

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 09-0296223: THE APPLICATION OF XTO ENERGY, INC. PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE PROPOSED TIMBER CREEK MW 3H POOLED UNIT, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS.

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on June 18, 2015, the examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, 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 proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 application of XTO Energy, Inc. for the formation of a pooled unit pursuant to the Mineral Interest Pooling Act for the proposed Timber Creek MW 3H Pooled Unit, Well No. 3H, Newark, East (Barnett Shale) Field, Tarrant County, Texas is hereby **GRANTED**.

All interests, including working interests, royalty interests, and unleased mineral interests, in tracts within the area depicted in Appendix 1 to this Final Order are pooled into the Timber Creek MW 3H Pooled Unit, the boundaries of which are shown in Appendix 1 of this order. These interests are pooled into a proration unit for the drilling of a horizontal well in the Newark, E. (Barnett Shale) Field at the location shown on Appendix I of this order. The interests pooled are those in the numbered tracts shown in Appendix I to this order. All interests in tracts shown within the unit area in Appendix are pooled subject to the following terms and conditions:

TERMS AND CONDITIONS

1. The name of the Unit is the XTO Energy, Inc. Timber Creek MW 3H Pooled Unit.
2. The operator of the unit is XTO Energy, Inc.
3. The unit well is depicted on Appendix I to this order.

4. The unit shall be effective on the date this order becomes administratively final.
5. The unit is established for and limited to the depth interval correlative with the Newark, East (Barnett Shale) Field.
6. The unit is established for and limited to the well depicted on Appendix I to this order.
7. For the purpose of determining the portion of production owned by the persons owning interests in the pooled unit, the production shall be allocated to the respective tracts within the unit in the proportion that the number of surface acres included within each tract bears to the number of surface acres included in the entire unit.
8. The interests of lessors of tracts within the unit are pooled as royalty interests. The interests of XTO Energy, Inc., and Chesapeake Exploration, LLC/Total E&P in tracts within the unit are pooled as working interests.
9. The owners of all unleased tracts within the unit are pooled as owners of 1/4th royalty interest and 3/4ths working interest, proportionately reduced. These owners share of expenses, subject to a zero percent risk penalty, are payable only from 3/4ths of production and not from their entire mineral interest.
10. The operator shall make no surface use of the unleased tracts within the unit without the written consent of the unleased owner.
11. XTO Energy, Inc. shall make a diligent effort to determine current addresses for all interest owners in the unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production in the 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 an 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.
12. 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.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

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 the Commission Order is signed.

Done this 23rd day of May, 2017.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHAIRMAN CHRISTI CRADDICK

Ryan Sitton

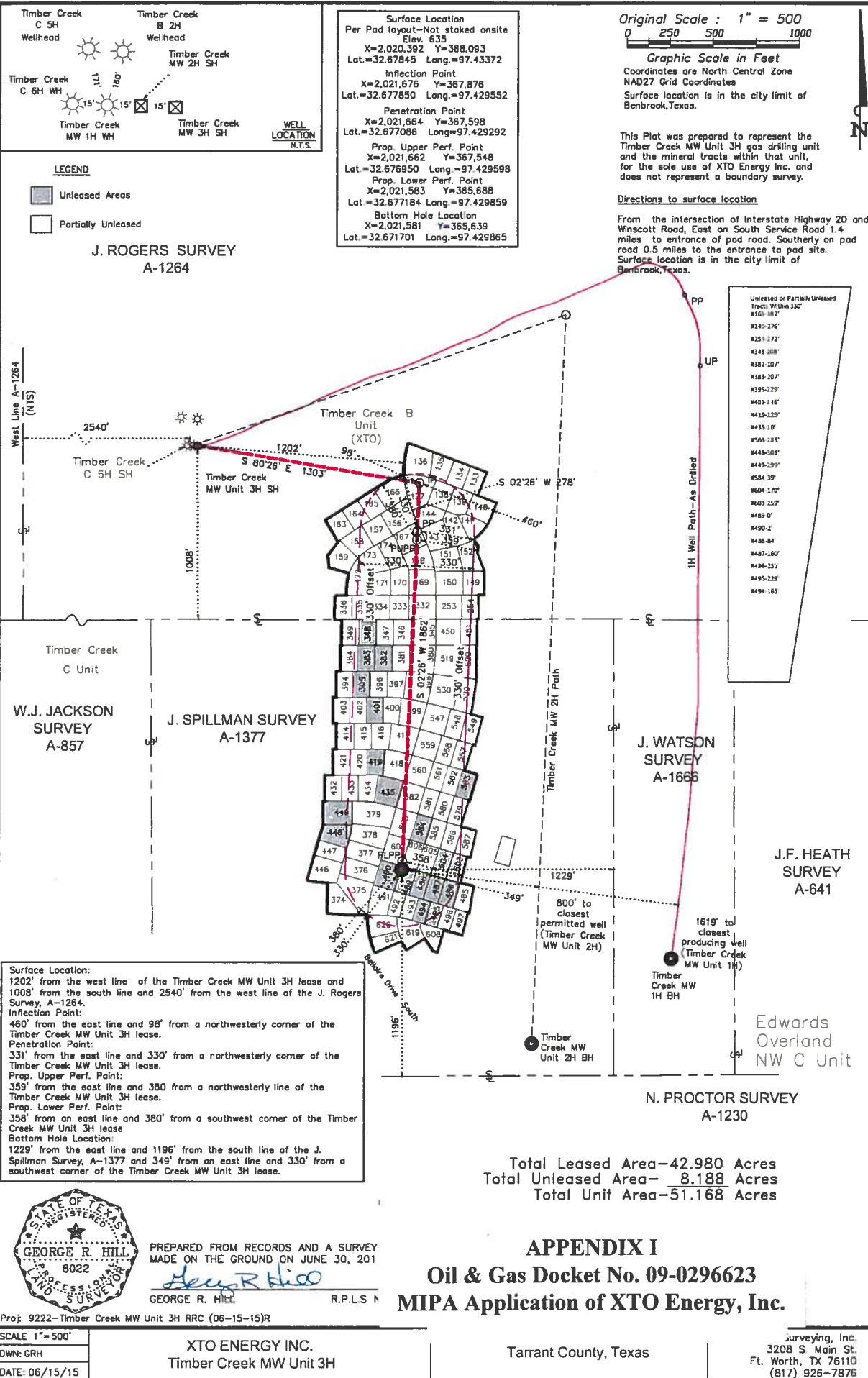
COMMISSIONER RYAN SITTON

Wayne Christian

COMMISSIONER WAYNE CHRISTIAN

ATTEST:
Sharon Walz

SECRETARY
R.R. COM. TEXAS
MAY 23 2017



Surface Location
 Per Pad layout-Not staked onsite
 Elev. 635
 X=2,020,392 Y=368,093
 Lat.=32.67845 Long.=97.43372
 Inflection Point
 X=2,021,676 Y=367,876
 Lat.=32.677850 Long.=97.429552
 Penetration Point
 X=2,021,664 Y=367,598
 Lat.=32.677086 Long.=97.429292
 Prop. Upper Perf. Point
 X=2,021,662 Y=367,548
 Lat.=32.676950 Long.=97.429598
 Prop. Lower Perf. Point
 X=2,021,583 Y=365,688
 Lat.=32.677184 Long.=97.429859
 Bottom Hole Location
 X=2,021,581 Y=365,839
 Lat.=32.671701 Long.=97.429865

Original Scale : 1" = 500
 0 250 500 1000
 Graphic Scale in Feet
 Coordinates are North Central Zone
 NAD27 Grid Coordinates
 Surface location is in the city limit of
 Benbrook, Texas.

This Plat was prepared to represent the
 Timber Creek MW Unit 3H gas drilling unit
 and the mineral tracts within that unit,
 for the sole use of XTO Energy Inc. and
 does not represent a boundary survey.

Directions to surface location
 From the intersection of Interstate Highway 20 and
 Winscott Road, East on South Service Road 1.4
 miles to entrance of pad road. Southerly on pad
 road 0.5 miles to the entrance to pad site.
 Surface location is in the city limit of
 Benbrook, Texas.

- Unleased or Partially Unleased
 Tracts Within 330'
- #161-187
 - #140-276
 - #251-272
 - #348-388
 - #381-407
 - #383-207
 - #395-229
 - #403-116
 - #419-129
 - #435-10
 - #563-183
 - #448-301
 - #449-299
 - #564-39
 - #604-170
 - #603-259
 - #485-0
 - #490-2
 - #488-84
 - #487-160
 - #486-25
 - #495-229
 - #494-165

Surface Location:
 1202' from the west line of the Timber Creek MW Unit 3H lease and
 1008' from the south line and 2540' from the west line of the J. Rogers
 Survey, A-1264.
 Inflection Point:
 480' from the east line and 98' from a northwesterly corner of the
 Timber Creek MW Unit 3H lease.
 Penetration Point:
 331' from the east line and 330' from a northwesterly corner of the
 Timber Creek MW Unit 3H lease.
 Prop. Upper Perf. Point:
 359' from the east line and 380' from a northwesterly line of the
 Timber Creek MW Unit 3H lease.
 Prop. Lower Perf. Point:
 358' from an east line and 380' from a southwest corner of the Timber
 Creek MW Unit 3H lease
 Bottom Hole Location:
 1229' from the east line and 1196' from the south line of the J.
 Spillman Survey, A-1377 and 349' from an east line and 330' from a
 southwest corner of the Timber Creek MW Unit 3H lease.

Total Leased Area-42.980 Acres
 Total Unleased Area- 8.188 Acres
 Total Unit Area-51.168 Acres



PREPARED FROM RECORDS AND A SURVEY
 MADE ON THE GROUND ON JUNE 30, 201
 GEORGE R. HILL R.P.L.S. N

APPENDIX I
 Oil & Gas Docket No. 09-0296623
 MIPA Application of XTO Energy, Inc.

SCALE 1"=500'
 DWN: GRH
 DATE: 06/15/15

XTO ENERGY INC.
 Timber Creek MW Unit 3H

Tarrant County, Texas

Surveying, Inc.
 3208 S Main St.
 Ft. Worth, TX 76110
 (817) 926-7876