

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0282996

APPLICATION OF AMMONITE OIL AND GAS, INC. PURSUANT TO THE
MINERAL INTEREST POOLING ACT FOR THE ENERGEN ELMER 33-67
WELL, TWO GEORGES (BONE SPRING) FIELD, WARD COUNTY, TEXAS
AND THE ENERGEN KATH "A" 3-11 WELL, TWO GEORGES (BONE
SPRING) FIELD, REEVES COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket heard on March 25, 2015, 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 report and recommendation and 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 Ammonite Oil and Gas, Inc., ("Ammonite") as agent of the State of Texas, for the formation of two proposed units pursuant to the Mineral Interest Pooling Act ("MIPA") for the proposed Elmer 33-67 Well Unit, Two Georges (Bone Spring) Field, Ward County, Texas, and the Kath "A" 3-11 Well Unit, Two Georges (Bone Spring) Field, Reeves County, Texas ("MIPA wells"), 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 "A" to this Final Order are pooled into the Elmer 33-67 Well MIPA Unit, the boundaries of which are shown in Appendix "A" pg. 1. These interests are pooled into a proration unit for the drilling of one or more wells in the Two Georges (Bone Spring) Field, with the initial well at the approximate location shown on Appendix "A" to this order. All interests in tracts within the unit area shown in Appendix "A" are pooled subject to the following terms and conditions as discussed below.

All interests, including working interests, royalty interests, and unleased mineral interests, in tracts within the area depicted in Appendix "A" to this Final Order are pooled into the Kath "A" 3-11 Well MIPA Unit, the boundaries of which are shown in Appendix "A", pg. 2. These interests are pooled into a proration unit for the drilling of one or more wells in the Two Georges (Bone Spring) Field, with the initial well at the approximate location shown on Appendix "A" to this order. All interests in tracts within the unit area shown in Appendix "A" are pooled subject to the following terms and conditions:

TERMS AND CONDITIONS

1. The name of the MIPA units are the State of Texas Elmer 33-67 Well MIPA Unit and the State of Texas the Kath "A" 3-11 Well MIPA Unit.
2. The operator of the two MIPA units is Energen Resources Corp. .
3. The initial unit wells are the wells depicted on Appendix "A" to this order.
4. The MIPA units shall be effective on the date this order becomes administratively final.
5. The two MIPA units are established for and limited to the depth interval correlative with the Two Georges (Bone Spring) Field.
6. Production, revenues, and expenses associated with the two MIPA units shall be allotted on the basis of acreage included within each of the two MIPA units.
7. A charge for risk of 10% is fair and reasonable and shall be payable out of Ammonite's (acting as agent for the State of Texas) share of production.

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 Commission Order is signed.

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.

Done this 29th day of March, 2016.

RAILROAD COMMISSION OF TEXAS



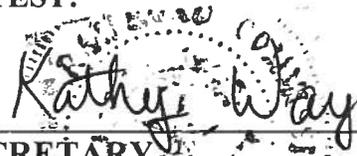
CHAIRMAN DAVID PORTER

COMMISSIONER CHRISTI CRADDICK

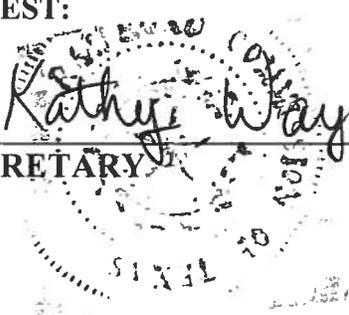


COMMISSIONER RYAN SITTON

ATTEST:



SECRETARY



O&G Docket No. 08-0282996
 AMMONITE OIL & GAS CORP.

March 25, 2015 Ex. No. 07

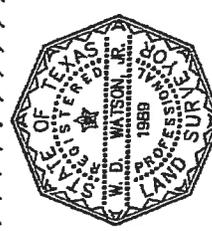
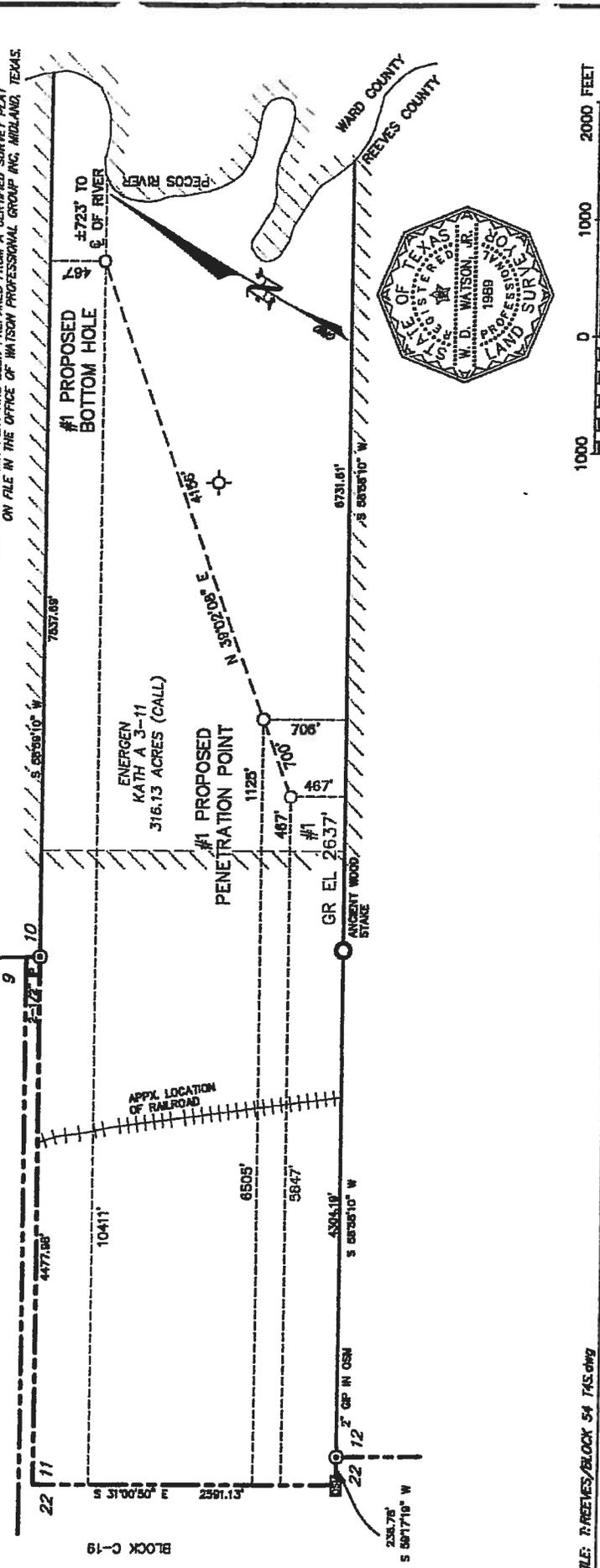
A-51
SECTION 11, BLOCK 3
H. & C.N. RR. SURVEY

- * GAS WELL
- ▲ WATER INJECTION WELL
- OIL WELL
- LOCATED WELL
- DRY HOLE
- WATER WELL
- SHUT IN WELL

NAD 83, TEXAS CENTRAL ZONE		NAD 27, TEXAS CENTRAL ZONE	
S/L: N=105982801', E=1297905.6'	LAT=31.8282727° N, LONG=103.5497027° W	S/L: N=726894.0', E=1001821.7'	LAT=31.8251483° N, LONG=103.5416472° W
P/P: N=10568021.0', E=1298456.6'	LAT=31.8269018° N, LONG=103.5407372° W	P/P: N=727222.6', E=1001862.6'	LAT=31.8269714° N, LONG=103.5402817° W
B/A: N=105720311.8', E=1301043.8'	LAT=31.8336780° N, LONG=103.5396301° W	B/A: N=729455.6', E=1004679.8'	LAT=31.8337487° N, LONG=103.5397148° W

APPROXIMATELY 14.0 MILES NW OF PECOS, TEXAS

NOTE: THIS PERMIT PLAT WAS PREPARED FROM A CERTIFIED SURVEY PLAT ON FILE IN THE OFFICE OF WATSON PROFESSIONAL GROUP INC. MIDLAND, TEXAS.



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 midwatson@wpg-tx.com

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

W.D. Watson, Jr., TEXAS R.P.L.S. No. 1989

DATE: FEBRUARY 1, 2011
 JOB NO.: 10-1283-02 FIELD BOOK: 739/58
 DATE SURVEYED: 1/28/11
 DRAFT TA

DATE: 4/14/11
 DATE SURVEYED: 1/28/11
 JOB NO.: 10-1283-02 FIELD BOOK: 739/58
 DRAFT TA

ENERGEN RESOURCES
 KATH A 3-11 #1 WELL
 8/1: 467' FEEL & 6847' FSNL
 PROPOSED P/P: 708' FEEL & 6808' FSNL
 PROPOSED B/A: 467' FSNL & 10411' FSNL
 SECTION 11, BLOCK 3, H & CN RR SURVEY
 REEVES COUNTY, TEXAS

APPENDIX 2