

**BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA**

<u>APPLICANT:</u>	CORTERRA ENERGY, LLC)	CAUSE CD NO.
<u>RELIEF SOUGHT:</u>	POOLING)	201702543-T
<u>LAND COVERED:</u>	SECTION 34, TOWNSHIP 6 NORTH, RANGE 9 EAST, HUGHES COUNTY, OKLAHOMA)	ORDER NO.
)	670767

ORDER OF THE COMMISSION

This cause came on for hearing before Curtis Johnson, Administrative Law Judge for the Corporation Commission, at 8:30 a.m., on the 11th day of July, 2017, Eastern Regional Service Office, Tulsa, Oklahoma.

Benjamin J. Brown, Attorney, appeared for the Applicant, **Corterra Energy, LLC**; and John C. Moricoli, Jr., Attorney, appeared for Silver Creek Oil & Gas LLC.

The Administrative Law Judge heard the cause and filed his report recommending that the Application be granted, which Report and recommendations are adopted by the Commission.

The Commission, therefore, finds as follows:

FINDINGS

1. That this is the application of **Corterra Energy, LLC**, for an order pooling oil and gas interests, designating the Applicant, or some other party as operator, and adjudicating the rights and equities of oil and gas owners described on Exhibit "A" attached hereto, in the Mississippian, Woodford, and Sylvan common sources of supply for the 640-acre drilling and spacing units consisting of Section 34, Township 6 North, Range 9 East, Hughes County, Oklahoma.

2. The Administrative Law Judge conducted an adjudicative inquiry into the sufficiency of the Applicant's search for the identity and whereabouts of those respondents whose addresses are unknown for service of process and could not be ascertained with due diligence. Upon an examination of the record and proof of publication, the Administrative Law Judge found the process to be proper. The Commission finds that the Applicant conducted a meaningful search of all reasonably available sources at hand to ascertain the whereabouts of those entitled to notice but who were served solely by publication. Notice has been given as required and the Commission has jurisdiction of the subject matter and the parties.

3. (A) The Corporation Commission has by Order No. 668980, established 640-acre horizontal drilling and spacing units for the Mississippian, Woodford, and Sylvan

common sources of supply underlying Section 34, Township 6 North, Range 9 East, Hughes County, Oklahoma.

(B) The Applicant is proposing to develop the 640-acre drilling and spacing units, by establishing two (2) pooled units defined below, with the intention of penetrating and/or evaluating the common sources of supply named hereinabove. The Applicant has requested from the Commission, in Cause CD No. 201702621-T, authority for a multi-unit horizontal well for the Mississippian, Woodford, and Sylvan common sources of supply in said Section 34 and in Section 3, Township 5 North, Range 9 East, Hughes County, Oklahoma. The initial horizontal well to be drilled under this Order is to be drilled as a multi-unit horizontal well. The initial request for the multi-unit horizontal well will be for 33% of the completion interval of such multiunit horizontal well to be allocated to said Section 34 and 67% of such completion interval to be allocated to said Section 3. However, the Final Order to be issued will specify the exact allocation of well costs and revenues between such units. That final allocation will be determined by the bottom hole survey to be run during the drilling of the well. The allocation in such Final Order will also control the rights and obligations of oil and gas owners made subject to this Order. The Sylvan associated common source of supply is included herein solely for the purpose of inadvertent penetration by a well drilled hereunder.

(C) The Applicant has named herein the Mississippian, Woodford, and Sylvan common sources of supply. The initial unit well is proposed as a multiunit horizontal well which will target the Woodford common source of supply. As a result, the Applicant proposes the establishment of two (2) separate pooled units. The first of those units, and that to be first developed by the initial multiunit horizontal well, will be denominated as the "Woodford Unit". That unit will consist of the Woodford common source of supply. The Mississippian common source of supply sits immediately above the Woodford common source of supply and the Sylvan common source of supply sits immediately below the Woodford common source of supply in Section 34. Therefore, the Woodford Unit will also incorporate the Mississippian and Sylvan common sources of supply as associated common sources of supply, but only for the purpose of inadvertent penetration during the drilling of a lateral targeting the Woodford common source of supply.

The second pooled unit will be denominated as the "Mississippian Unit". That second pooled unit will consist of the Shale Reservoir within the Mississippian common source of supply; and, the Woodford common source of supply as an associated common source of supply but only for the purpose of inadvertent penetration during the drilling of a lateral targeting the Mississippian common source of supply. The Applicant is actively evaluating the Mississippian common source of supply for the drilling of horizontal wells. There is ongoing development of both the Mississippian and Woodford common sources of supply in this area. The Applicant's land witness stated that it is the intention of the Applicant to diligently continue the drilling of Mississippian wells in this land and that it will prudently pursue such development subsequent to the initial development of the Woodford common source of supply.

(D) The owners subject to this order will be afforded the opportunity for separate election as between the Woodford and Mississippian Units. Provided, however, the order should also provide to any such owner the ability to expressly

waive their right to such separate elections in exchange for the payment of what will be defined below as the full cash bonus payment alternatives to be afforded such owners hereunder. Assuming an owner chooses to exercise the right to separate elections, an election not to participate in the development of the Woodford Unit will not deprive such owner of the opportunity to participate in the subsequent development of the Mississippian Unit. In addition, there will be an allocation of the cash bonus alternatives to be provided herein as more fully described below.

(E) The Applicant put on evidence of a fair method for allocating the cash bonus recommended as fair market value for the potential relinquishment of working interests in the Woodford Unit and the Mississippian Unit. In this area, the Woodford common source of supply is far more prolific than the Mississippian common source of supply. In the opinion of the Applicant the Woodford common source of supply has greater value. Accordingly, the Applicant recommended that in the event an owner chooses the right to a separate election, 90% of the total bonus consideration should be allocated to the Woodford Unit and 10% of the total bonus consideration should be allocated to the Mississippian Unit. Provided, as noted above each owner shall be given the opportunity to expressly waive their right to a separate election and elect to be paid the full bonus consideration. In that event, such owners shall be deemed to relinquish all of their working interest in the Woodford and Mississippian common sources of supply to the Applicant. As the Sylvan common source of supply is included herein solely for the purpose of inadvertent penetration by a well drilled to the Woodford common source of supply, the Applicant testified that no bonus consideration should be allocated to the Sylvan common source of supply.

4. At the hearing the following Respondents were dismissed:

No. 12	Corterra Energy, LLC
No. 14	David P and Linda C. Cranfield
No. 45	Marsha Hon
No. 58	Sara Frances Howell Trigg
No. 69	The James and Phyllis Lyons Family Trust
No. 78	The Yvonne Lyons Huser Irrevocable Trust dated 11/25/2005 Yvonne Huser, Trustee
No. 79	Tilford Pinson Exploration, LLC
No. 81	Triangle Royalty Corporation

5. That the Applicant is the owner of the right to drill into the common sources of supply named hereinabove, and has not agreed with all of the parties owning a similar right to develop their interests and the common source of supply named herein as a unit, and

the Commission should issue an order requiring such owners to pool and develop the common source of supply named herein as a unit.

6. The Applicant proposes to develop said common sources of supply as two (2) separate units and by the drilling of an initial well therein, and, to avoid the drilling of unnecessary wells and to protect correlative rights, all owners should be required to pool and develop the common sources of supply named herein, upon the terms and conditions set forth below, within the "Order" portion hereof, all of which are found hereby, after consideration of the substantial evidence presented in this cause, to be just and reasonable, and will afford each owner in the unit the opportunity to recover or receive without unnecessary expense its just and fair share of the production. The Applicant offered testimony which established that the terms offered as alternatives to participation were indicative of values associated with acquisition of rights to drill not only the initial well, but, also any well drilled subsequent thereto in the described units. The Applicant's witness stated that it was seeking an order which would provide for relinquishment of both the right to drill subsequent wells, and the working interest in such wells, by an owner who elects not to participate in the initial well drilled hereunder for each of the two (2) described units.

7. That in the interest of the prevention of waste and the protection of correlative rights, this application should be granted, and the rights of all owners pooled and adjudicated as one pooled unit.

8. That the Operator is the owner of the right to drill into the common source of supply named above, and has furnished the Oklahoma Corporation Commission with a Plugging Agreement and an appropriate Financial Statement, Surety Bond, Irrevocable Letter of Credit, Cash Deposit or Negotiable Instrument, as required by law and the rules of the Commission.

ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of the State of Oklahoma, as follows:

1. That the Applicant proposes to develop Section 34, Township 6 North, Range 9 East, Hughes County, Oklahoma, for the 640-acre drilling and spacing unit for the Mississippian, Woodford, and Sylvan common sources of supply, by the drilling of a multiunit horizontal well, or wells thereon, and to develop the common sources of supply above as a unit; and the rights and equities of oil and gas owners described on Exhibit "A" in the unit and common sources of supply covered hereby are pooled, adjudicated and determined. The Applicant has requested the Commission recommended authority for the initial multiunit horizontal well by the Interim Order to issue in cause CD No. 201702621-T. That well will have a portion of its completion interval in said Section 34; and, a portion of its completion interval in Section 3, Township 5 North, Range 9 East, Hughes County, Oklahoma. The Interim Order to issue in said Cause will estimate that 33% of the entire completion interval will be in Section 34, and, 67% of the completion interval will be in

Section 3. However, the actual allocation of such costs, production and proceeds may vary depending upon the results of the individual multi-unit horizontal well involved and will be determined by the Final Order.

The two (2) pooled units created by this order shall be as follows:

(A) The "Woodford Unit", consisting of the Woodford common source of supply; and the Mississippian and Sylvan common sources of supply, but only for the purpose of inadvertent penetration into the Mississippian and Sylvan during the drilling of a lateral in the Woodford common source of supply. The rights which will be relinquished by an owner in the Woodford Unit shall include all working interest rights in the Woodford common source of supply for all wells (vertical or horizontal) drilled hereunder, but only those working interests rights in the Mississippian and Sylvan common sources of supply within a multiunit horizontal well targeting the Woodford which inadvertently penetrates the Mississippian and Sylvan common sources of supply

(B) The "Mississippian Unit", consisting of the Mississippian common source of supply; and, the Woodford common source of supply, but only for the purpose of inadvertent penetration into the Woodford during the drilling of a lateral in the Mississippian common source of supply. The rights which will be relinquished by an owner in the Mississippian Unit shall include all working interest rights in the Mississippian common source of supply for all wells (vertical or horizontal) drilled hereunder, but only those working interest rights in the Woodford common source of supply within a multiunit horizontal well targeting the Mississippian which inadvertently penetrates that Woodford common source of supply.

2. (a) That estimated well costs for the initial horizontal well proposed hereunder are:

Completed as dry hole - \$1,681,721.00
Completed for production - \$4,500,412.00

As noted above, the Interim Order for drilling such multiunit horizontal well will be that 33% of the completion interval of said multi-unit horizontal well will be allocated to said Section 34 and 67% of said completion interval will be allocated to said Section 3, with the costs of and production and proceeds from such multi-unit horizontal well to be allocated between the affected units based on such percentages. However, the actual allocation of such costs, production and proceeds may vary depending upon the results of the individual multi-unit horizontal well involved. Owners electing to participate in the initial multi-unit horizontal well proposed hereunder will be required to pay their proportionate share of 33% of the estimated completed for production cost described above. Provided, however, after the entry of a Final Order, an adjustment of the allocation for costs, production and proceeds will be required depending upon the actual allocation provided for in said Order.

3. Any owner subject to this order who does not want to participate in unit development, but also does not wish to exercise their the right to a separate election between the Woodford Unit and the Mississippian Unit, **shall have the right to expressly waive that right by affirmatively electing under paragraph No. 5 (b) below.** The effect of that election shall be the relinquishment of all working interest in both the Mississippian and Woodford common sources of supply to the Applicant. In consideration of such express waiver of the right to a separate election such owner will be entitled to receive full bonus consideration for the alternatives to participation in unit development as follows:

(a) That a cash bonus of **\$600.00** per mineral acre owned by each such owner is a fair, reasonable, and equitable consideration to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the costs thereof. Such cash bonus when paid as set out in this Order, is satisfaction in full for all rights and interests of such owner, except for any normal 1/8th royalty interest as defined in 52 O.S. Section 87.1(e)(1971).

(b) That a cash bonus of **\$500.00** per mineral acre owned by each such owner, plus a proportionate share of an overriding or excess royalty of **1/16ths of 8/8ths**, is a fair, reasonable, and equitable consideration to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the costs thereof. Such cash bonus, plus the proportionate share of said overriding or excess royalty, when paid as set out in this Order, is satisfaction in full for all rights and interests of such owner, except for any normal 1/8th royalty interest as defined in 52 O.S. Section 87.1(e)(1971).

(c) That a cash bonus of **\$450.00** per mineral acre owned by each such owner, plus a proportionate share of an overriding or excess royalty of **7.5%** is a fair, reasonable and equitable consideration to be tendered unto each owner who elects not to participate in said development by paying such owner's proportionate part of the costs thereof. Such cash bonus, plus owner's proportionate share of said overriding or excess royalty is satisfaction in full for all rights and interests of such owner, except for any normal 1/8th royalty interest, as defined in 52 O.S. Section 87.1(e) (1971).

(d) For any owner of oil and gas interests subject to this order whose interest is subject to existing burdens in excess of a total of 1/5th (total royalty and excess or overriding) a bonus of **\$1.00** per mineral acre owned by each such owner is a fair, reasonable, and equitable consideration to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the costs thereof. Such cash bonus when paid as set out in this Order, is satisfaction in full for all rights and interests of such owner, except for any normal 1/8th royalty interest as defined in 52 O.S. Section 87.1(e)(1971).

4. **Any owner subject to this order shall have the right to a separate**

election as between the Woodford Unit and the Mississippian Unit. To exercise that right such owner shall affirmatively choose such separate election under the terms of Paragraph No. 5 (c) below. In that event, and assuming the initial election is not to participate in unit development, the bonus consideration to be paid by virtue of such an election shall result from the allocation of the full bonus described above in paragraphs Nos. 3 (a), (b), and (c) above among the Woodford Unit and the Mississippian Unit. That allocation shall be 90% of such full bonus allocated to the Woodford Unit; and, 10% of such full bonus allocated to the Mississippian Unit. By way of example, an owner who does not elect to waive its right to the separate election described herein, and desires to accept the highest cash bonus alternative for the Woodford Unit will receive 90% of the \$600.00 per net mineral acre described above in paragraph No. 3 (a).

5. That such owner of the right to drill in said Section 34 who has not agreed with the applicant to develop said unit and common sources of supply is accorded the following elections:

(a) To participate in the development of the Woodford Unit by agreeing to pay such owner's proportionate part of the actual cost of the development of that unit, and as to the initial well proposed hereunder, by paying, as set out herein, to Applicant such owner's proportionate part of the estimated completed for production cost thereof, as set out in paragraph 2(a) above, or by securing or furnishing security for such payment satisfactory to the Applicant. In all events, such owner's cost shall not exceed its proportionate part of the actual or the reasonable cost thereof which shall be determined by the Commission in the event there is a dispute as to such costs. The payment of such owner's proportionate part of the estimated completed for production cost, or the securing of such costs, or the furnishing of security therefore, as aforesaid, shall be accomplished within twenty-five (25) days from the date of this order, such owner's proportionate part of the cost of, and of the production from any wells drilled hereunder, to be in proportion to the number of acres such owner has in the Woodford Unit. As to such participating owner, and the oil and gas interest owned by such owner, the Commission retains continuing jurisdiction hereunder for the purpose of issuance of orders necessary to facilitate further development of the Woodford Unit. Provided, in the event an owner is required to make additional payments for well costs by virtue of an adjustment in the allocation factor in a Final Order authorizing a multi-unit horizontal well, such additional costs or refunds shall be paid within ten (10) days from the date such parties are notified by the Operator of the additional costs owed, or refunds due, by virtue of such adjustment.

(b) **Any owner who does not want to participate in the risk and expense of development of either the Mississippian Unit or the Woodford Unit and desires to receive full bonus consideration in exchange for relinquishment of all working interest in both the Mississippian and Woodford common sources of supply may expressly waive its right to a separate election between the Mississippian Unit and the Woodford Unit by affirmatively electing pursuant to this paragraph to accept one of the alternatives to participation described in paragraph Nos. 3 (a), (b), or (c) above. If such election is for one of the alternatives providing for cash bonus**

consideration such owner shall be entitled to the full bonus consideration selected. The result of such an election shall be the relinquishment of all working interests to the Applicant in both such common sources of supply. Any cash bonus owed by the Applicant as a result of an election under this paragraph shall be paid or tendered, if same can be paid or tendered, within thirty-five (35) days from the date of this Order.

(c) Any owner who chooses to preserve its right to separate elections between the Mississippian Unit and the Woodford Unit may elect to do so by electing in accordance with this Paragraph No. 5(c). The initial well to be drilled under this order is a multiunit horizontal well in the Woodford Unit. As a result, any such owner by electing under this Paragraph is electing to either participate in unit development of the Woodford Unit, or, electing to relinquish its working interest in only that Woodford Unit in exchange for the consideration offered under Paragraph Nos. 3 (a), (b), or (c) above. As noted above, the election under this paragraph for any alternative which provides for cash bonus consideration will result in receipt of 90% of the full cash bonus consideration selected. Any cash bonus owed by the Applicant as a result of an election under this paragraph shall be paid or tendered, if same can be paid or tendered, within thirty-five (35) days from the date of this Order. Any owner electing this alternative shall be deemed to have relinquished all of its working interest and right to drill in the Woodford Unit covered hereby as to the initial well proposed to be drilled hereunder and as to any wells drilled in the Woodford Unit subsequent thereto. The relinquished interest is to be owned by the Applicant, unless by virtue of agreement among the participating parties such interest is proportionately shared. The subsequent proposal of a well targeting the Mississippian Unit will be treated as a subsequent well under the terms of Paragraph No. 8 below.

PROVIDED, if any payment of bonus due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then said bonus shall be paid into an escrow account within ninety (90) days after the date of this Order and shall not be commingled with any funds of the Applicant or Operator. Any royalty payments or other payments due to such person shall be paid into an escrow account by the holder of such funds. Responsibility for filing reports with the Commission as required by law and Commission rule as to bonus, royalty or other payments deposited into escrow accounts shall be with the applicable holder. Such funds deposited in said escrow accounts shall be held for the exclusive use of, and sole benefit of, the person entitled thereto. It shall be the responsibility of the Operator to notify all other holders of this provision and of the Commission rules regarding unclaimed monies under pooling orders.

PROVIDED, if any payment of bonus due and owing under this Order cannot be made for any other reason, including, but not limited to, a valid title dispute raised by an Attorney, then such

bonus shall be paid into an escrow account and shall not be commingled with any funds of the Applicant or Operator. Any royalty payments or other payments due to such person shall be paid into an escrow account by the holder of such funds.

PROVIDED, however, in the event the oil and gas interest of any owner is subject to any royalty, overriding royalty or other payments out of production which will create a burden on such interests, in excess of the normal 1/8 royalty defined above, then such excess royalty, overriding royalty or other payment out of production should be charged against the overriding royalty as hereinabove set forth, and the same should be reduced by the amount of any such excess.

PROVIDED, further, in the event the oil and gas interest of any owner electing an alternative to participation in the drilling of a well under this order is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(a) above, then such owner shall be limited to the alternatives set out in paragraphs 3(b), and 3(c) above. **Provided**, further, in the event the oil and gas interest of any owner electing an alternative to participation in the drilling of a well in the unit is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(b), then such owner shall be limited to the alternative set out in paragraphs 3(c) and 3(d) above. **Provided**, further, in the event the oil and gas interest of any owner electing an alternative to participation in the drilling of a well in the unit is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(c), then such owner shall be limited to the alternative set out in paragraph 3(d) above.

6. That each owner subject hereto may make any of the elections provided herein as to all or any part of the interest of such owner in the unit and must give notice as to which of the elections stated in paragraph 3(a), 3(b), and 3(c) such owner accepts.

7. That each owner of the right to drill in said Section 34 in the described common source(s) of supply covered hereby who has not agreed to develop said common sources of supply shall be required to elect to either participate in the risk and expense of unit development or to select an alternative thereto as outlined above. Said election is to be made to the Applicant, in writing, within twenty (20) days from the date of this Order.

In the event any such owner fails to elect within the time and in the manner as set out above which of the alternatives set forth above any such owner accepts, then such owner is deemed to have elected to accept the right to the separate election between the Mississippian Unit and the Woodford Unit described above. In such event, that owner shall be deemed to have taken the alternative provided in paragraph 5(c) hereinabove as regards a separate election in the Woodford Unit, including the reduction in cash bonus as described herein. PROVIDED, however, if the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(a) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(b) above (subject to the 90% allocation described above). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(b) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(c) above (subject to the 90% allocation described above). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(c) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(d) above (subject to the 90% allocation described above). In the event any owner elects to do other than participate in the initial well proposed to be drilled in the Woodford Unit by paying its proportionate share of the costs thereof (and has not elected to waive their right to the separate election described above), or fails to make any election provided above, such owner shall be deemed to have relinquished unto Applicant all of such owner's right, title, interest, or claim in such well, and any well drilled subsequent thereto in that Woodford Unit, except for any normal 1/8th royalty interest, defined above, or other share in production to which such owner may be entitled by reason of any election hereunder.

8. If the Applicant proposes to drill a well, or conduct an operation, subsequent to the initial well drilled hereunder into that Woodford Unit, it shall mail a written proposal of that operation to each owner subject hereto who participated in the cost and expense of drilling said initial well. That proposal shall specify the location, estimated cost and estimated total depth of the proposed subsequent operation. The owners to whom such proposal is mailed shall have twenty (20) days from their receipt of that proposal within which to elect in writing to the Applicant whether they elect to participate in the cost of such subsequent operation; or, in the alternative, to elect one of the alternatives to participation set out in 3(a), 3(b), or 3(c) above. In that event, and if an election, or deemed election, is made for cash bonus consideration that owner shall be entitled to receive 90% of the full cash bonus described in those paragraphs.

As regards the Mississippian Unit, if the Applicant proposes to drill a well, or conduct an operation in the Mississippian Unit, any such well will be treated as a subsequent well hereunder. In that event, the Applicant shall mail a written proposal of that operation to each owner subject hereto who did not waive their right to the separate election provided above. That proposal shall specify the location, estimated cost and

estimated total depth of the proposed subsequent operation in the Mississippian Unit. The owners to whom such proposal is mailed shall have twenty (20) days from their receipt of that proposal within which to elect in writing to the Applicant whether they elect to participate in the cost of such well or operation in the Mississippian Unit; or, in the alternative, to elect one of the alternatives to participation set out in 3(a), 3(b), or 3(c) above. In that event, and if an election, or deemed election, is made for cash bonus consideration that owner shall be entitled to receive 10% of the full cash bonus described in those paragraphs.

An owner electing to participate in any proposed subsequent operation shall pay to the Applicant its share of completed for production costs within five (5) days following expiration of the twenty (20) day election period provided in the preceding paragraphs.

If an owner fails to make a written election in response to the proposal of a subsequent operation in the Mississippian Unit; or, after electing to participate, fails to pay the Operator its share of completed for production costs within the five (5) day period provided above, such owner shall be deemed to have taken the alternative provided in Paragraph 3(a) above (subject to the 10% allocation described above). PROVIDED, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(a) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(b) above (subject to the 10% allocation described above). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(b) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(c) above (subject to the 10% allocation described above). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(c) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(d) above (subject to the 10% allocation described above). If the Applicant is required to make a payment of cash bonus under the terms of this Paragraph No. 8, such payment shall be made by the Applicant within thirty-five (35) days from the date of the subsequent well proposal for the Mississippian Unit.

An owner who elects not to participate in the cost and expense of any proposed subsequent operation, or who is deemed not to participate, shall relinquish all of its working interest and right to drill in the Mississippian Unit and/or Woodford Unit, whichever is applicable, as to the proposed subsequent operation and as to any operations performed or wells drilled subsequent thereto. The relinquished interest is to be owned by the Applicant, unless by virtue of agreement among the participating parties such interest is proportionately shared.

The proposed subsequent operation shall be commenced within 180 days from the date of the written proposal of that operation, and shall be diligently prosecuted to completion. If said operation is not commenced within the 180-day period, the rights relinquished by owners under this Paragraph No. 8 as a result of said proposal shall be revested in those owners.

For purposes of this Paragraph No. 8, any owner who participates in the risk and expense of a well drilled under this order shall notify the Applicant of any assignment or transfer of its interest in the drilling and spacing unit. The Applicant shall then be obligated to mail the written proposal described above to that assignee, or transferee.

The term "subsequent well" or "subsequent operation" for purposes of this paragraph shall not include any side-tracking or other operation with respect to the initial or any subsequent well, and shall not include any well that is drilled as a replacement or substitute well for the initial or any subsequent well covered hereby, by virtue of any mechanical or other problems arising directly in connection with the drilling, completing, equipping or producing of any such well, and no party subject to this Order shall have the right to make any subsequent elections as to any such side-tracking, replacement well, or substitute well.

9. That Operator, in addition to any other rights provided herein, shall have a lien, as set out in 52 O.S., Section 87.1(e)(1971), on the interest of any owner subject to this Order, who has elected to participate in any well drilled hereunder by paying such owner's proportionate part of the costs thereof. Such lien shall be upon any such owner's share of the production from the appropriate unit to the extent that costs incurred in the development and operation upon such unit are charged against such interest by order of the Commission or by operation of law. The owner, or owners, drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to production from such well which would be received by the owner or owners for whose benefit the well was drilled or operated, after payment of royalty, until the owner or owners drilling or operating the well have been paid the amount due under the terms of this Order.

10. In the event any owner elects to participate in a well drilled hereunder by paying its proportionate part of the costs and fails or refuses to pay or to secure the payment of such owner's proportionate part of the completed for production cost thereof; or, fails or refuses to pay or make any arrangements satisfactory to the Applicant for the payment thereof, all within the periods of time as prescribed in this order, then such owner is deemed to have taken the alternative provided in paragraph 3(a) above (subject to the allocation factor for cash bonus consideration as between the Mississippian Unit and the Woodford Unit). PROVIDED, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(a) above, the owner of any such interest shall be deemed to have taken the alternative

provided in paragraph 3(b) above (subject to the allocation factor for cash bonus consideration as between the Mississippian Unit and the Woodford Unit). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(b) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(c) above (subject to the allocation factor for cash bonus consideration as between the Mississippian Unit and the Woodford Unit). Provided, however, in the event the oil and gas interest of any such owner is subject to any royalty, overriding royalty or other payments out of production which create a burden on such interest in excess of the burdens set out in paragraph 3(c) above, the owner of any such interest shall be deemed to have taken the alternative provided in paragraph 3(d) above (subject to the allocation factor for cash bonus consideration as between the Mississippian Unit and the Woodford Unit). Thereupon, and if the Applicant is required to make a payment of cash bonus under the terms of paragraph 3(a), 3(b), 3(c), or 3(d) above, such payment shall be made by the Applicant within thirty-five (35) days after the last day of which such defaulting owner, under this Order, should have paid its proportionate part of such costs or should have made satisfactory arrangements for the payment thereof.

11. That:

**Corterra Energy Operating, LLC
1717 South Boulder Avenue
Suite 900
Tulsa, Oklahoma 74119
(918) 615-0400**

is designated as Operator of both the Mississippian Unit and Woodford Unit, and all common sources of supply named herein and the well, or wells, drilled hereunder. All elections must be communicated to Applicant at the address above as required in this Order. Applicant shall be required to pay all bonuses which may become due and payable under the terms of this Order.

12. That the Operator has commenced drilling the initial horizontal well proposed hereunder, and will diligently prosecute the same to completion in a reasonably prudent manner, or this Order shall be of no force and effect, except as to the payment of bonuses hereunder.

13. The payment of cash bonus and royalty hereunder is subject to Operator's receipt of a fully completed and executed Internal Revenue Service Form W-9 by the applicable respondent.

14. That the Applicant or its attorney shall file with the Secretary of the

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Commission, within ten (10) days from the date of this order, an Affidavit stating that a copy of said Order was mailed within three (3) days from the date of this Order to all parties pooled by this order, whose addresses are known.

CORPORATION COMMISSION OF OKLAHOMA

Dana L. Murphy

DANA L. MURPHY, Chairman

J. Todd Hiatt

J. TODD HIATT, Vice Chairman

Bob Anthony

BOB ANTHONY, Commissioner

DONE AND PERFORMED THIS 5 DAY OF Dec, 2017.

BY ORDER OF THE COMMISSION:

Peggy Mitchell
PEGGY MITCHELL, Secretary of the Commission

APPROVED AS TO CONTENT AND FORM:

[Signature]
ATTORNEY FOR APPLICANT

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

Curtis M. Johnson
Curtis Johnson,
Administrative Law Judge

11-22-17
Date

Kathleen M. McKernan
Technical Review

11/22/17
Date

EXHIBIT "A"

Listed below are all owners of oil and gas interests subject to this Pooling Order:

1. Alf Key, Jr., a/k/a Alfred B. Key, Jr.
18462 Cherry Creek Road
Grass Valley, CA 95949-8335
bad address
2. Barbara N. Branstetter
4524 Hoffman Road
Little Rock, AR 72209
3. Betty Hoffman Wright
5411 Young Road
Little Rock, AR 72209
4. Bill and Norma Brewer, JT
2107 Grisso Drive
Seminole, OK 74868
5. Bill Russel
3219 Millmar Drive
Dallas, TX 75228-3539
bad address
6. Brian Hansen, a/k/a Brian Edward Hansen
3653 Briargrove Lane #1121
Dallas, TX 75287
7. Carlotta Key Carr
1642 Bois d'Arc Pl
Corpus Christi, TX 78416
8. Cherokee Telephone Company
P.O. Box 445
403 N. Service Road
Calera, OK 74730
9. Christine West, a/k/a Christine K. West
P.O. Box 153
Atwood, OK 74827
bad address
10. Cletus Key
P.O. Box 3519
Culver City, CA 90231
11. Clyde Joseph Ritter, a/k/a C.J. Ritter
Ritterc/o Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
mailing refused
12. **Dismissed**
13. David H. George
1901 Yavapai
Kingman, AZ 86401
14. **Dismissed**
15. Denita Ann Ritter
c/o Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
mailing refused
16. Dianne Bratcher
Rt. 1
Atwood, OK 74827
17. Dorothy Claudine Michalski
c/o Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
mailing refused
18. Earl Bates, a/k/a W. Earl Bates
807 N. Logan Avenue
Colorado Springs, CO 80909
bad address
19. Ed Adams
4227 N 375
Atwood, OK 74827

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20. Elizabeth Sue Getz and Jack David Getz
4501 Buena Vista Drive
Las Vegas, NV 89103
bad address
21. Ella Jeannette Grissom, a/k/a Jeanette Grissom
c/o Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
mailing refused
22. Frank Howell
c.o William Franklin Howell
254 Bryn Mawr Circle
Houston, TX 77024
no evidence of receipt of certified mailing
23. George W.C. Key
3408 Caldwell Drive
Bakersfield, CA 93309-6295
bad address
24. Glen D. Lively and Carolyn Lively
P.O. Box 103
Atwood, OK 74827
25. H. H. Darks or his successors-in-interest
2620 SW 138th Street
Oklahoma City, OK 73170
26. H.A. Howell
C/O William Frank Howell
254 Bryn Mawr Circle
Houston, TX 77024
no evidence of receipt of certified mailing
27. Hall Production Co., L.C.
Trust Company of Oklahoma, Agent
P.O. Box 3627
Tulsa, OK 74101-3627
28. Jack Stanley Dennis
9305 Braun Road
Cross Plain, WI 53528
29. Jake and/or Janie Bevelhymer
11629 SW 4th St
Yukon, OK 73099
no evidence of receipt of certified mailing
30. Jane A. Hoffman Warren
26 Tallyho Lane
Little Rock, AR 72227
31. Jean Russel Smith
1434 Lochspring Dr
Rockwall, TX 75032
32. Jim Lively & Regina Lively
P.O. Box 44
Atwood, OK 74827
33. Jimmy L. Sill
1654 S. Main Street
Blackwell, OK 74631
34. Joe M. Hartsell
512 Pioneer St
Santa Maria, CA 93454
bad address
35. John H. George
7040 Avenue Encinas
Carlsbad, CA 92011
bad address
36. Kenna L. Key
c/o George W.C. Key
3408 Caldwell Dive
Bakersfield, CA 93309-6295
bad address
37. Kenneth R. Brewer
C/O Reva A. Carter Dockrey
P.O. Box 131
Calvin, OK 74531
bad address

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38. Kenneth Ray Key
1010 SW Jefferson Avenue
Lawton, OK 73501-7418
bad address
39. Lena Darks
c/o Maxwell Darks
313 SW 103rd
Oklahoma City, OK 73139
no evidence of receipt of certified mailing
40. Leon S. Hoffman
5600 Patterson Road
Little Rock, AR 72209
41. Linda Ruth Pulvirent
PO Box 177
Mabelvale, AR 72103
42. Lowell W. Wilkerson
Box 5
Atwood, OK 74827
bad address
43. Mad Dog Investments, LLC
244 N. 4395
Pryor, OK 74361
44. Mark Meier, d/b/a/MSO Oil & Gas Co.
P.O. Box 21585
Oklahoma City, OK 73156
bad address
45. **Dismissed**
46. Marvin M. and Joyce A. Sells
4227 N. 375 Rd.
Atwood, OK 74827
47. Mary Jo Carlson
1212 Willow Tree Lane
Seminole, OK 74868
bad address
48. Max Darks a/k/a Maxwell Dark, a/k/a
Herbert Maxwell Darks
313 S.W. 103rd
Oklahoma city, OK 73139
no evidence of receipt of certified mailing
49. Mildred M. White
3002 N. Cleveland
Enid, OK 73703
bad address
50. Norman Elms
1914 N. Hancock
Odessa, TX 79761-1270
51. Patricia J. McMahan
4055 Highway 48
Atwood, OK 74827
52. Phillip L Burk
C/O Reva A. Carter Dockrey
P.O. Box 131
Calvin, OK 74531
bad address
53. Prudie Burrow, a/k/a Flora Prudie
Burrow
c/o Patricia Joe Acree
4668 Butler
Haynesville, LA 71038
bad address
54. Reva A. Carter Dockrey
P.O. Box 131
Calvin, OK 74531
bad address
55. Robert E. King & Nomah K. King
P.O. Box 43
Atwood, OK 74827
56. Ruth Hoffman
c/o Bob Leslie
P.O. Box 7485
1910 N. Grant, Suite 202
Little Rock, AR 72207
bad address

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57. Sally Gordon
1729 South Denver Ave #102
Tulsa OK 74119
58. **Dismissed**
59. Scott Mills
Rt. 1 Box 62
Wetumka, OK 74883
bad address
60. Stephanie K. Erickson now
Gulbronson
414 Turnberry Dr.
Norwalk, LA 50211
61. Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
62. Sue Reeves
WC 215
13645 Redbud Drive
Fayetteville, AR 72704
63. Suzanne McFadden Crabtree
4803 S. 69 E. Avenue
Tulsa, OK 74145
64. Terry Sells
Rt. 1
Atwood, OK 74827
65. The Gale F. Pryor Trust
Gale F. Pryor, Trustee
P.O. Box 710
Holdenville, OK 74848
66. The George Family Revocable Trust
David Holman George & Christine
Lee George, Trustees
1901 Yavapai
Kingman, AZ 86401
67. The George Family Trust
John H. George & Treva C. George
PMB 351
7040 Avenue Encinas
Carlsbad, CA 92011
bad address
68. The House Family Catastrophic
Illness Trust, Jennifer A. Brodziak,
Trustee
C/O Terry Jo House
4442 NW 59th
Oklahoma City, OK 73112
69. **Dismissed**
70. The known and unknown heirs of
Doris Darks Mullenix, deceased.
c/o Doris June Mosley
6620 Morning Glory Drive
Stedman, NC 28391
71. The known and unknown heirs of
Herman L. Youmans
c/o Farmers & Merchants Trust
Company, Executor of the Estate of
Herman L. Youmans, deceased
302 Pine Avenue
Long Beach, CA 90802
72. The known and unknown heirs of
Lorene Key Elms, deceased
1914 North Hancock
Odesa, TX 79761-1270
73. The known and unknown heirs of
Neola Key Barber , deceased
19139 A. Avenue of the Oaks
Newhall, CA 91321
mailing refused
74. The known and unknown heirs of
V.W. Pryor, a/k/a Victor W. Pryor
c/o Victor W. Pryor, Jr.
P.O. Box 898
Holdenville, OK 74848

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75. The known and unknown heirs of
Wilbanks Harrison, deceased
c/o Bailey W. Harrison
215 E. Choctaw Avenue, #122
McAlester, OK 74501
76. The known and unknown heirs of
William T. Key, deceased
c/o George W. C. Key
2311 Bedford Way
Bakersfield, CA 93308
77. The Patsy C. Black Revocable Inter
Vivos Trust u/k/a/4/5/1995
Patsy C. Black, Trustee
C/O Hilda Wilderson
4816 Deer Creek
Yukon, OK 73099
78. **Dismissed**
79. **Dismissed**
80. Town of Atwood, Oklahoma
c/o Wanda Frederick, Town Clerk
P.O. Box 1
Atwood, OK 74827
81. **Dismissed**
82. Valerie Michalski Smith
c/o Stephen Lane Ritter
4279 North 379 Road
Atwood, OK 74827
mailing refused
83. Warrior Oil & Gas, LLC
P.O. Box 895
Edmond, OK 73083
84. Willard Darks
c/o Maxwell Darks
2620 SW 138th St
Oklahoma City, OK 73170
85. William Frank Howell
254 Bryn Mawr Circle
Houston, TX 77024
**no evidence of receipt of certified
mailing**
86. Arthur L. Irwin
Address unknown
87. Beulah Irwin Bowlin, a/k/a Bulah Irwin
Bowlin
Address Unknown
88. Brunetta White, deceased
Address Unknown
89. C.C. Key
Address unknown
90. Chandos Carder
Address Unknown
91. Clarice Carder Auten
Address unknown
92. Dona Mae Irwin Kennedy
Address Unknown
93. Donald R. Irwin
Address unknown
94. Erol Carder
Address Unknown
95. Glen R. Day
Address unknown
96. Herman Hoyte Irwin
Address Unknown
97. Hulet Irwin
Address unknown
98. J. R. Moore
Address unknown
99. J.C. Ritter
Address Unknown

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- | | | | |
|------|--|------|---|
| 100. | James A. Irwin
Address unknown | 115. | The known and unknown heirs of
Gayle Key Witt, a/k/a Gayle Key
Brooks
Address unknown |
| 101. | James D. Irwin
Address unknown | 116. | The known and unknown heirs of
J.A. Irwin
Address unknown |
| 102. | Jesse D. Irwin and Ruby P. Irwin,
HWJT
Address unknown | 117. | The known and unknown heirs of
Silvia Key, deceased
Address unknown |
| 103. | Joe S. and Mary W. Dennis
Address Unknown | 118. | Treva Carder Auten
Address Unknown |
| 104. | K.V. Love
Address unknown | 119. | Vesta Patterson
Address Unknown |
| 105. | Kathleen Rieff
Address Unknown | | |
| 106. | Lorene Irwin Notely
Address unknown | | |
| 107. | Mabel L. Irwin Spray
address unknown | | |
| 108. | Mary Irwin Wilkerson
Address unknown | | |
| 109. | Maurice Carder
Address Unknown | | |
| 110. | Opal K. Larrick, a/k/a Opal
Larrick
Address unknown | | |
| 111. | R. D. Warnock
Address Unknown | | |
| 112. | Ray Irwin
Address Unknown | | |
| 113. | Ruby Irwin Huffman
Address unknown | | |
| 114. | The known and unknown heirs of
Alf B. Key, a/k/a Alfred B. Key,
deceased
Address unknown | | |