

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 09-0299482

THE APPLICATION OF VANTAGE FORT WORTH ENERGY LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE MARTIN-FOREST HILLS MIPA 3H WELL IN THE NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket heard on April 5, 2016, the Administrative Law Judge and Technical Examiner 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 Report and Recommendation and 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** that the application of Vantage Fort Worth Energy, LLC for the formation of a pooled unit pursuant to the Mineral Interest Pooling Act for the proposed Martin-Forest Hills 3H MIPA Unit, Well No. 3H, Newark, East (Barnett Shale Field), Tarrant County, Texas, is hereby **GRANTED** to the extent, and subject to the terms and conditions, set forth in this order.

All interests, including working interests, royalty interests, and unleased mineral interests, in tracts within the area depicted in "Appendix 3" to this Final Order are pooled into the Martin-Forest Hills 3H MIPA Unit, the boundaries of which are shown in "Appendix 3" and are described in "Appendix 3A" to this Order. These interests are pooled into a proration unit for the drilling of a horizontal well in the Newark, East (Barnett Shale) Field at the approximate location shown on "Appendix 3" to this Order. All interests in tracts within the unit area shown in "Appendix 3" and described in "Appendix 3A" are pooled subject to the following terms and conditions:

TERMS AND CONDITIONS

1. The name of the unit is the Vantage Fort Worth Energy, LLC Martin-Forest Hills 3H MIPA Unit ("3H MIPA Unit").
2. The operator of the 3H MIPA Unit is Vantage Fort Worth Energy, LLC.

3. The unit well is the well depicted on "Appendix 3" to this Order.
4. The 3H MIPA Unit shall be effective on the date this order becomes administratively final.
5. The 3H MIPA Unit is established for and limited to the depth interval correlative with the Newark, East (Barnett Shale) Field.
6. For the purpose of determining the portion of production owned by the persons owning interests in the 3H MIPA Unit, the production shall be allocated to the respective unleased tracts and voluntary pooled units within the 3H MIPA Unit in the proportion that the number of surface acres of each bears to the number of surface acres included in the entire 3H MIPA Unit.
7. The interests of lessors in voluntary pooled units within the 3H MIPA Unit are pooled as royalty interests. The interests of Vantage Fort Worth Energy, LLC within the 3H MIPA Unit are pooled as working interests.
8. The mineral interests of owners of all unleased tracts within the 3H MIPA Unit are pooled as owners of a 1/4th royalty interest and a 3/4ths working interest, proportionately reduced. These owners' share of expenses, subject to a 50 percent charge for risk, is payable only from 3/4ths of production and not from their entire mineral interest.
9. The operator shall make no surface use of the unleased tracts within the 3H MIPA Unit without the written consent of the unleased owner.
10. Vantage Fort Worth Energy, LLC shall make a diligent effort to determine current addresses for all interest owners in the 3H MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the 3H MIPA Unit well shall be made, according to the terms of this final order, to each such interest owner for whom a current address and good title has been determined. The pro rata share of proceeds of production for any interest owner for whom a current address cannot be determined, or who declines to execute a division order in the form prescribed by Texas Natural Resources Code § 91.402, shall be held in escrow for the benefit of such owners and be subject to disposition in the manner provided by law.
11. The working interest owners shall adopt a joint operating agreement substantially in the form of the AAPL Form Joint Operation Agreement, which shall not include any provision prohibited by the Mineral Interest Pooling Act or contravene any provision of this final order.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this

order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

All requested findings of fact and conclusions of law not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or not granted herein are denied.

RAILROAD COMMISSION OF TEXAS

ENTERED in Austin, Texas, on this 21st day of March, 2017.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHAIRMAN CHRISTI CRADDICK

Ryan Sitton

COMMISSIONER RYAN SITTON

Wayne Christian

COMMISSIONER WAYNE CHRISTIAN

ATTEST

Kathy Way

SECRETARY

The seal of the Railroad Commission of Texas is circular, featuring a central figure and the text "RAILROAD COMMISSION OF TEXAS" around the perimeter. The word "SECRETARY" is printed across the bottom of the seal.