

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 09-0322238

APPLICATION OF TEP BARNETT USA, LLC PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE FORMATION OF A POOLED UNIT FOR THE AC360-ARKANSAS MIPA WELL NO. 2H, 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-Arkansas MIPA 2H 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-Arkansas 2H 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-Arkansas 2H MIPA Unit.
2. The operator of the AC360-Arkansas 2H 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-Arkansas 2H MIPA Unit shall be effective on the date this order becomes administratively final.
5. The AC360-Arkansas 2H 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-Arkansas 2H 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-Arkansas 2H 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-Arkansas 2H MIPA Unit.

7. The interests of lessors in voluntary pooled units within the AC360-Arkansas 2H MIPA Unit are pooled as royalty interests. The interests of lessees within the AC360-Arkansas 2H 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-Arkansas 2H 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-Arkansas 2H 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-Arkansas 2H MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the AC360-Arkansas 2H 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.

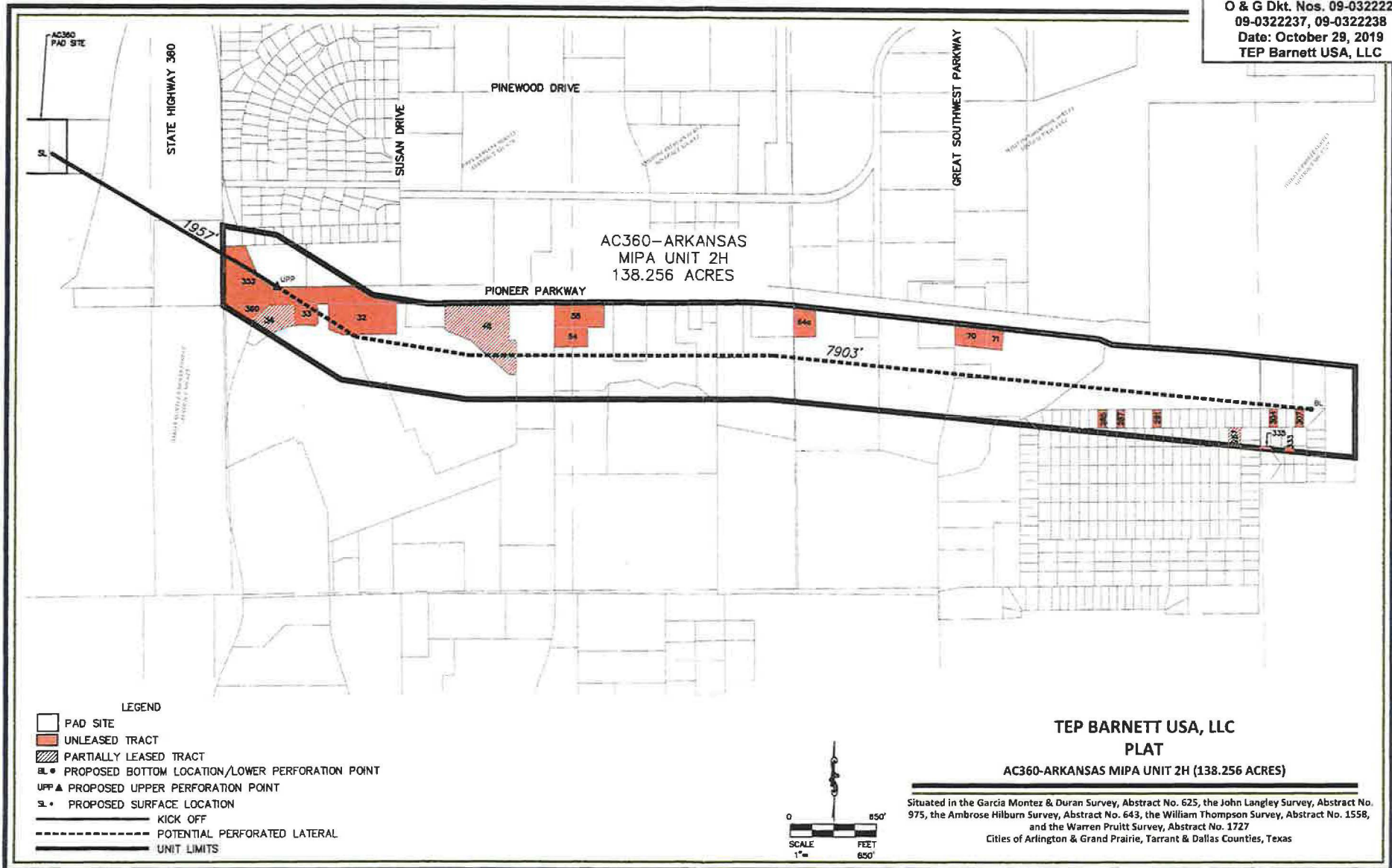
SIGNED on February 11, 2020.

RAILROAD COMMISSION OF TEXAS

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

Appendix 1

Exhibit No. 90
O & G Dkt. Nos. 09-0322222
09-0322237, 09-0322238
Date: October 28, 2019
TEP Barnett USA, LLC



Appendix 2

AC360-Arkansas 2H MIPA Metes & Bounds Description

Being a 138.256 acre tract of land situated in the Garcia Montez & Duran Survey, Abstract Number 625, the John Langley Survey, Abstract Number 975, the Ambrose Hilburn Survey, Abstract Number 643, the William Thompson Survey, Abstract Number 1558, and the Warren Puett Survey, Abstract Number 1221, Tarrant County, Texas, said 138.256 acre tract of land being more particularly described as follows:

BEGINNING at the northeast corner of the Arkansas Unit;

THENCE South 00 degrees 12 minutes 05 seconds East, with the east line of said Arkansas unit a distance of 684.90 feet;

THENCE North 84 degrees 27 minutes 24 seconds West, departing the east line of said Arkansas unit a distance of 4,416.76 feet;

THENCE South 89 degrees 48 minutes 22 seconds West, a distance of 2,286.09 feet;

THENCE North 80 degrees 59 minutes 26 seconds West, a distance of 945.36 feet;

THENCE North 57 degrees 49 minutes 48 seconds West, a distance of 984.43 feet;

THENCE North 57 degrees 40 minutes 18 seconds West, a distance of 54.09 feet to the northwest corner of said Arkansas unit on the south line of the AC360 unit;

THENCE North 01 degree 39 minutes 46 seconds West, a distance of 75.29 feet;

THENCE North 00 degrees 28 minutes 43 seconds West, a distance of 373.81 feet;

THENCE North 01 degree 04 minutes 29 seconds West, a distance of 151.30 feet;

THENCE South 80 degrees 16 minutes 22 seconds East, a distance of 408.73 feet;

THENCE South 57 degrees 40 minutes 18 seconds East, a distance of 846.59 feet;

THENCE South 80 degrees 59 minutes 26 seconds East, a distance of 426.06 feet to a point in the common line of said AC360 and Arkansas units;

THENCE with the common line of said AC360 and Arkansas Units the following courses and distances:

South 89 degrees 27 minutes 47 seconds West, a distance of 116.24 feet;

North 00 degrees 28 minutes 07 seconds West, a distance of 4.70 feet;

North 89 degrees 24 minutes 51 seconds East, a distance of 754.32 feet;

South 89 degrees 29 minutes 55 seconds East, a distance of 130.53 feet;

North 89 degrees 25 minutes 51 seconds East, a distance of 500.00 feet;

South 87 degrees 41 minutes 55 seconds East, a distance of 99.72 feet;

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

North 89 degrees 25 minutes 53 seconds East, a distance of 536.01 feet to the beginning of a non-tangent curve to the right having a radius of 5,658.83 feet and whose chord bearing and distance is, South 89 degrees 44 minutes 52 seconds East, 162.38 feet;

Southeasterly along said curve to the right, through a central angle of 01 degree 38 minutes 39 seconds, an arc distance of 162.39 feet;

North 01 degree 04 minutes 28 seconds East, a distance of 5.00 feet to the beginning of a non-tangent curve to the right having a radius of 5,663.81 feet and whose chord bearing and distance is, South 86 degrees 42 minutes 48 seconds East, 437.26 feet;

Southeasterly along said curve to the right, through a central angle of 04 degrees 25 minutes 28 seconds, an arc distance of 437.37 feet;

South 83 degrees 59 minutes 22 seconds East, a distance of 1,073.71 feet;

South 83 degrees 58 minutes 21 seconds East, a distance of 250.81 feet;

South 83 degrees 59 minutes 43 seconds East, a distance of 981.92 feet;

South 67 degrees 18 minutes 46 seconds east, a distance of 104.51 feet;

South 84 degrees 03 minutes 54 seconds East, a distance of 69.95 feet;

South 86 degrees 09 minutes 00 seconds West, passing at a distance of 213.84 feet the southeast corner of said AC360 unit, continuing with the north line of said Arkansas unit a total distance of 780.20 feet;

THENCE South 84 degrees 09 minutes 00 seconds East, continuing with the north line of said Arkansas unit, a distance of 276.75 feet;

THENCE South 83 degrees 58 minutes 31 seconds East, continuing with the north line of said Arkansas unit, a distance of 716.41 feet to the POINT OF BEGINNING;

Containing a computed area of 6,022,426 square feet or 138.256 acres of land more or less.