</td>
<td>107.8</td>
</tr>
<tr>
<td>Lease Name:</td>
<td>Kene Unit B</td>
</tr>
<tr>
<td>Field Name:</td>
<td>Briscoe Ranch (Eagleford)</td>
</tr>
</tbody>
</table>

**SECTION II. WELLS IN THE APPLIED FOR FIELD OR UNITIZED TRACT DESIGNATED IN SECTION I ABOVE BY FILER**

<table>
<thead>
<tr>
<th>RRC ID No. or Lease No.</th>
<th>Well No.</th>
<th>H- Horizontal</th>
<th>D- Directional</th>
<th>V- Vertical</th>
<th>Lease Name</th>
<th>API No.</th>
<th>Acres Assigned</th>
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<tbody>
<tr>
<td>0</td>
<td>1H</td>
<td></td>
<td></td>
<td></td>
<td>Kone Unit B</td>
<td>42-127-35813</td>
<td>107.8</td>
</tr>
</tbody>
</table>

**SECTION III. ACREAGE DESIGNATION**

<table>
<thead>
<tr>
<th>A. Total Assigned Horiz. Acreage</th>
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</tr>
</thead>
<tbody>
<tr>
<td>B. Total Assigned Vert./Dir. Acreage</td>
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</tr>
<tr>
<td>C. Total Assigned Acreage</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Remaining Horiz. Acreage</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Remaining Vert./Dir. Acreage</td>
<td>0</td>
</tr>
<tr>
<td>Total Remaining Acreage</td>
<td>107.8</td>
</tr>
</tbody>
</table>

**CERTIFICATION:** I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that this report was prepared by me or under my supervision or direction, that I am authorized to sign this report, and that the information contained in this report is true, correct, and complete to the best of my knowledge.

Nicole Holloway  
Sr Regulatory Analyst  
nicole_holloway@murphyoilcorp.com  
[Include email address only if you affirmatively consent to its public release]

Signature  
Date: mo. day yr.

159
Railroad Commission of Texas

PERMIT TO DRILL, RE-COMPLETE, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit MUST be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 13, “Filing of Documents,” and/or Section 1.4, “Computation of Time,” the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

*NOTIFICATION

The operator is REQUIRED to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office MUST also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number MUST be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

*Notification of Setting Casing. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the drilling permit number.
*Notification of Re-completion/Re-entry. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground injection" to EXCLUDE "...the underground injection of fluids or propping agents (other than diesel fuels) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within thirty (30) days after completion of the well or within ninety (90) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s (if required) must be submitted with no double assignment of acreage.

Dry or Noncommercial Hole. Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

*Notification of Plugging a Dry Hole. The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE (512) 463-6751
MAIL:
PO Box 12967
Austin, Texas, 78711-2967
RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

<table>
<thead>
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<th>PERMIT NUMBER</th>
<th>DATE PERMIT ISSUED OR AMENDED</th>
<th>DISTRICT</th>
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<tr>
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<td>Jan 13, 2017</td>
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<th>FORM W-1 RECEIVED</th>
<th>COUNTY</th>
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<td>42-127-35813</td>
<td>Jan 03, 2017</td>
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<th>WELLBORE PROFILE(S)</th>
<th>ACRES</th>
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<tbody>
<tr>
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<tr>
<th>OPERATOR</th>
<th>NOTICE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MURPHY EXPL. &amp; PROD. CO. - USA</td>
<td>This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored.</td>
<td></td>
</tr>
<tr>
<td>ATTN: BRENT SONNIER</td>
<td>District Office Telephone No: (210) 227-1313</td>
<td></td>
</tr>
<tr>
<td>9805 KATY FREEWAY STE G200</td>
<td></td>
<td>Houston, TX 77024-0000</td>
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<table>
<thead>
<tr>
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<tbody>
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<tr>
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<tr>
<th>DISTANCE TO LEASE LINES</th>
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<tbody>
<tr>
<td>1 ft. W 10 ft. SE</td>
<td>See FIELD(s) Below</td>
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FIELD(s) and LIMITATIONS:

** BRISCOE RANCH (EAGLEFORD)

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *

** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B)**

CASE NO. 0288187

<table>
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<tr>
<th>WELLBORE PROFILE(s) FOR FIELD: Horizontal</th>
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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 (R37)**

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

Data Validation Time Stamp: Jan 13, 2017 3:47 PM ('As Approved' Version)
RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

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

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<th>DISTRICT</th>
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<td>Jan 13, 2017</td>
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<th>COUNTY</th>
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<tbody>
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<td>Jan 03, 2017</td>
<td>DIMMIT</td>
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<td>District Office Telephone No:</td>
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</tr>
<tr>
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<td>HOUSTON, TX 77024-0000</td>
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<thead>
<tr>
<th>LEASE NAME</th>
<th>WELL NUMBER</th>
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<tr>
<td>KONE UNIT B</td>
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<thead>
<tr>
<th>LOCATION</th>
<th>TOTAL DEPTH</th>
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<tr>
<td>8.6 miles NE direction from CATARINA, TX</td>
<td>8500</td>
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<tr>
<th>SECTION</th>
<th>BLOCK</th>
<th>ABSTRACT</th>
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<tr>
<td>CARDENAS, J</td>
<td>X</td>
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<tr>
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<th>DISTANCE TO NEAREST LEASE LINE</th>
<th>DISTANCE TO NEAREST WELL ON LEASE</th>
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</thead>
<tbody>
<tr>
<td>1 ft. W</td>
<td>10 ft. SE</td>
<td>29 ft.</td>
</tr>
</tbody>
</table>

FIELD(s) and LIMITATIONS:

* SEE FIELD DISTRICT FOR REPORTING PURPOSES *
** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) **
CASE NO. 0288187

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.

Currently, there are no identified formations listed for this county. It is still the operator's responsibility to isolate and report any potential flow zones that are encountered in the completion of this well.
## RAILROAD COMMISSION OF TEXAS
### OIL & GAS DIVISION

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

*This facsimile was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.*

**Permit Status:** Approved

**API No.** 42-127-35813

**SWR Exception Case/Docket No.** 0288187 (R37)

---

### GENERAL INFORMATION

1. **RRC Operator No.** 594675
2. **Operator's Name (as shown on form P-5, Organization Report)** MURPHY EXPL. & PROD. CO. - USA

---

### SURFACE LOCATION AND ACREAGE INFORMATION

11. **RRC District No.** 01
12. **County** DIMMIT
13. **Surface Location** Land
14. **This well is to be located** 8.6 miles in a NE direction from CATARINA, TX which is the nearest town in the county of the well site
15. **Section** X
16. **Block** 17. **Survey** CARDENAS, J
18. **Abstract No.** A-2
19. **Distance to nearest lease line:** 20. **Number of contiguous acres in lease, pooled unit, or unitized tract** 1078

---

### FIELD INFORMATION

List all fields of anticipated completion including Wildcat. List one zone per line.

<table>
<thead>
<tr>
<th>RRC District No</th>
<th>Field No.</th>
<th>Field Name (exactly as shown in RRC records)</th>
<th>Well Type</th>
<th>Completion Depth</th>
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<th>Number of Wells on this lease in this Reservoir</th>
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<tr>
<td>01</td>
<td>12018200</td>
<td>BRISCOE RANCH (EAGLEFORD)</td>
<td>Oil or Gas Well</td>
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<td>0.00</td>
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---

### BOTTOMHOLE LOCATION INFORMATION

*is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS* (see W-1H attachment)

**Remarks**

*Certification:* I certify that information stated in this application is true and complete, to the best of my knowledge.

Nicole Holloway, Sr. Regulatory Analyst
Name of filer
Jan 03, 2017
Date submitted

(281) 675-9453
Nicole.Holloway@Murphyoilcorp.com
Phone
E-mail Address (OPTIONAL)

---

**DATA VALIDATION TIME STAMP:** Jan 13, 2017 3:47 PM ('As Approved' Version)

**Page 1 of 2**
RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Permit Status: Approved
The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

Permit # 771462
Approved Date: Jan 13, 2017

<table>
<thead>
<tr>
<th>1. RRC Operator No</th>
<th>2 Operator's Name (exactly as shown on form P-5, Organization Report)</th>
<th>3. Lease Name</th>
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Lateral Drainhole Location Information

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</thead>
<tbody>
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<td>BRISCOE RANCH (EAGLEFORD)</td>
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<td>DEVEREAUX, M</td>
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<td>DIMMIT</td>
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<table>
<thead>
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<tbody>
<tr>
<td>20 ft. from the N line and 61 ft. from the W line</td>
<td>55 ft. from the NE line and 590 ft. from the W line</td>
<td>395 ft. from the W line and 21 ft. from the SE line</td>
</tr>
</tbody>
</table>
LOSHAK EXHIBIT 17
MURPHY OIL RESPONSES TO STEC 3-12, 3-13, 3-14, AND 3-15
Question No. STEC 3-12

Describe how the facilities within the North Field will be metered under Murphy Oil's proposed distribution system and how those costs will be allocated.

Response:

Metering will occur at the AEP Primary Delivery Point and for those North Field wells in which Murphy Oil owns 100% working interest, there will not be an allocation of costs for electric service. For the two wells in which Chesapeake holds a working interest, electricity costs will be allocated and passed through to Chesapeake proportional to the number of wells in the North Field receiving electric service and Chesapeake's working interest percentage in the two wells.

Preparer:  Kane Heinen
Sponsor:  Bobby J. Scott
Question No. STEC 3-13

Describe how the facilities within the South Field will be metered under Murphy Oil’s proposed distribution system and how those costs will be allocated.

Response:

Metering will occur at the AEP Primary Delivery Point and because Murphy Oil owns 100% working interest in all of the wells in the South Field, there will not be an allocation of costs for electric service.

Preparers: Kane Heinen, John J. Bick

Sponsors: Bobby J. Scott, John J. Bick
Question No. STEC 3-14

Describe how the facilities within the North Field are currently metered and how those costs are allocated.

Response:

The facilities within the North Field are served by diesel generators and are not metered. For the wells in which Murphy Oil owns 100% working interest, no diesel generator costs are allocated. For the two wells in which Chesapeake Energy holds a working interest, costs are allocated to Chesapeake by a throughput charge based on Chesapeake's working interest percentage and the amount production that goes through the well.

Preparers: Kane Heinen

Sponsors: Bobby J. Scott
Question No. STEC 3-15

Describe how the facilities within the South Field are currently metered and how those costs are allocated.

Response:

The facilities within the South Field are served by diesel generators and are not metered. Because Murphy Oil owns 100% of the working interest in all of the South Field wells, no diesel generator costs are allocated.

Preparer: Kane Heinen

Sponsor: Bobby J. Scott
Question No. STEC 5-9

Please list the non-Murphy related pipeline gathering systems in the Northern Area and Southern Area, and the company that owns each pipeline gathering system.

Second Amended Response (September 14, 2017):

Murphy Oil gathering pipelines are connected to the ETC and Plains Pipelines in the North and South Field, except that Murphy Oil's Briggs South Central Facility is not connected to the Plains Pipeline.

Murphy Oil is aware that there are other pipeline gathering systems in the area of the North and South Fields, but does not have ownership information about pipeline gathering systems to which it is not connected. None of the pipeline gathering systems in the North and South Fields will receive electricity from Murphy Oil's proposed customer-owned electric distribution systems.

Preparer: Kane Heinen
Sponsor: Bobby J. Scott
**Question No. STEC 3-5**

Admit or deny that the wells in the South Field are currently connected by a single pipeline gathering system.

**Response:**

The wells in the South Field are currently connected by two pipeline gathering systems. Please refer to Exhibit MOC-RGEC 1.1 for a map depicting the pipeline gathering systems in the South Field. Murphy Oil must have more than one pipeline gathering system in the South Field due to the number of wells to be served and the size of the field.

Preparer:  Kane Heinen

Sponsor:  Bobby J. Scott
Question No. STEC 3-6

Admit or deny that the wells in the North Field are currently connected by a shared water disposal system.

Response:

In the North Field, saltwater is moved with oil and gas from the wells through the pipeline gathering systems to the central facilities. The central facilities separate the saltwater from the oil and gas, and then the saltwater is moved into a tank. The gathering system, central facilities and tanks are owned, operated, and powered by Murphy Oil. Once the saltwater is in the tank, it is then moved via a pipe to a disposal system that is located outside of the North Field. The saltwater disposal system is owned NGL Energy Partners LP and will not be powered by Murphy Oil’s electric distribution system.

Water needed for fracking in the North Field is collected in ponds and transported to wells by a third party hired by Murphy Oil. Murphy Oil does not supply power for the provision or disposal of frac water and these services will not be connected to Murphy Oil’s electric distribution system.

Preparer:  Kane Heinen
Sponsor:  Bobby J. Scott
Agreed. I have case filings that set precedent and support the position that were won and will pass those on shortly.

From: Joe_deAlmeida@oxy.com [mailto:Joe_deAlmeida@oxy.com]
Sent: Monday, January 09, 2017 7:04 AM
To: patennis@prioritypower.net; Gordon, Toni <Toni.Gordon@pxd.com>; tim_jenkins@xtoenergy.com; ben@pbpa.info; brianne@pbpa.info
Cc: jbick@prioritypower.net
Subject: RE: Electric Service Area Matter

Pat,

There is, as cited in the petition, past precedent for Murphy Oil’s position. We should make time for this as a topic at our meeting later this week.

Thank you,

Joe

---------------------------------------------------------------------------------------------------------------------
Joe de Almeida - Director Energy - Occidental Energy Ventures LLC - 5 Greenway Plaza Suite 110, Houston, TX 77046

From: Pat Ennis [mailto:patennis@prioritypower.net]
Sent: Saturday, January 7, 2017 9:02 AM
To: Gordon, Toni <Toni.Gordon@pxd.com>; De Almeida, Joseph <Joe_deAlmeida@oxy.com>; tim_jenkins@xtoenergy.com; ben@pbpa.info; brianne@pbpa.info
Cc: John Bick <jbick@prioritypower.net>; Pat Ennis <patennis@prioritypower.net>
Subject: Electric Service Area Matter

All,

Yesterday we filed the attached petition with the PUC on behalf of Murphy Oil & Gas Corp for their Eagle Ford operations related to the electric service area issue.

As leaders of the PBPA Electrical Coalition John and I thought we would let you know as service territory issues is one the coalition initiatives.

With a meeting coming up next week I thought it might be in everyone’s interest if I might have a little time at the end of the meeting to inform every one of our filing at the PUC.
The outcome and ruling from the PUC on this matter will be very important for producers in the Permian Basin when developing electric infrastructure strategies to serve future load growth.

We do not have a good feel for how long this regulatory process will take as we expect significant comments and possible third-party intervenors to weigh in on this issue. A positive ruling from the PUC on our request will change the landscape across Texas for how oil and gas companies plan their private electric infrastructure development.

We will keep you posted on our progress and any major updates that occur.

Thank you.

Padraig Ennis | Founding Principal

*PLEASE NOTE NEW ADDRESS EFFECTIVE June 2nd 2016

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LOSHAK EXHIBIT 22
PRIORITY POWER RESPONSE TO RGEC SDT 11 (HIGHLY SENSITIVE CONFIDENTIAL) AT PP. 0040-0078

HIGHLY SENSITIVE CONFIDENTIAL DOCUMENTS
SUBMITTED SEPARATELY UNDER SEAL
PURSUANT TO THE PROTECTIVE ORDER IN THIS PROCEEDING