

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 09-0322222

APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE AC360 MIPA WELL NO. 1H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

FINAL ORDER

The Railroad Commission ("RRC" or "Commission") finds that after statutory notice in the above-docketed case, heard on October 29, 2019, the presiding Administrative Law Judge and Technical Examiner ("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 Commission at conference held in its offices in Austin, Texas.

The Commission, after due consideration of this application, hereby adopts as its own the findings of fact and conclusions of law contained in the Examiners' report, 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 AC360 MIPA 1H Well, Newark, East (Barnett Shale) Field, Tarrant County, Texas, is **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 AC360 1H 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 AC360 1H MIPA Unit.
2. The operator of the AC360 1H MIPA Unit is TEP Barnett USA, LLC.
3. The initial unit well is the well depicted on Appendix 1 to this order.
4. The AC360 1H MIPA Unit shall be effective on the date this order becomes administratively final.
5. The AC360 1H 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 AC360 1H 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 AC360 1H MIPA Unit in the proportion that the number of surface acres of each bears to the number of surface acres pooled into the entire AC360 1H MIPA Unit.

7. The interests of lessors in voluntary pooled units within the AC360 1H MIPA Unit are pooled as royalty interests. The interests of lessees within the AC360 1H 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 AC360 1H MIPA Unit are pooled as owners of a 1/5th royalty interest and a 4/5th working interest, proportionately reduced. These owners' share of expenses, subject to a 100 percent charge for risk, is payable only from 4/5th of production and not from their entire mineral interest.
9. The operator shall make no surface use of the unleased tracts within the AC360 1H 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 AC360 1H MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the AC360 1H 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.

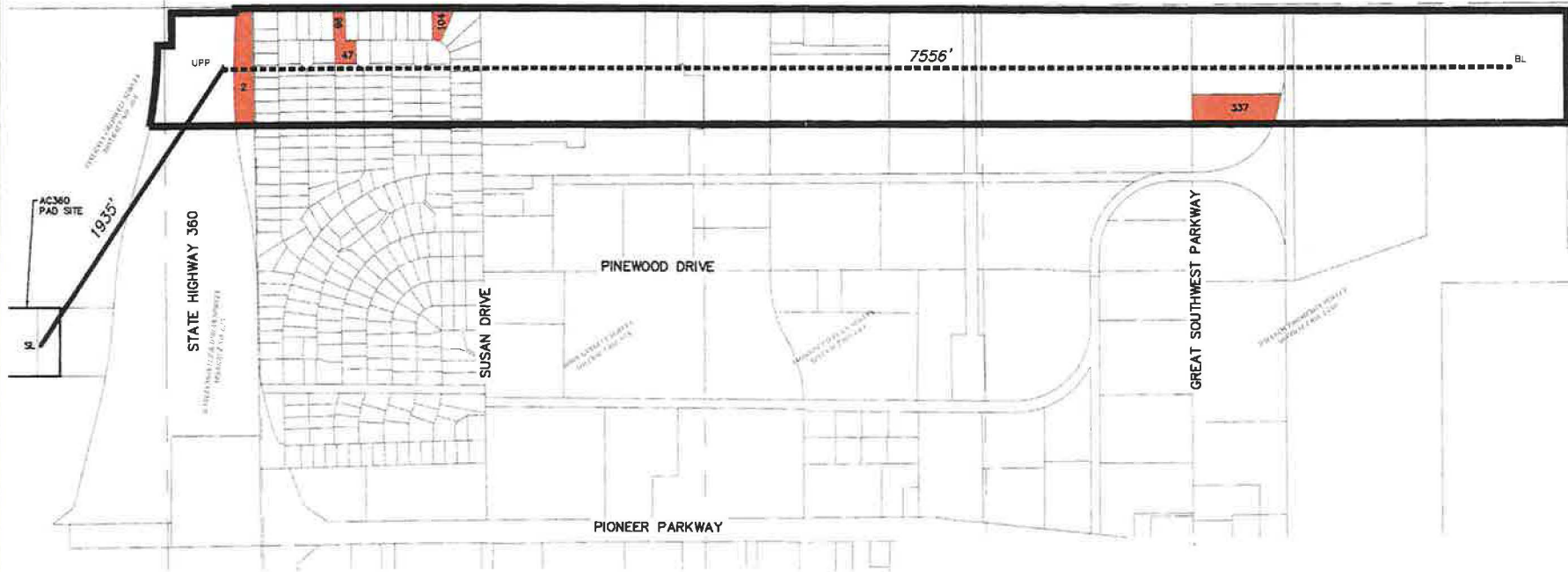
SIGNED on February 11, 2020.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master Order
dated February 11, 2020)**

Appendix 1

Exhibit No. 9A
O & G Dkt. Nos. 09-0322222
09-0322237, 09-0322238
Date: October 29, 2019
TEP Barnett USA, LLC

AC360 MIPA UNIT 1H
127.365 ACRES



LEGEND

- PAD SITE
- UNLEASED TRACT
- BL • PROPOSED BOTTOM LOCATION/LOWER PERFORATION POINT
- UPP • PROPOSED UPPER PERFORATION POINT
- S • PROPOSED SURFACE LOCATION
- KICK OFF
- POTENTIAL PERFORATED LATERAL
- UNIT LIMITS

TEP BARNETT USA, LLC
PLAT

AC360 MIPA UNIT 1H (127.365 ACRES)

Situated in the Pinckney Caldwell Survey, Abstract No. 364, the Garcia Montez & Duran Survey, Abstract No. 625, the John Langley Survey, Abstract No. 975, the Ambrose Hilburn Survey, Abstract No. 643, and the William Thompson Survey, Abstract No. 1558, Cities of Arlington & Grand Prairie, Tarrant County, Texas

Appendix 2

AC360 1H MIPA Metes & Bounds Description

Being a 127.365 acre tract of land situated in the Pinckney Caldwell Survey, Abstract Number 364, the Garcia Montez & Duran Survey, Abstract Number 625, the John Langley Survey, Abstract Number 975, the Ambrose Hilburn Survey, Abstract Number 643, and the William Thompson Survey, Abstract Number 1558, Tarrant County, Texas, said 127.365 acre tract of land being more particularly described as follows:

BEGINNING at the northwest corner of the AC360 Unit;

THENCE North 89 degrees 35 minutes 17 seconds East, along the north line of said AC360 Unit, a distance of 371.07 feet;

THENCE North 02 degrees 18 minutes 47 seconds East, continuing along the north line of said AC360 Unit, a distance of 23.51 feet;

THENCE North 89 degrees 52 minutes 25 seconds East, continuing along the north line of said AC360 Unit, a distance of 7,810.38 feet to the northeast corner of said AC360 unit;

THENCE South 00 degrees 32 minutes 52 seconds East, along the east line of said AC360 Unit, a distance of 662.15 feet;

THENCE South 89 degrees 42 minutes 57 seconds West, departing said east line, a distance of 8,312.89 feet to a point in the west line of said AC360 unit for the beginning of a non-tangent curve to the left having a radius of 2,844.41 feet and whose chord bearing and distance is, North 05 degrees 56 minutes 05 seconds East, 417.13 feet;

THENCE Northeasterly along said curve to the left and along said west line, through a central angle of 08 degrees 24 minutes 36 seconds, an arc distance of 417.50 feet;

THENCE North 01 degree 09 minutes 45 seconds East, continuing along said west line, a distance of 56.32 feet;

THENCE North 89 degrees 52 minutes 17 seconds East, continuing along said west line, a distance of 80.23 feet;

THENCE North 00 degrees 07 minutes 32 seconds West, continuing along said west line, a distance of 188.58 feet to the POINT OF BEGINNING;

Containing a computed area of 5,548,015 square feet or 127.365 acres of land more or less.

Exhibit No. <u>10A</u>
O & G Dkt. Nos. 09-0322222
09-0322237, 09-0322238
Date: October 29, 2019
TEP Barnett USA, LLC