

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

Oil and Gas Docket No. OG-22-00009049

Application of Sinclair Oil & Gas Company (Operator No. 784548) Pursuant to the Mineral Interest Pooling Act for the Marcy MIPA Unit, Spraberry (Trend Area) R 40 EXC Field or Spraberry (Trend Area) Field, Howard County, Texas; District 08

Oil and Gas Docket No. OG-22-00009050

Application of Sinclair Oil & Gas Company (Operator No. 784548) Pursuant to the Mineral Interest Pooling Act for the Comanche Trail Unit, Spraberry (Trend Area) R 40 EXC Field or Spraberry (Trend Area) Field, Howard County, Texas; District 08

FINAL ORDER

The Railroad Commission of Texas ("RRC" or "Commission") finds that after statutory notice in the above-docketed cases, heard on May 19, 2022 and November 15, 2022, the presiding Administrative Law Judge and Technical Examiner have made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts the following findings of fact and conclusions of law.

Findings of Fact

1. Sinclair Oil & Gas Company ("Sinclair") (Operator No. 784548) filed two applications ("Applications") under the Mineral Interest Pooling Act ("MIPA"), requesting the Railroad Commission of Texas ("Commission") approve pooling of all eligible mineral interests into two (2) existing units, the Marcy Unit and the Comanche Trail Unit, Spraberry (Trend Area) R 40 EXC Field or the Spraberry (Trend Area) Field, Howard County, Texas.
2. On April 8, 2022, the Hearings Division of the Commission sent a Joint Notice of Hearing on the Applications via first-class mail to all interested parties setting a hearing date of May 19, 2022 ("Notice"). The Notice contained: (1) a statement of the time, place and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted.
3. The Notice of the hearing was also published in the *Big Spring Herald*, a newspaper of general circulation in Howard County, Texas, on April 15, 2022; April 22, 2022; April 29, 2022; and May 6, 2022.

4. The mailed and published Notice included the specific requests of Sinclair in its Applications regarding the proposed size of the units, methods of allocation, charge for risk, and designation of operator.
5. The hearing was held on May 19, 2022, as noticed. Consequently, all parties received more than 30 days' notice. A post hearing conference was held on November 15, 2022.
6. Sinclair appeared at the hearing and post hearing and presented evidence and argument.
7. No one appeared at the hearing in opposition to Sinclair's Applications.
8. The proposed units are within the city limits of Big Spring, Texas.
9. Two wells, one for each of the proposed units, have already been drilled utilizing exceptions to Statewide Rule 37.
10. Sinclair intends to drill multiple wells per unit.
11. The Code Construction Act provides that plural and singular within Texas's statutes may be read as either, unless specifically prohibited.
12. The tracts within the proposed MIPA units are embraced in the Spraberry and Wolfcamp formations which have been consolidated into the Spraberry (Trend Area) Field, making each a common reservoir of oil or gas for which the Commission has established the size and shape of proration units. The Spraberry (Trend Area) Field is present and reasonably productive in the area covering all the proposed units.
13. The 2018 Sinclair City of Big Spring wells are assigned to the Spraberry (Trend Area) R 40 EXC Field and were within 2.5 miles of the Primero (Wolfcamp) Field which was discovered in 1986.
14. Sinclair provided the current wells are not located within 2.5 miles of the Primero (Wolfcamp) Field.
15. The current wells are located within the Wolfcamp formation. Sinclair's future wells for the proposed units will be located within the Wolfcamp and Spraberry formations.
16. The Wolfcamp formation was consolidated into the Spraberry (Trend Area) Field in 1993.

17. The Spraberry (Trend Area) Field has been designated an unconventional fracture treated field ("UFT"). In UFT fields, the hydrocarbons within the field are not susceptible to mobile flow.
18. A study of all wells within a 2.5-mile radius of the exterior boundaries of the proposed MIPA units showed the first well drilled deep enough to encounter any formation included in the Spraberry (Trend Area) Field was not drilled until 1984.
19. For the proposed MIPA units, there are two or more separately owned tracts of land embraced within a common reservoir of oil or gas.
20. The proposed units reasonably appear to lie within the productive limits of the reservoir.
21. On or about March 10, 2022, Sinclair sent a voluntary pooling offer to all mineral owners of unleased tracts within the boundaries of the proposed MIPA units. The unleased mineral owners were offered three options for inclusion of their interests in the proposed units: a lease option, a working-interest participation option, and a farm-out option.
 - a. The lease option included a 25% royalty and a bonus offer of \$2,500 per net mineral acre, for a three-year primary term. The oil, gas, and mineral lease attached to the offer letter provided Sinclair was authorized to pool the tract owner's mineral interest into a pooled unit and drill a horizontal well beneath the surface of the leased premises.
 - b. The participation option provided each unleased owner an opportunity to participate as a working interest owner in the respective proposed unit. No mineral owner elected this option.
 - c. The Unit wells, which have already been drilled and completed, and their surface facilities, cost a combined total of about \$35 million. Mineral interest owners force pooled by the Commission will not be charged for any share of such cost, because Commission Orders are not retroactively effective.
 - d. Sinclair represented to each owner that the proposed JOA would not contain any of the following: (1) a preferential right of the operator to purchase mineral interests in the unit; (2) a call on or option to purchase production from the unit; (3) operating charges that may include any part of district or central office expenses other than reasonable overhead charges; or (4) a prohibition against non-operators questioning the operation of the unit.
 - e. No mineral owner elected the farm-out option.

22. Of the offers made to mineral interest holders within the proposed units, more than 90 percent have accepted; the remaining owners failed to respond.
23. Sinclair's offers are substantially similar to its 2018 City of Big Spring offers which were determined to be fair and reasonable.
24. Sinclair has the right to drill and has proposed to drill additional wells on the proposed MIPA units.
25. Sinclair is the owner of an interest in oil and gas in the proposed MIPA units.
26. Sinclair estimated the EUR per well in the two proposed units totaled 670,000 BOE, and that future infill drilling in years ahead was expected to total four Wolfcamp formation wells and two Spraberry formation wells per unit.
27. Sinclair cannot drill eight desired wells beneath the proposed units unless compulsory pooling is ordered for each of two units, in order to avoid trespass on unsigned acreage. The two existing wells will become the parent wells for the two units.
28. There would be eight more regular location wells possible within the proposed units where future horizontal well completions could produce their reserves if the Applications are approved, each having an estimated ultimate recovery of 670,000 barrels BOE for a total of 5.36 million barrels of additional oil which could be produced in such event.
29. Compulsory pooling within the proposed units as requested by Sinclair will protect relative rights and prevent waste. Without compulsory pooling, Sinclair will not be able to drill many future proposed wells, Sinclair and its lessors will not have a reasonable opportunity to recover their fair share of hydrocarbons from the reservoir, and the underlying hydrocarbons will be left unrecovered.
30. There are no regular locations within the proposed units where a feasible horizontal well could drain the proposed units throughout the 3,000-foot thickness of the Spraberry (Trend Area) Field's correlative interval.
31. Evidence supports a charge for risk of 100 percent of the drilling and completion costs of the proposed well.
32. The proposed units contain land owned by the State. Sinclair has obtained a mineral lease from the TPWD for the minerals located under the Big Spring State Park.
33. MIPA must be construed on a case-by-case basis, but always consistent with the mandate to prevent waste.

34. Sinclair has waived issuance of a Proposal for Decision and Sinclair requests that, so long as the order is not adverse, pursuant to Tex. Gov't Code §2001.146(e), the Final Order become effective on the date that the Final Order is signed by the Commission.

Conclusions of Law

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice. See, e.g., Tex. Gov't Code §§ 2001.051, 2001.052, Tex. Nat. Res. Code § 102.016, 16 Tex. Admin. Code §§ 1.41, 1.42, 1.45.
2. The Commission has jurisdiction over the parties and the subject matter and has authority to issue a compulsory pooling order. Tex. Nat. Res. Code § 102.011.
3. Sinclair made a fair and reasonable offer to pool voluntarily the mineral owners of the unleased tracts within each of the proposed units, as required by Texas Natural Resources Code § 102.013.
4. Compulsory pooling will prevent waste, protect correlative rights, and avoid the drilling of unnecessary wells as required by MIPA. Tex. Nat. Res. Code § 102.011.
5. Compulsory pooling of the mineral interests in all tracts within the boundaries of the proposed MIPA units will serve the purpose of preventing waste and protecting correlative rights.
6. The Code Construction Act resolves the conflict of one well versus multi-well units written in the MIPA statute. Units may contain more than one well. Tex. Gov't Code §§ 311.001–311.036.
7. In these two cases, given their unusual and specific facts, unit sizes above those indicated in Tex. Nat. Res. Code Section 101.011 are permissible.
8. In order to accommodate new drilling technology inconceivable in 1965 when the MIPA statute was enacted, to meet the original intent of the Legislature to match the maximum possible unit sizes conforming with Commission rules and practice, to resolve ambiguity and conflict with the statutory wording, and to prevent waste, the Commission may broadly interpret the statute to allow varied case-by-case relief.
9. The evidence was sufficient to show the reservoirs Sinclair seeks to pool in the area of the proposed MIPA units were discovered and produced after March 8, 1961.

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IT IS ORDERED that Sinclair Oil & Gas Company's two above-captioned applications for the formation of pooled units pursuant to the Mineral Interest Pooling Act for the Marcy Unit and Comanche Trail Unit are **GRANTED** to the extent, and subject to the terms and conditions included in Appendix A1, A2, B1, and B2 of this Order.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the sole Party in writing or on the record, **the Party has waived the right to file a motion for rehearing and this Final Order is final and effective on the date it is signed.**

Signed June 13, 2023.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:
Christi Craddick
1540497DF4CC434

CHAIRMAN CHRISTI CRADDICK

DocuSigned by:
Wayne Christian
C1G746B4F446422

COMMISSIONER WAYNE CHRISTIAN

DocuSigned by:
Jim Wright
EAAE94782E9E4AE

COMMISSIONER JIM WRIGHT

ATTEST

DocuSigned by:
Cathie Farney
3581C80DFDE0476

SECRETARY



Oil and Gas Docket No. OG-22-00009049

Application of Sinclair Oil & Gas Company (Operator No. 784548) Pursuant to the Mineral Interest Pooling Act for the Marcy MIPA Unit, Spraberry (Trend Area) R 40 EXC Field or Spraberry (Trend Area) Field, Howard County, Texas; District 08

All interests, including working interests, royalty interests, and unleased mineral interests, in tracts within the area described in Appendix A1 to this Final Order are pooled into the Marcy MIPA 1WA Unit for Well No. 1WA and for the drilling of future horizontal well(s) in the Spraberry (Trend Area) Field, Howard County, Texas, at the approximate location as shown in Appendix A2 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 Sinclair Oil & Gas Company Marcy MIPA 1WA Unit ("1WA MIPA Unit").
2. The operator of the 1WA MIPA Unit is Sinclair Oil & Gas Company.
3. The unit well is the Marcy No. 1, API No. 42-227-40646, which has been drilled and completed.
4. The Marcy 1WA MIPA Unit shall be effective on the date this Order becomes administratively final.
5. The Marcy 1WA MIPA Unit is established for and limited to the depth interval correlative with the Spraberry (Trend Area) Field.
6. For the purpose of determining the portion of production owned by the persons owning interests in the Marcy 1WA MIPA Unit, the production shall be allocated to the respective unleased tracts and voluntary pooled units within the Marcy 1WA MIPA Unit in the proportion that the number of surface acres of each bears to the number of surface acres included in the entire Marcy 1WA MIPA Unit.
7. The interests of lessors in voluntary pooled units within the Marcy 1WA MIPA Unit are pooled as royalty interests. The interests of Sinclair Oil & Gas Company and other pre-existing working interests are pooled as working interests.
8. The mineral interests of owners of all unleased tracts within the Marcy 1WA MIPA Unit are pooled as owners of a 1/4 royalty interest and for accounting purposes as if they owned a 3/4 working interest, proportionately reduced. These owners' share of expenses, subject to a 100 percent charge for risk, is payable

only from 3/4 of production and not from their entire mineral interest. This charge shall be assessed against drilling and completion costs of future development, which shall be so governed, and may not be assessed retroactively to cover costs incurred prior to the effective date of the Order.

9. The operator shall make no surface use of the unleased tracts within the Marcy 1H MIPA Unit without the written consent of the unleased owner.
10. Sinclair Oil & Gas Company shall make a diligent effort to determine current addresses for all interest owners in the Marcy 1WA MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the Marcy 1WA MIPA Unit accrued after the effective date of this Order 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 be treated for accounting purposes as if they had adopted a joint operating agreement substantially in the form of that AAPL Form Joint Operating Agreement, which was proposed in Sinclair's voluntary offer letter, which shall not include any provision prohibited in the Mineral Interest Pooling Act or contravene any provision of this Final Order. The operator is authorized to escrow and hold in suspense funds sufficient to cover a force pooled interest owner's proportionate share of plugging and abandonment costs.
12. The unit size and shape shall be as identified in Sinclair Hearing Exhibit 7, which includes a metes and bounds survey description. The approved unit size is denominated "more or less" in this Order as is done traditionally in MIPA orders to accommodate slight changes in unit size which may result from minor correction of survey error or to match "as-drilled" plats. In this case a variance in unit size of up to one percent shall be considered within the ambit of "more or less".
13. A wellbore length or location variance will not affect the approved unit size.
14. The provisions of this order as to unit size shall supersede Statewide Rule 86 and special field rules for the Spraberry (Trend Area) field.

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15. Unit well completions may be placed in the Spraberry (Trend Area) R 40 EXC field because the unit well was spudded pursuant to a drilling permit issued for that field.

16. The Marcy 1WA MIPA Unit and Comanche Trail 1WA MIPA Units are adjacent to each other, and are composed primarily of Texas Parks & Wildlife State Park Acreage and City of Big Spring municipal golf course acreage, under leases which prohibit surface use, compelling Sinclair to drill from offsite locations. For this reason, Sinclair is authorized for infill wells in the future to drill in close proximity to or crossing the line which separates the two units, in such case using acreage from part of each unit, so long as in accordance with other Commission permitting procedures. Sinclair is for the same reason also authorized to combine each unit with an adjoining proration unit to form an allocation well unit or production sharing agreement unit, allocating production between the two in proportion to their surface acreage.

HOWARD COUNTY, TEXAS

POINT OF BEGINNING
 N: 6782890.63 LAT: 32.238307
 E: 1040813.90 LONG: -101.500655

FOUND 2"
 IRON PIPE

N 76°57'31" E 5256.10'
 SECTION LINE

TOWNSHIP 1 NORTH
 TOWNSHIP 1 SOUTH

SINCLAIR OIL &
 GAS COMPANY

SECTION 1, BLOCK 33
 TOWNSHIP 1 SOUTH
 T. & P. RR. CO. SURVEY
 ABSTRACT NO. 358

**CALLED 631.625
 ACRE LEASE UNIT**

SECTION LINE
 S 12°38'39" E 5306.40'

N 12°34'51" W 5285.67'
 SECTION LINE

S 77°11'03" W 5260.79'
 SECTION LINE

SINCLAIR OIL &
 GAS COMPANY

SECTION 12, BLOCK 33
 TOWNSHIP 1 SOUTH
 T. & P. RR. CO. SURVEY
 ABSTRACT NO. 628

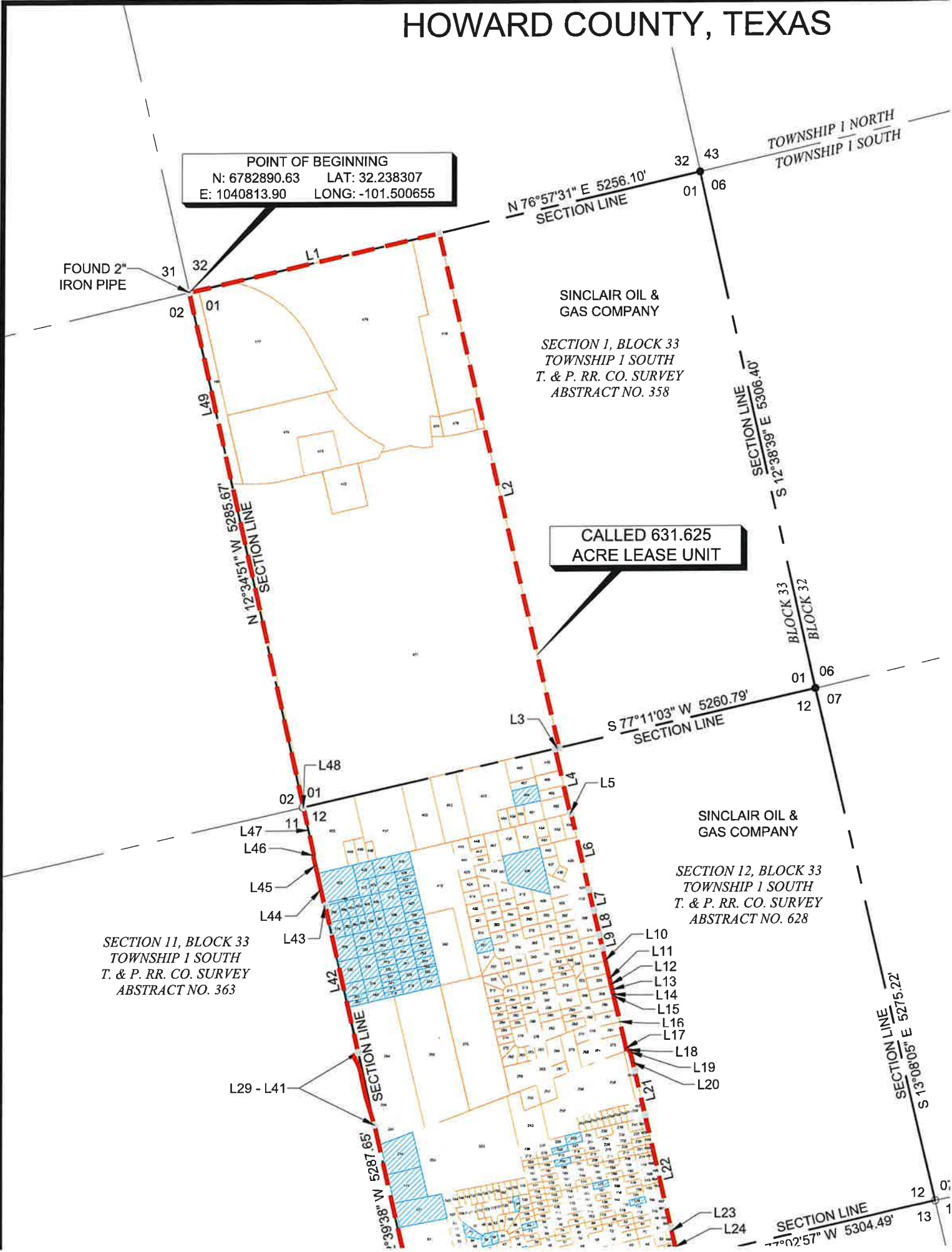
SECTION 11, BLOCK 33
 TOWNSHIP 1 SOUTH
 T. & P. RR. CO. SURVEY
 ABSTRACT NO. 363

L29 - L41

S 39°38' W 5287.65'
 SECTION LINE

SECTION LINE
 S 13°08'05" E 5275.22'

SECTION LINE
 S 7°02'57" W 5304.49'



HOWARD COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION

BEING THE METES AND BOUNDS DESCRIPTION OF A 631.625 ACRE TRACT SITUATED IN SECTION 1, BLOCK 33, TOWNSHIP 1 SOUTH, T. & P. RR. CO. SURVEY, ABST
SECTION 12, BLOCK 33, TOWNSHIP 1 SOUTH, T. & P. RR. CO. SURVEY, ABSTRACT NO. 628, HOWARD COUNTY, TEXAS, AND IN SECTION 11, BLOCK 33, TOWNS
ABSTRACT NO. 363, HOWARD COUNTY, TEXAS.

SAID METES AND BOUNDS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 2" IRON PIPE, FOUND FOR THE NORTHWEST CORNER OF SAID SECTION 1, SAID POINT OF BEGINNING HAVING A TX- NORTH CENTRAL ZONE 4202,
Y:6782890.63, X:1040813.90;

- THENCE N 76°57'31" E, ALONG THE NORTH LINE OF SAID SECTION 1, A DISTANCE OF 2565.94 FEET TO A POINT;
- THENCE S 13°17'25" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 5295.98 FEET TO A POINT;
- THENCE S 77°11'03" W, A DISTANCE OF 40.00 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 665.56 FEET TO A POINT;
- THENCE N 76°54'02" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 7.80 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 784.79 FEET TO A POINT;
- THENCE S 13°05'59" E, A DISTANCE OF 214.87 FEET TO A POINT;
- THENCE S 13°06'00" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 250.00 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 135.00 FEET TO A POINT;
- THENCE S 13°06'02" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 260.00 FEET TO A POINT;
- THENCE S 13°06'02" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 107.66 FEET TO A POINT;
- THENCE S 13°06'00" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 17.34 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 88.65 FEET TO A POINT;
- THENCE S 13°05'55" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 5.00 FEET TO A POINT;
- THENCE S 13°06'00" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 31.35 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 496.23 FEET TO A POINT;
- THENCE S 13°06'01" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 50.45 FEET TO A POINT;
- THENCE N 69°16'26" E, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 33.09 FEET TO A POINT;
- THENCE S 12°58'45" E, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 50.46 FEET TO A POINT;
- THENCE S 12°58'45" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 168.93 FEET TO A POINT;
- THENCE S 12°58'46" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 453.79 FEET TO A POINT;
- THENCE S 12°58'49" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 1162.94 FEET TO A POINT;
- THENCE S 12°58'48" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 80.00 FEET TO A POINT;
- THENCE S 12°58'48" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 251.46 FEET TO A POINT;
- THENCE S 12°53'07" E, ALONG THE EAST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 11.51 FEET TO A POINT;
- THENCE S 77°02'57" W, ALONG THE SOUTH LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 31.30 FEET TO A POINT;
- THENCE S 77°02'57" W, ALONG THE SOUTH LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 2635.66 FEET TO A POINT;
- THENCE N 12°39'38" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 2022.36 FEET TO A POINT;
- THENCE N 16°57'49" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 292.08 FEET TO A POINT;
- THENCE N 13°06'44" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 14.77 FEET TO A POINT;
- THENCE N 12°11'19" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 176.18 FEET TO A POINT;
- THENCE N 12°11'20" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 34.76 FEET TO A POINT;
- THENCE N 10°34'55" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 32.21 FEET TO A POINT;
- THENCE N 14°48'39" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 32.21 FEET TO A POINT;
- THENCE N 19°02'20" W, A DISTANCE OF 32.21 FEET TO A POINT;
- THENCE N 23°16'01" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 32.21 FEET TO A POINT;
- THENCE N 27°29'43" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 32.21 FEET TO A POINT;
- THENCE N 24°42'24" W, ALONG THE WEST LINE OF SAID 631.625 ACRE TRACT, A DISTANCE OF 32.21 FEET TO A POINT;

HOWARD COUNTY, TEXAS

TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE
1	11.791	86	0.309	171	0.228	256	2.302	342	0.290	427	0.297
2	0.382	87	0.220	172	0.228	257	0.822	343	0.426	428	0.297
3	0.282	88	0.216	173	0.220	258	4.480	344	0.362	429	0.488
4	0.899	89	0.220	174	2.353	259	1.784	345	0.334	430	0.280
5	0.276	90	0.207	175	0.224	260	0.978	346	0.131	431	0.393
6	0.217	91	0.184	176	0.227	261	0.439	347	0.530	432	0.744
7	0.239	92	0.218	177	0.228	262	0.519	348	0.715	433	0.350
8	0.217	93	0.206	178	0.228	263	0.319	349	0.473	434	3.363
9	0.492	94	0.220	179	0.240	264	11.579	350	0.301	435	0.448
10	0.276	95	0.213	180	0.228	265	0.310	351	0.334	436	0.746
11	0.217	96	0.239	181	0.228	266	14.381	352	0.374	437	0.550
12	0.374	97	0.201	182	0.220	267	0.413	353	0.331	438	0.713
13	0.273	98	0.215	183	0.224	268	0.754	354	0.499	439	2.377
14	0.217	99	0.239	184	0.227	269	0.960	355	0.418	440	0.488
15	0.220	100	0.364	185	0.228	270	1.233	356	0.538	441	0.306
16	0.269	101	0.217	186	0.228	271	0.443	357	0.492	442	0.306
17	0.362	102	0.220	187	0.217	272	0.352	358	1.073	443	0.467
18	0.220	103	0.220	188	0.228	273	0.991	359	0.508	444	0.596
19	0.218	104	0.218	189	0.240	274	0.299	360	5.000	445	0.585
20	0.362	105	0.228	190	0.220	275	12.483	361	0.488	446	0.349
21	0.276	106	0.228	191	0.224	276	0.436	362	0.336	447	0.933
22	0.220	107	0.346	192	0.227	277	0.469	363	0.447	448	0.596
23	0.216	108	0.222	193	0.228	278	0.715	364	0.634	449	0.453
24	0.367	109	0.201	194	0.229	279	0.463	365	0.566	450	1.131
25	0.380	110	0.215	195	0.217	280	0.299	366	0.518	451	0.229
26	0.283	111	0.224	196	0.228	281	0.662	367	0.569	452	1.179
27	0.386	112	0.224	197	0.219	282	0.905	368	0.336	453	0.863
28	0.386	113	0.220	198	0.240	283	0.458	369	0.453	454	0.483
29	0.221	114	0.224	199	0.224	284	0.299	370	0.463	455	6.979
30	0.374	115	0.220	200	0.227	285	0.244	371	0.413	456	0.591
31	0.367	116	0.239	201	0.228	286	0.663	372	0.555	457	7.191
32	0.580	117	0.231	202	0.229	287	0.662	373	0.556	458	0.404
33	0.216	118	0.219	203	0.217	288	0.231	374	0.488	459	0.336
34	0.389	119	0.228	204	4.245	289	0.315	375	0.587	460	4.563
35	0.362	120	0.260	205	0.228	290	0.416	376	0.469	461	0.824
36	0.215	121	2.744	206	0.219	291	0.299	377	0.335	462	1.104
37	0.200	122	0.228	207	0.224	292	0.279	378	0.467	463	4.022
38	0.238	123	0.213	208	0.227	293	0.315	379	0.494	464	0.955
39	0.261	124	0.195	209	0.228	294	0.331	380	0.453	465	6.993
40	0.423	125	0.215	210	0.240	295	0.222	381	0.413	466	0.629
41	0.201	126	0.224	211	0.229	296	0.395	382	0.301	467	0.491
42	0.362	127	0.213	212	0.217	297	0.299	383	0.463	468	0.924
43	0.361	128	0.220	213	0.228	298	0.279	384	0.299	469	1.413
44	0.588	129	0.214	214	2.586	299	0.662	385	0.335	470	1.357
45	0.200	130	0.228	215	0.219	300	0.395	386	0.299	471	190.654
46	0.221	131	0.213	216	0.224	301	0.239	387	0.488	472	3.678
47	0.229	132	0.219	217	0.227	302	0.299	388	0.367	473	3.332
48	0.200	133	0.228	218	0.228	303	0.736	389	0.587	474	18.152
49	0.367	134	0.196	219	0.230	304	0.279	390	0.469	475	0.500
50	0.201	135	0.228	220	0.325	305	0.331	391	0.367	476	1.710
51	0.217	136	0.222	221	0.240	306	0.352	392	0.453	477	26.174
52	0.358	137	0.224	222	0.228	307	0.239	393	0.467	478	14.775
53	0.201	138	0.298	223	13.111	308	0.662	394	0.413	479	50.731
54	0.202	139	0.220	224	0.218	309	0.416	395	0.366	480	4.541
55	0.221	140	0.479	225	0.340	310	0.226	396	0.760	481	0.446
56	0.267	141	0.228	226	0.226	311	0.366	397	0.463	482	0.419
57	0.200	142	0.357	227	0.228	312	0.410	398	0.520	483	0.108
58	0.220	143	0.227	228	0.230	313	0.436	399	0.317	484	0.451
59	0.588	144	0.232	229	0.345	314	0.514	400	0.488	485	0.206
60	0.186	145	0.228	230	0.240	315	0.592	401	0.315	486	0.131
61	4.121	146	0.233	231	0.218	316	0.227	402	0.469	487	0.110
62	0.361	147	0.228	232	0.226	317	0.538	403	0.315	488	0.165
63	0.201	148	0.233	233	0.345	318	0.501	404	0.413	489	0.146
64	0.285	149	0.221	234	0.231	319	0.736	405	0.387	490	0.110
65	0.217	150	0.224	235	0.330	320	0.662	406	0.597	491	0.110
66	0.201	151	0.227	236	0.226	321	0.227	407	0.638	492	0.220
67	0.362	152	0.233	237	0.241	323	0.345	408	0.771	493	0.110
68	0.221	153	0.228	238	0.350	324	0.502	409	0.387	494	0.110
69	0.220	154	0.232	239	0.343	325	0.515	410	1.235	495	0.110
70	0.196	155	0.227	240	0.331	326	0.307	411	0.463	496	0.110
71	0.360	156	0.232	241	1.160	327	0.321	412	0.800	497	0.110
72	0.216	157	0.232	242	0.242	328	0.308	413	0.660	498	0.110
73	0.201	158	0.228	243	3.117	329	0.476	414	0.488	499	0.110
74	0.217	159	0.228	244	0.224	330	0.703	415	8.608	500	0.110

Oil and Gas Docket No. OG-22-00009050

Application of Sinclair Oil & Gas Company (Operator No. 784548) Pursuant to the Mineral Interest Pooling Act for the Comanche Trail Unit, Spraberry (Trend Area) R 40 EXC Field or Spraberry (Trend Area) Field, Howard County, Texas; District 08

All interests, including working interests, royalty interests, and unleased mineral interests, in tracts within the area described in Appendix B1 to this Final Order are pooled into the Comanche Trail MIPA 1WA Unit for Well No. 1WA and for the drilling of future horizontal well(s) in the Spraberry (Trend Area) Field, Howard County, Texas, at the approximate location as shown in Appendix A2 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 Sinclair Oil & Gas Company Comanche Trail MIPA 1WA Unit ("1H MIPA Unit").
2. The operator of the Comanche Trail 1WA MIPA Unit is Sinclair Oil & Gas Company.
3. The unit well is the Comanche Trail No. 1WA, API No. 42-227-40628, which has been drilled and completed.
4. The Comanche Trail 1WA MIPA Unit shall be effective on the date this Order becomes administratively final.
5. The Comanche Trail 1WA MIPA Unit is established for and limited to the depth interval correlative with the Spraberry (Trend Area) Field.
6. For the purpose of determining the portion of production owned by the persons owning interests in the Comanche Trail 1WA MIPA Unit, the production shall be allocated to the respective unleased tracts and voluntary pooled units within the Comanche Trail 1WA MIPA Unit in the proportion that the number of surface acres of each bears to the number of surface acres included in the entire Comanche Trail 1WA MIPA Unit.
7. The interests of lessors in voluntary pooled units within the Comanche Trail 1WA MIPA Unit are pooled as royalty interests. The interests of Sinclair Oil & Gas Company and other pre-existing working interests are pooled as working interests.

8. The mineral interests of owners of all unleased tracts within the Comanche Trail 1WA MIPA Unit are pooled as owners of a 1/4 royalty interest and for accounting purposes as if they owned a 3/4 working interest, proportionately reduced. These owners' share of expenses, subject to a 100 percent charge for risk, is payable only from 3/4 of production and not from their entire mineral interest. This charge shall be assessed against drilling and completion costs of future development, which shall be so governed, and may not be assessed retroactively to cover costs incurred prior to the effective date of the Order.
9. The operator shall make no surface use of the unleased tracts within the Comanche Trail 1WA MIPA Unit without the written consent of the unleased owner.
10. Sinclair Oil & Gas Company shall make a diligent effort to determine current addresses for all interest owners in the Comanche Trail 1WA MIPA Unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the 1WA MIPA Unit accrued after the effective date of this Order 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 be treated for accounting purposes as if they had adopted a joint operating agreement substantially in the form of that AAPL Form Joint Operating Agreement, which was proposed in Sinclair's voluntary offer letter, which shall not include any provision prohibited in the Mineral Interest Pooling Act or contravene any provision of this Final Order. The operator is authorized to escrow and hold in suspense funds sufficient to cover a force pooled interest owner's proportionate share of plugging and abandonment costs.
12. The unit size and shape shall be as identified in Sinclair Hearing Exhibit 7, which includes a metes and bounds survey description. The approved unit size is denominated "more or less" in this Order as is done traditionally in MIPA orders to accommodate slight changes in unit size which may result from minor correction of survey error or to match "as-drilled" plats. In this case a variance in unit size of up to one percent shall be considered within the ambit of "more or less".
13. A wellbore length or location variance will not affect the approved unit size.

Oil and Gas Docket No. OG-22-00009050
Terms and Conditions, Appendix B1 and B2 to the Final Order
Page 15

14. The provisions of this order as to unit size shall supersede Statewide Rule 86 and special field rules for the Spraberry (Trend Area) field.
15. Unit well completions may be placed in the Spraberry (Trend Area) R 40 EXC field because the unit well was spudded pursuant to a drilling permit issued for that field.
16. The Marcy 1WA MIPA Unit and Comanche Trail 1WA MIPA Unit are adjacent to each other, and are composed primarily of Texas Parks & Wildlife State Park Acreage and City of Big Spring municipal golf course acreage, under leases which prohibit surface use, compelling Sinclair to drill from offsite locations. For this reason Sinclair is authorized for infill wells in the future to drill in close proximity to or crossing the line which separates the two units, in such case using acreage from part of each unit, so long as in accordance with other Commission permitting procedures. Sinclair is for the same reason authorized to combine each unit with an adjoining proration unit to form an allocation well unit or production sharing agreement unit, allocating production between the two in proportion to their surface acreage.

HOWARD COUNTY, TEXAS

POINT OF BEGINNING
 N: 6784076.69 LAT: 32.241967
 E: 1045934.43 LONG: -101.484210

TOWNSHIP 1 NORTH
 TOWNSHIP 1 SOUTH

FOUND
 MONUMENT

31 32
 02 01
 N 76°57'31" E 5256.10'
 SECTION LINE

N 12°34'51" W 5285.67'
 SECTION LINE

SINCLAIR OIL &
 GAS COMPANY
 SECTION 1, BLOCK 33
 TOWNSHIP 1 SOUTH
 T. & P. RR. CO. SURVEY
 ABSTRACT NO. 358

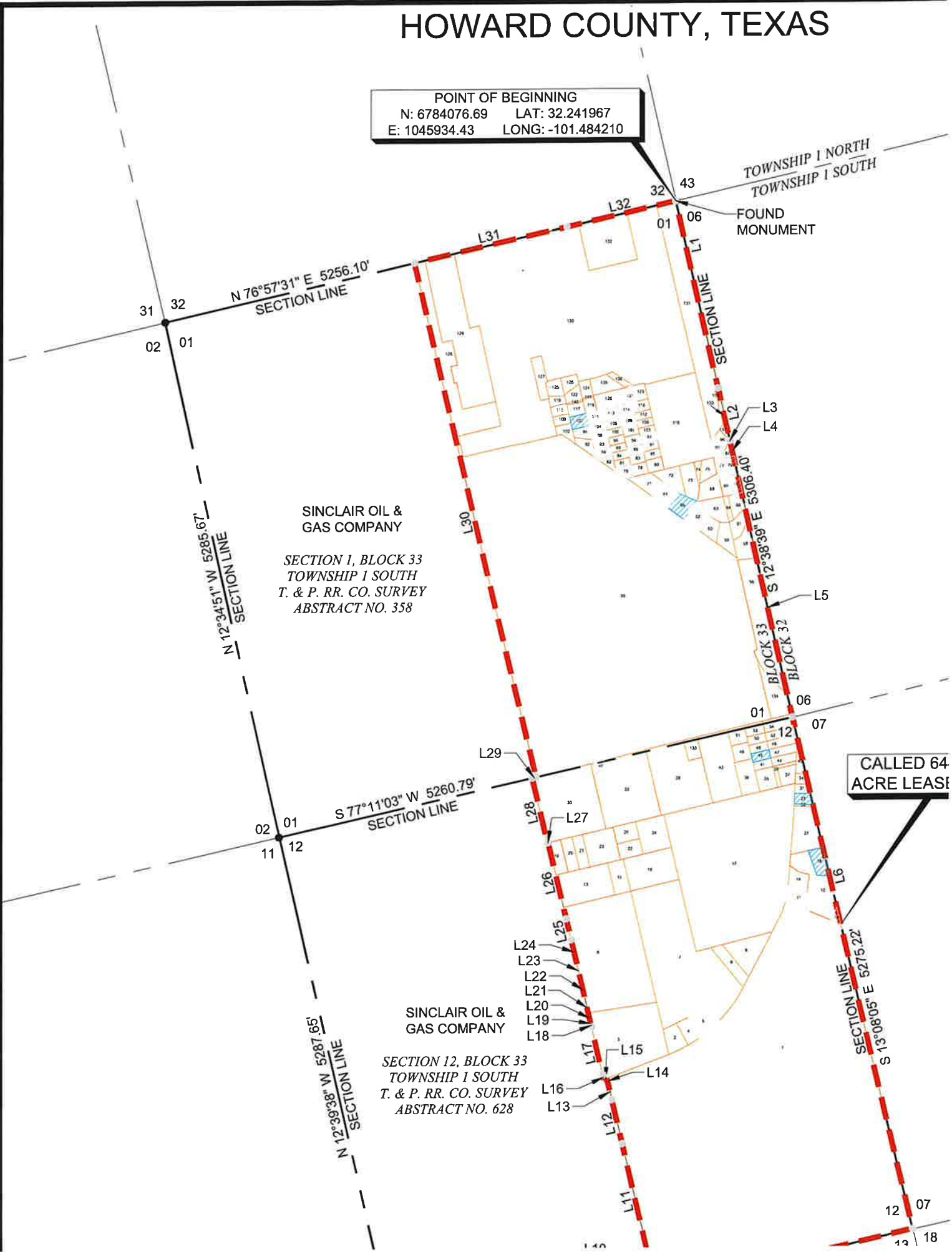
02 01
 11 12
 S 77°11'03" W 5260.79'
 SECTION LINE

N 12°33'38" W 5287.65'
 SECTION LINE

SINCLAIR OIL &
 GAS COMPANY
 SECTION 12, BLOCK 33
 TOWNSHIP 1 SOUTH
 T. & P. RR. CO. SURVEY
 ABSTRACT NO. 628

CALLED 64
 ACRE LEASE

S 13°08'05" E 5275.22'
 SECTION LINE



HOWARD COUNTY, TEXAS

TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE	TRACT NUMBER	CALLED ACREAGE
1	163.005	39	0.338	76	0.388	112	0.298
2	1.056	40	0.229	77	0.503	113	0.452
3	9.789	41	0.368	78	0.434	114	0.452
4	0.730	42	4.752	79	0.425	115	0.373
5	1.303	43	0.422	80	0.485	116	0.410
6	1.144	44	0.500	81	0.268	117	0.481
7	19.679	45	0.368	82	0.327	118	0.382
8	17.777	46	0.676	83	0.325	119	0.351
9	2.231	47	0.549	84	0.293	120	1.143
10	0.169	48	0.368	85	0.336	121	0.358
11	0.916	49	0.595	86	0.318	122	0.493
12	3.291	50	0.368	87	0.272	123	0.440
13	4.040	51	0.671	88	0.325	124	0.440
14	0.814	52	0.604	89	0.268	125	0.597
15	1.228	53	0.504	90	0.314	126	0.526
16	3.775	54	0.832	91	0.298	127	0.998
17	35.915	55	158.093	92	0.529	128	7.225
18	0.886	56	5.722	93	0.332	129	11.286
19	0.961	58	1.223	94	0.390	130	75.510
20	0.904	59	0.942	95	0.293	131	9.982
21	0.827	60	0.633	96	0.354	132	5.395
22	0.863	61	0.778	97	0.298	133	0.671
23	2.423	62	0.915	98	0.332	134	1.823
24	2.253	63	1.092	99	0.457	135	1.011
25	0.944	64	0.279	100	0.289	136	0.322
27	2.677	65	0.935	101	0.336	137	0.231
28	0.090	66	0.691	102	0.502	138	0.356
29	0.436	67	0.834	103	0.298	139	0.047
30	9.227	68	1.110	104	0.332	140	0.063
31	0.307	69	0.441	105	0.318	141	0.040
33	8.584	70	0.445	106	0.298	TOTAL CALLED ACREAGE	644.828
34	0.288	71	0.960	107	0.498		
35	0.912	72	1.124	108	0.376		
36	1.416	73	1.182	109	0.373		
37	0.687	74	0.236	110	10.475		
38	7.604	75	0.662	111	0.425		