

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 09-0310407

THE APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT TO CREATE A POOLED UNIT FOR THE HLC MIPA WELL NO. 3H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned proceeding was heard by an Administrative Law Judge and Technical Examiner (collectively, "Examiners") on June 14, 2018. The Commission further finds that the 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** that the application of TEP Barnett USA, LLC for the formation of a pooled unit pursuant to the Mineral Interest Pooling Act for the proposed HLC MIPA 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 1 and described in Appendix 2 to this Final Order are pooled into the HLC 3H MIPA Unit, for the drilling of one or more horizontal wells in the Newark, East (Barnett Shale) Field, Tarrant County, Texas, with the initial well at the approximate location shown on Appendix 1 to this Final Order. All such interests are pooled subject to the following terms and conditions:

TERMS AND CONDITIONS

1. The name of the unit is the HLC 3H MIPA Unit.
2. The operator of the HLC 3H MIPA Unit is TEP Barnett USA, LLC.
3. The initial unit well is the well depicted on Appendix 1 to this order.

4. The HLC 3H MIPA Unit shall be effective on the date this order becomes administratively final.
5. The HLC 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 HLC 3H MIPA Unit, the production from a well within the unit shall be allocated to the respective unleased tracts and voluntary pooled units that are pooled into the HLC 3H MIPA Unit in the proportion that the number of surface acres of each bears to the number of surface acres pooled into the entire HLC 3H MIPA Unit.
7. The interests of lessors in voluntary pooled units within the HLC 3H MIPA Unit are pooled as royalty interests. The interests of lessees within the HLC 3H MIPA Unit are pooled as working interests. The interests of lessors and lessees are subject to their voluntary pooling agreements.
8. The mineral interests of owners of all unleased tracts pooled into the HLC 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 100 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 HLC 3H MIPA Unit without the written consent of the unleased owner.
10. TEP Barnett USA, LLC shall make a diligent effort to determine current addresses for all interest owners in the HLC 3H MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the HLC 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 Order.

It is further **ORDERED** by the Commission that this Order is final and effective the date it is signed, pursuant to Texas Government Code § 2001.144(a)(4).

All requested findings of fact and conclusions of law not expressly adopted herein are

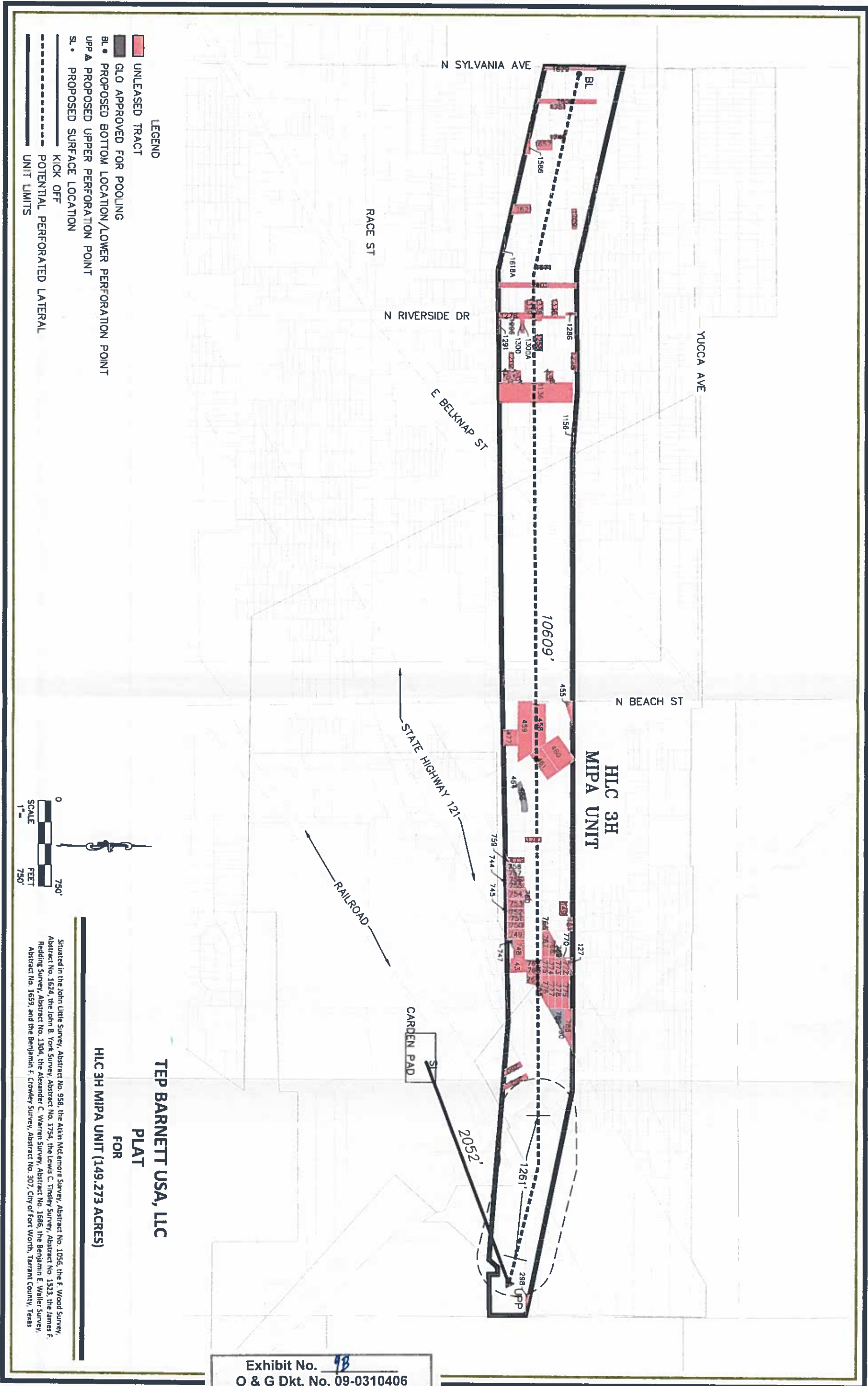
denied. All pending motions and requests for relief not previously granted or not granted herein are denied.

RAILROAD COMMISSION OF TEXAS

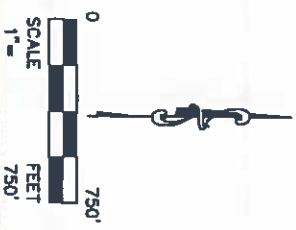
ENTERED in Austin, Texas, on this 21st day of August 2018.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Divisions' Unprotected
Master Order dated August 21 2018)**



- LEGEND**
- UNLEASED TRACT
 - GLD APPROVED FOR POOLING
 - BL ● PROPOSED BOTTOM LOCATION/LOWER PERFORMANCE POINT
 - UPP ▲ PROPOSED UPPER PERFORMANCE POINT
 - SL ● PROPOSED SURFACE LOCATION
 - KICK OFF
 - POTENTIAL PERFORATED LATERAL
 - UNIT LIMITS



TEP BARNETT USA, LLC
PLAT
FOR
HLC 3H MIPA UNIT (149.273 ACRES)

Situated in the John Little Survey, Abstract No. 958, the Alvin McLemore Survey, Abstract No. 1056, the F. Wood Survey, Abstract No. 1624, the John B. York Survey, Abstract No. 1734, the Lewis C. Tinsley Survey, Abstract No. 1523, the James F. Redding Survey, Abstract No. 1304, the Alexander C. Warren Survey, Abstract No. 1686, the Benjamin E. Waller Survey, Abstract No. 1659, and the Benjamin F. Crowley Survey, Abstract No. 307, City of Fort Worth, Tarrant County, Texas

Exhibit No. 9B
 O & G Dkt. No. 09-0310406
 Date: June 14, 2018
 TEP Barnett USA, LLC