(MASON DRAW UNIT - Cont'd.)

(2) That the applicant, Exxon Corporation, seeks approval of the Mason Draw Unit Agreement covering 24,870.44 acres, more or less, of State and Federal lands described as follows:

DONA ANA COUNTY, NEW MEXICO

TOWNSHIP 22 SOUTH, RANGE 3 WEST, NMPM Sections 29 through 32: All

TOWNSHIP 22 SOUTH, RANGE 4 WEST, NMPM Sections 25 through 27: All Sections 34 through 36: All

TOWNSHIP 23 SOUTH, RANGE 3 WEST, NMPM Sections 5 through 10: All Sections 15 through 22: All Sections 27 through 29: All

TOWNSHIP 23 SOUTH, RANGE 4 WEST, NMPM Sections 1 through 3: All Sections 10 through 15: All Sections 22 through 24: All

- (3) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.
- (4) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

- (1) That the Mason Draw Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

- (5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the appropriate agency of the United States Department of the Interior; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.
- (6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. $\,$

WEST SQUARE LAKE UNIT Eddy County, New Mexico

Order No. R-7375, Approving the West Square Lake Unit Agreement, Eddy County, New Mexico, October 20, 1983.

Application of J. Cleo Thompson for Statutory Unitization, Eddy County, New Mexico.

CASE NO. 7945 Order No. R-7375

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on October 12, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

Case No. 20253

SEGURO OIL & GAS Exhibit #1

(WEST SQUARE LAKE UNIT - Cont'd.)

(2) That the applicant, J. Cleo Thompson, seeks the statutory unitization of its proposed West Square Lake Unit Area covering 3320 acres, more or less, of State and Federal lands described as

EDDY COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM Section 26: SE/4 and S/2 NE/4 Section 32: E/2 SE/4 and SE/4 NE/4 Sections 33 through 35: All Section 36: S/2

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM Section 2: N/2 N/2 Section 4: N/2, SE/4, N/2 SW/4, and SE/4 SW/4

- (3) That the unitization is proposed for the purpose of instituting a secondary recovery project in the Grayburg and San Andres formations.
- (4) That at the time of the hearing, all requisites for statutory unitization had not been accomplished and that part of the subject application should be dismissed.
- (5) That the proposed unit should be approved as a voluntary unit agreement.
- (6) That all plans of development and operation and creations, expansions, or contractions of participating areas or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.
- (7) That approval of the proposed voluntary unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.
- IT IS THEREFORE ORDERED:
 (1) That the West Square Lake Unit Agreement (voluntary) is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of the unit agreement reflecting the subscription of those interests having joined or
- (4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

- (5) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the appropriate agency of the United States Department of Interior; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.
- (6) That that portion of the subject application seeking statutory unitization of the West Square Lake Unit Area is hereby dismissed.
- That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SALADO DOME UNIT DeBaca and Gaudalupe Counties, New Mexico

Order No. R-7390, Approving the Salado Dome Unit Agreement, DeBaca and Guadalupe Counties, New Mexico, November 23, 1983.

Application of Trican Exploration for a Unit Agreement, DeBaca and Guadalupe Counties, New Mexico.

CASE NO. 8000 Order No. R-7390

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of November, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

- FINDS:
 (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That Cummins & Walker Oil Company, Inc., a Texas corporation, has been substituted for Trican Exploration, a Texas partnership, as applicant and proposed unit operator.

AMENDMENT AND RATIFICATION OF UNIT OPERATING AGREEMENT (West Square Lake Unit)

This Amendment and Ratification of Unit Operating Agreement (this "Amendment") is made and entered into this 30 day of November, 2017, to be effective as of August 1, 2017 (the "Effective Date"), by and among SEGURO OIL AND GAS, LLC, a Texas limited liability company, SHELMAR E & P NM, LP, a Texas limited partnership, LIMPIA HOLDINGS, LLC, a Texas limited liability company, and FRENCH CAPITAL PARTNERS, LTD., a Texas limited partnership. The above parties are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS:

- A. J. Cleo Thompson and James Cleo Thompson, Jr., a partnership, as Unit Operator and Thompson Petroleum Corporation, et al. as Non-Operators, entered into that certain Unit Operating Agreement dated effective November 15, 1983, covering the Unitized Formation in lands in the West Square Lake Unit, Eddy County, New Mexico, as more particularly described on Exhibit A attached hereto (the "Unit Operating Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Unit Operating Agreement.
- B. As of the Effective Date, the Parties collectively became the owners of all of the oil and gas leases or other operating rights covered by the Unit Operating Agreement and constitute all of the parties to the Unit Operating Agreement.
- C. The Parties desire to amend certain provisions of the Unit Operating Agreement and to ratify and confirm the terms and provisions of the Unit Operating Agreement, as amended hereby.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Parties agree as follows:

- 1. <u>Selection and Acceptance of Successor Unit Operator</u>. Working Interest Owners hereby select Seguro Oil and Gas, LLC, a Texas limited liability company, as the Unit Operator under the Unit Operating Agreement and Seguro Oil and Gas, LLC hereby accepts the duties and responsibilities of Unit Operator under the Unit Operating Agreement.
- 2. <u>Expenditures</u>. Section 3.2.4 and Section 7.9 of the Unit Operating Agreement are hereby amended such that the dollar amounts of Twenty-Five Thousand Dollars (\$25,000.00), shall be One Hundred Thousand Dollars (\$100,000.00).
- 3. <u>Settlements</u>. Section 14.2 of the Unit Operating Agreement is hereby amended such that the dollar amount of Thirty Thousand Dollars (\$30,000.00) shall be One Hundred Thousand Dollars (\$100,000.00).

SEGURO P O BOX 3176 MIDLAND, TX 79702

Case No. 20253
SEGURO OIL & GAS
Exhibit #2

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Eddy County, New Mexico ~ Robin Van Natta, County Cierk

4. <u>Exhibit "D"</u>. Exhibit "D" attached to the Unit Operating Agreement is hereby amended such that the Working Interest Tract Participation of the Working Interest Owners in each Tract of the West Square Lake Unit and the total Working Interest Unit Participation of each Working Interest Owner in the West Square Lake Unit shall be as follows:

Shelmar E & P NM, LP 50% P. O. Box 3176 Midland, Texas 79702 Limpia Holdings, LLC 15% P. O. Box 3637 Midland, Texas 79702 Hovey Oil and Gas, LLC 10% P. O. Box 6 Midland, Texas 79702 French Capital Partners, Ltd. 25% P. O. Box 11327 Midland, Texas 79702

- 5. <u>Ratification</u>. The Parties do hereby adopt, ratify and confirm all of the terms and provisions of the Unit Operating Agreement, as amended hereby.
- 6. <u>Counterparts</u>. This Amendment may be executed in any number of separate counterparts by the Parties, and each counterpart hereof shall be effective as to each Party that executes and delivers the same (including by electronic transmission), whether or not all of the Parties execute the same counterpart. All counterparts hereof together shall constitute only one Amendment and each counterpart shall be considered an original.

[Signature Pages Follows]

IN WITNESS WHEREOF, this Amendment is executed as of the date first above written to be effective as of the Effective Date.

UNIT OPERATOR:

SEGUE	RO OIL AND GAS, LLC
By: Name:	3. CAN ALPROPER
Title:	PRESIDENT

WORKING INTEREST OWNERS:

SHELMAR E & P NM, LP
By: Shelmar Management, LLC,
Its General Partner

By: 1/2 Y Tefflet
Name: Van T. Tettleton
Title: Manager

LIMPIA HOLDINGS, LLC

By: Sent to Name: Scatt King Title: Menter

HOVEY OIL AND GAS, LLC

Name: Scott King
Title: Sole nember

FRENCH CAPITAL PARTNERS, LTD.

By: French Capital Management, LLC,

lts General Partner

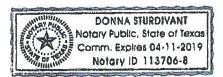
By: S

Name: Do Fassi Title: Mantes STATE OF TEXAS

§

COUNTY OF MIDLAND

This instrument was acknowledged before me this 30 day of November, 2017, by S. Paul Anderson, President of Seguro Oil and Gas, LLC, a Texas limited liability company, on behalf of said limited liability company.



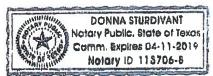
Notary Public, State of Texas

STATE OF TEXAS

§ 8

COUNTY OF MIDLAND

This instrument was acknowledged before me this <u>30</u> day of November, 2017, by Van T. Tettleton, Manager of Shelmar Management, LLC, General Partner of Shelmar E & P NM, LP, a Texas limited partnership, on behalf of said partnership.



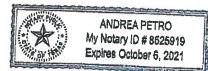
Notary Public, State of Texas

STATE OF TEXAS

§

COUNTY OF MIDLAND

This instrument was acknowledged before me this 100 day of December, 2017, by Scatt King, Member of Limpia Holdings, LLC, a Texas limited liability company, on behalf of said limited liability company.



Notary Public, State of Texas

STATE OF TEXAS	
COUNTY OF MIDLAND	
This instrument was a Scott Kny Texas limited liability company	cknowledged before me this A day of December, 2017, by
ANDREA PETRO My Notary ID # 8526 Expires October 6, 2	5919
STATE OF TEXAS §	
This instrument was a LLC, General Partner of French said partnership.	cknowledged before me this day of August, 2017, by of French Capital Management, a Capital Partners, Ltd., a Texas limited partnership, on behalf of
ANDREA PETRO My Notary ID # 8525 Expires October 6, 2	919

Exhibit A

To Amendment and Ratification of Unit Operating Agreement

Description of Oil and Gas Leases and Lands

Lessor:

United States of America

Lessee:

Ada Nye Etz (as to Section 26) & George Etz (as to Section 35)

Date:

January 1, 1940

Serial #:

LC-063926

Description:

T16S, R30E, Eddy County, New Mexico

Section 26: S/2 NE/4, SE/4

Section 35: All

Lessor:

State of New Mexico

Lessee:

Harry Leonard

Date:

October 10, 1933

Serial #:

B-2175

Description:

T16S, R30E, Eddy County, New Mexico

Section 32: SE/4 NE/4 and E/2 SE/4

Lessor:

United States of America

Lessee:

M. W. Evans

Date:

December 31, 1938

Serial #:

LC-060325

Description:

T16S, R30E, Eddy County, New Mexico

Section 33: NW/4, SE/4

T17S, R30E, Eddy County, New Mexico Section 4: Lots 3, 4, S2 NW/4, SE/4

Lessor:

United States of America

Lessee:

M. W. Evans

Date:

December 31, 1938

Serial #:

NM-02425

Description:

T16S. R30E. Eddy County. New Mexico

Section 33: NE/4 and the SW/4

T17S. R30E, Eddy County, New Mexico

Section 4: Lots 1, 2, S/2 NE/4, N/2 SW/4, SE/4 SW/4

Lessor:

United States of America

Lessee:

M. W. Evans

Date:

December 31, 1938

Serial#:

NM-02427

Description:

T16S. R30E. Eddy County, New Mexico

Section 34: All

Lessor:

State of New Mexico

Lessee:

Mae B. Carlson-Johansen

Date:

June 11, 1934

Serial #:

B-3006-24

Description:

T16S, R30E, Eddy County, New Mexico

Section 36: NE/4 SE/4, NE/4 SW/4

Lessor:

State of New Mexico Cary P. Butcher

Lessee: Date:

September 10, 1936

Serial #:

B-6672-6

Description:

T16S, R30E, Eddy County, New Mexico

Section 36: NW4 SW/4, NW/4 SE/4, S/2 SE/4

Lessor:

State of New Mexico

Lessee:

J. Cleo Thompson & James Cleo Thompson, Jr.

Date:

June 1, 1983

Serial #:

V-733

Description:

T16S, R30E, Eddy County, New Mexico

Section 36: SE/4 SW/4

Lessor: Lessee: State of New Mexico A. Franklin Swartz December 10, 1934

Date: Serial #:

B-3635

Description:

T17S, R30E, Eddy County, New Mexico

Section 2: Lots 1, 2, 3, & 4 (N/2 N/2)

AMENDMENT AND RATIFICATION OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT (West Square Lake Unit)

This Amendment and Ratification of Unit Agreement and Unit Operating Agreement (the "Amendment") is made and entered into this 23 day of April, 2019, to be effective as of the date of final approval by the New Mexico Commissioner of Public Lands (the "Effective Date"), by and among SEGURO OIL AND GAS, LLC, a Texas limited liability company, SHELMAR E & P NM, LP, a Texas limited partnership, LIMPIA HOLDINGS, LLC, a Texas limited liability company, HOVEY OIL AND GAS, LLC, a Texas limited liability company, and FRENCH CAPITAL PARTNERS, LTD., a Texas limited partnership. The above parties are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS:

- A. J. Cleo Thompson and James Cleo Thompson, Jr., a partnership, as Unit Operator and Thompson Petroleum Corporation, et al., as Non-Operators, entered into that certain Unit Agreement for the Development and Operation of the West Square Lake Unit Area dated effective November 15, 1983, covering the Unitized Formation in lands in the West Square Lake Unit, Eddy County, New Mexico, as more particularly described on Exhibit A attached hereto (the "Unit Agreement"), and that certain Unit Operating Agreement dated effective November 15, 1983, covering the Unitized Formation in lands in the West Square Lake Unit, as more particularly described on Exhibit B attached hereto (the "Unit Operating Agreement). All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Unit Agreement and/or the Unit Operating Agreement.
- B. As of August 1, 2017, the Parties collectively became the owners of all of the oil and gas leases or other operating rights covered by the Unit Agreement and Unit Operating Agreement (collectively the "Agreements") and constitute all of the parties to the Unit Operating Agreement.
- C. As of August 1, 2017, the Parties amended and ratified the Unit Operating Agreement by Amendment and Ratification of Unit Operating Agreement dated November 17, 2017 (the "Prior Amendment").
- C. The Parties desire to amend certain provisions of the Unit Agreement and further amend certain provisions of the Unit Operating Agreement and to ratify and confirm the terms and provisions of the Unit Agreement and the Unit Operating Agreement, as amended by the Prior Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. <u>Unitized Formation in the Unit Agreement</u>: Sections 2(h) and 5 of the Unit Agreement are hereby amended such that "Unitized Formation" shall mean the Lower Grayburg and San Andres

Case No. 20253
SEGURO OIL & GAS
Exhibit #3

formations, more particularly described as that interval underlying the Unit Area which is productive of Unitized Substances, the top of which having been heretofore found to occur in the Newmont Oil Company Etz "C" No. 1 Well, located in Section 34, Township 16 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, at an indicated depth of 2,818 feet, as recorded on the Borehole Compensated Sonic Gama Log, and the bottom of which having been heretofore found to occur in the COG Operating LLC Carmen 3 Federal Com No. 15H Well, located at 330 feet FNL and 330 feet FEL of Section 3, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, at an indicated depth of 4,493 feet, as seen on the Platform Express Compensated Neutron/Three Detector Litho-Density Log.

- Unitized Formation in the Unit Operating Agreement. The Parties hereby amend 2. the Unit Operating Agreement such that in any instance Unitized Formation is used it shall have the meaning prescribed to it in Section 1 herein above.
- Ratification. The Parties do hereby adopt, ratify and confirm all of the terms and provisions of the Agreements, as hereby amended.
- Counterparts. This Amendment may be executed in any number of separate counterparts by the Parties, and each counterpart hereof shall be effective as to each Party that executes and delivers the same (including by electronic transmission), whether or not all of the Parties execute the same counterpart. All counterparts hereof shall be considered an original.

IN WITNESS WHEREOF, this Amendment is executed as of the date first above written to be effective as of the Effective Date.

UNIT OPERATOR:

SEGURO OIL AND GAS, LLC

Title: PAGSIDGAT

WORKING INTEREST OWNERS:

SHELMAR E & P NM, LP

By: Shelmar Management, LLC, its General Partner

Title: General Portuer

By: Name: Jinking Title: Manager

HOVEY OIL AND GAS, LLC

FRENCH CAPITAL PARTNERS, LTD.

By: French Capital Management, LLC, its General Partner

Ву:	 	
Name:		
Title:		

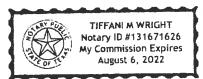
Name: William Fuller Kirkpatrick French Title: Vice-President

	STATE OF TEXAS) ss.
_	This instrument was acknowledged before me this 23 day of April, 2019, by
> .	of Seguro Oil and Gas, LLC, a Texas limited liability company. B90/EIL GI 6/18/10 Notary Public, State of Texas Notary Public, State of Texas
	STATE OF TEXAS)) ss. COUNTY OF MIDLAND)
	This instrument was acknowledged before me this 23 day of April, 2019, by Van 1 Tettleton, Learner of Shelmar Management, LLC, General Partner of Shelmar E & P NM, LP, a Texas limited partnership, on behalf of said partnership. DONNA STURDIVANT Notary Public, State of Texas Comm. Expires 04-11-2023
	Notary Public, State of Texas STATE OF TEXAS)
	COUNTY OF MIDLAND) This instrument was acknowledged before me this 23 day of April, 2019, by
	Jim Wine, Manager of Limpia Holdings, LLC, a Texas limited liability company, on behalf of said company.
	Notary Public, State of Texas Notary Public, State of Texas Notary Public, State of Texas

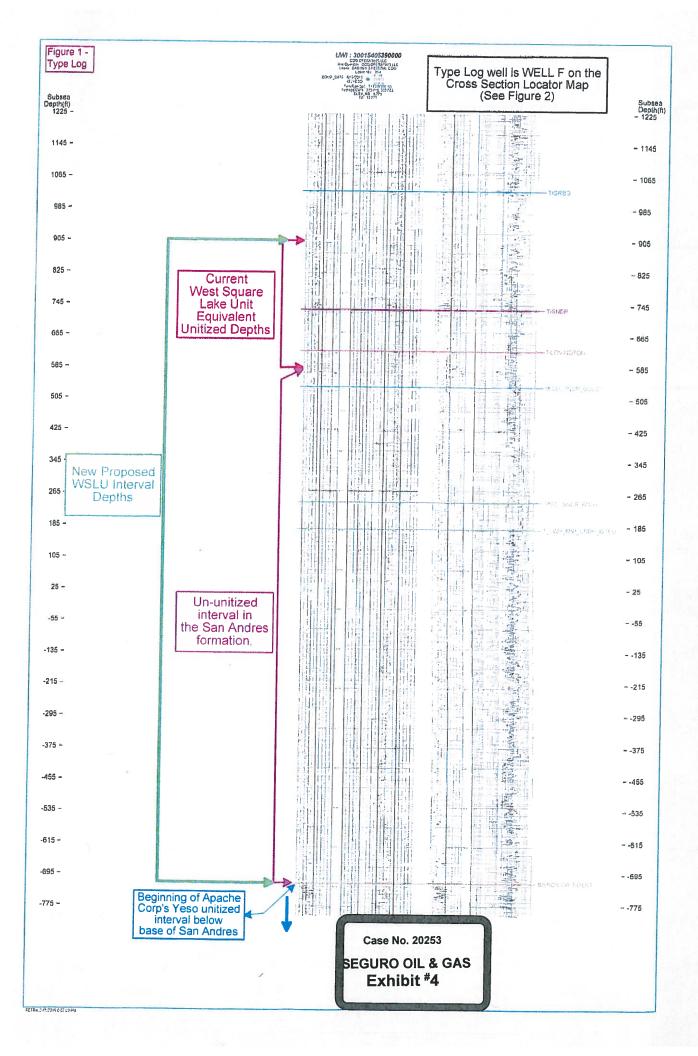
STATE OF TEXAS)
COUNTY OF MIDLAND)
This instrument was acknowledged before me this 23 day of April, 2019, by 5cott King, Manager of Hovey Oil and Gas, LLC, a Texas limited liability company, on behalf of said company.
DONNA STURDIVANT Notary Public, State of Texas Comm. Expires 04-11-2023 Notary ID 1137088 Notary Public, State of Texas
STATE OF TEXAS)) ss. COUNTY OF MIDLAND)
This instrument was acknowledged before me this day of April, 2019, by, of French Capital Management, LLC, General Partner of French Capital Partners, Ltd., a Texas limited partnership, on behalf of said partnership.
Notary Public, State of Texas

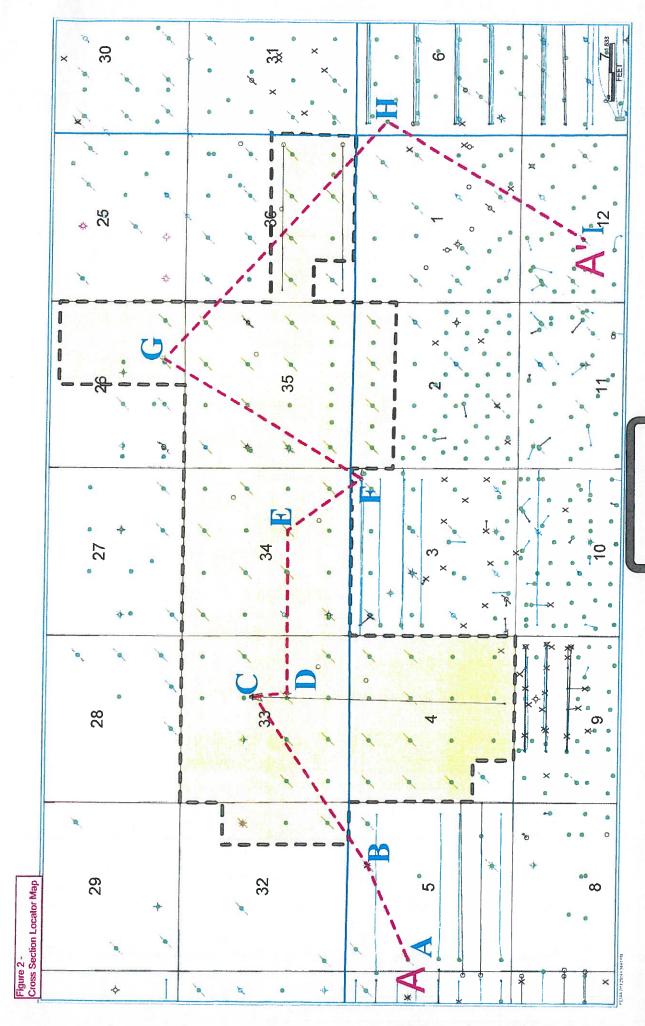
STATE OF TEXAS)
COUNTY OF MIDLAND) ss.)
This instrument war company, on behalf of said of	as acknowledged before me this day of April, 2019, by of Hovey Oil and Gas, LLC, a Texas limited liability company.
	Notary Public, State of Texas
STATE OF TEXAS)
COUNTY OF MIDLAND) ss.)

This instrument was acknowledged before me this 14th day of May, 2019, by WILLIAM FULLER KIRKPATRICK FRENCH, VICE-PRESIDENT of French Capital Management, LLC, General Partner of French Capital Partners, Ltd., a Texas limited partnership, on behalf of said partnership.



Notary Public, State of Texas





Case No. 20253 SEGURO OIL & GAS Exhibit #5

