

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

<u>APPLICANT:</u>	CORTERRA ENERGY, LLC)	CAUSE CD NO.
<u>RELIEF SOUGHT:</u>	POOLING)	201702544-T
<u>LAND COVERED:</u>	SECTION 3, TOWNSHIP 5 NORTH,)	ORDER NO.
	RANGE 9 EAST, HUGHES COUNTY,)	670768
	OKLAHOMA)	

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 3, Township 5 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 3, Township 5 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 3 and in Section 34, Township 6 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 3. 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. 3	Area Royalty, Ltd.
No. 78	Tilford Pinson Exploration, LLC
No. 80	Vera Fream
No. 83	Wacker-Ewert Interests, LLC

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 3, Township 5 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 3; and, a portion of its completion interval in Section 34, Township 6 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 interest 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 3 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 3 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 Commission, within ten (10) days from the date of this order, an Affidavit stating that a

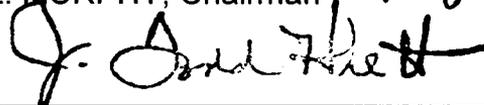
POOLING - CAUSE CD NO. 201702544-T
SECTION 3-5N-9E, HUGHES COUNTY, OKLAHOMA
CORTERRA ENERGY, LLC

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.

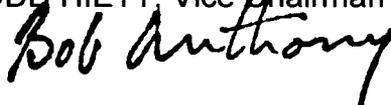
CORPORATION COMMISSION OF OKLAHOMA



DANA L. MURPHY, Chairman



J. TODD HIATT, Vice Chairman



BOB ANTHONY, Commissioner

DONE AND PERFORMED THIS 5 DAY OF December, 2017.

BY ORDER OF THE COMMISSION:


PEGGY MITCHELL, Secretary of the Commission

APPROVED AS TO CONTENT AND FORM:

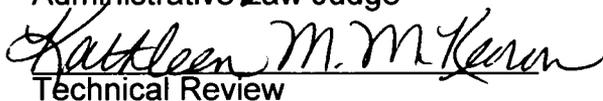

ATTORNEY FOR APPLICANT

REPORT OF THE ADMINISTRATIVE LAW JUDGE

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


Curtis Johnson,
Administrative Law Judge

11-22-17
Date


Kathleen M. McKern
Technical Review

11/22/17
Date

EXHIBIT "A"

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

1. Alice Badger Dangott Trust, and the Trustee of such trust
c/o Bank of Oklahoma
P.O. Box 1588
Tulsa, OK 74101
no evidence of receipt of certified mailing
2. Andrew M. Darks
819 Clement Dr.
Norman, OK 73069
3. **Dismissed**
4. Badger Royalty Company
c/o Bank of Oklahoma
P.O. Box 1588
Tulsa, OK 74101
no evidence of receipt of certified mailing
5. Beecher L. Fream
c/o Janet Herron
10201 Shadowview Dr.
Oklahoma City, OK 73159
6. Beecher L. Fream
c/o Janet Herron
716 SW 35th St.
Oklahoma City, OK 73109
bad address
7. Beecher L. Fream
c/o Sandra Hunter
4757 Newport Dr.
Oklahoma City, OK 73115
8. Benco Energy, Inc.
c/o Norman Foreman
P.O. Box 29
Ft. Worth, TX 76101
9. Betty J. Whitton
717 N. Burns
Holdenville, OK 74878
10. Celeste Ann Thomas
RR 2, Box 21
Ringwood, OK 73768
bad address
11. Clement Davis
c/o Donna Evans
P.O. Box 515
Bells, TX 75414
12. Clement Davis
c/o Victor R. Davis
8613 Alicia Street
Philadelphia, PA 19115
13. Cobra Petroleum Company
P.O. Box 136355
Ft. Worth, TX 76136
14. Corterra Energy, LLC
1717 S. Boulder, Ste. 900
Tulsa, OK 74119
15. Dana W. Waggoner
c/o Betty J. Whitton
717 N. Burns
Holdenville, OK 74878
16. Darrel Whitton
717 N. Burns
Holdenville, OK 74878
17. DGB Corp.
P.O. Box 1270
Graham, TX 76450

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18. Doris Reynolds
c/o Shawn Reynolds
8309 Bowden Way
Windermere, FL 34786
19. Dorothy F. Goodin Loving Trust, and
the Trustee of such trust
1109 Myrtle Drive
Edmond, OK 73034
bad address
20. Earl Davis
c/o Robert Lindley
915 Lufbery Circle
Williamson, GA 30292
21. Earl J. Evans
c/o Winifred J. Evans
915 Sunset Dr.
Wewoka, OK 74884
bad address
22. G.F. Wacker
c/o Wacker-Ewert Interest, LLC
P.O. Box 1070
Pauls Valley, OK 73075
23. Gary C. Whitton
c/o Betty J. Whitton
717 N. Burns
Holdenville, OK 74878
24. Georgia L. Davis
c/o Robert Lindley
915 Lufbery Circle
Williamson, GA 90292
25. Goldie Henson
1813 E. Chaparral Lane
Edmond, OK 73013
26. Goldie Henson
c/o Jane Flanery
2740 Tealwood Drive
Oklahoma City, OK 73120
bad address
27. Goldie Henson
c/o Nancy Sexton
301 Dennis St., Trailer 183
Edmond, OK 73003
**no evidence of receipt of certified
mailing**
28. Goldwater Resources, LLC
4279 N. 375 Rd.
Atwood, OK 74827
29. Great Sky Partners, LLC
12316 N. May Ave.
Oklahoma City, OK 73120
30. Harold Scott
c/o Marvin Porter
1606 Fairway Circle
Garland, TX 75043
bad address
31. Harry Sipe
c/o Andrew M. Darks
819 Clement Dr.
Norman, OK 73069
32. Hundley Royalty Company, LLC
717 NW 40th St.
Oklahoma City, OK 73118
33. IOG Hughes Falcon, LLC
2911 Turtle Creek Blvd., Suite 900
Dallas, TX 75219
34. Jack E. Fream
c/o Vera Jean Fream
33242 Cardinal Dr.
Afton, OK 74331
35. Jane Flanery
2740 Tealwood Drive
Oklahoma City, OK 73120
bad address
36. Janet Herron
10201 Shadowview Drive
Oklahoma City, OK 73159

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37. Jennifer Roberts
2848 S. Grape Way
Denver, CO 80222
38. Jewell Chesnutt
2628 N Ann Arbor, Unit 103
Oklahoma City, OK 73127
39. Jewell Chesnutt
c/o Monte Chesnutt
4019 SE Bedford Cir
Lawton, OK 73501
40. John Sherry
1130 E. Main St.
Holdenville, OK 74848
bad address
41. John Sherry
c/o Bob Sherry
7670 E. 141 Road
Atwood, OK 74827
42. John Weldon Hundley Testamentary
Trust, and the Trustee of such trust
6101 N. Santa Fe Ave.
Edmond, OK 73025
43. Joseph Franklin Eurton
10030 Winterthur Ct.
Highlands Ranch, CO 80129
**no evidence of receipt of certified
mailing**
44. Julia Schweitzer
24716 El Sebo Place
Ramona, CA 92065
bad address
45. Julia Schweitzer
63264 E. Harmony Dr.
Tucson, AZ 85739
46. Julie Schroder
1011 Overland Ct.
Shawnee, OK 74801
bad address
47. L.A. Crum
777 Kapiolani Blvd
Apt 3212
Honolulu, HI 96813
48. Laura Joan Dangott Trust, and the
Trustee of such trust
c/o Bank of Oklahoma
P.O. Box 1588
Tulsa, OK 74101
**no evidence of receipt of certified
mailing**
49. Leon H. Akins
c/o Shirley Jane Dossett
119 S. Lowe
Holdenville, OK 74848
bad address
50. Liberty Energy, LLC
175 Berkeley St., Mail Stop 18K
Boston, MA 02116
51. Lusenda Renee Tomlinson-Bullard
Revocable Trust dated December 26,
2007
P.O. Box 188
Tupelo, OK 74572
52. M.J. Ewert
P. O. Box 1070
Pauls Valley, OK 73075
53. Manvel Avenue Christian Church of
Chandler
614 Manvel Ave.
Chandler, OK 74834
54. Manvel Avenue Christian Church of
Chandler
P.O. Box 218
Chandler, OK 74834
55. Marvin Porter
1606 Fairway Circle
Garland, TX 75043
bad address

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56. Mary Beth Pate
550 E. Ann Arbor Ave., Unit 45
Dallas, TX 75216
57. Mary Beth Pate
4101 Leadville Place
Addison, TX 75001
58. Mary Dilbeck
c/o Bob Sherry
7670 E. 141 Road
Atwood, OK 74827
59. Monte Chesnutt
4019 SE Bedford Cir
Lawton, OK 73501
60. Nancy Sexton
301 Dennis St., Trailer 183
Edmond, OK 73003
no evidence of receipt of certified mailing
61. Opal Austin 1984 Trust, and the Trustee of such trust
6709 Avondale Drive
Nichols Hills, OK 73116
62. Phyllis Jeann Euron
10030 Winterthur Ct
Highlands Ranch, CO 80129
no evidence of receipt of certified mailing
63. Robert Lindley
915 Luftbery Circle
Williamson, GA 90292
64. Ruby Irwin
c/o Dorothy Douglas
2412 N. Key Boulevard
Midwest City, OK 73110
bad address
65. Sadie Wood
1530 Bethlehem Rd.
Allen, TX 75002
bad address
66. Sadie Wood
P.O. Box 27663
Tulsa, OK 74149
bad address
67. Saint Oil Company
6050 Southwest Blvd, Ste. 210
Ft. Worth, TX 76109
68. Samuel A. Irwin, deceased
c/o Dorothy Douglas
2412 N. Key Boulevard
Midwest City, OK 73110
bad address
69. Sandra Fream Hunter
4757 Newport Drive
Oklahoma City, OK 73115
70. Scott Family Trust, and the Trustee of such trust
9378 Arlington Expressway #115
Jacksonville, FL 32225
71. Seth F. Russell
74 Katherine St.
Port Allegany, PA 16743
72. Silver Creek Oil & Gas, LLC
5525 N. MacArthur Blvd., Ste. 775
Irving, TX 75038
73. Southwest Petroleum Company
P.O. Box 702377
Dallas, TX 75370
74. Steven G. Whitton
c/o Betty J. Whitton
717 N. Burns
Holdenville, OK 74878
75. TBL Investments
9400 Private Drive 3903
St. Joseph, MO 64505

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76. The Robert M. Jeter Family Trust
dated June 30, 2015, Robert M.
Jeter, Trustee
P.O. Box 1526
Ada, OK 74820
77. Theresa Rushing Akins
c./o Shirley Jane Dossett
119 S. Lowe
Holdenville, OK 74848
bad address
78. **Dismissed**
79. Tony George Chesnutt
212 Cherokee Dr.
Yukon, OK 73099
80. **Dismissed**
81. W.C. Jackson
c/o Jerry W. Kelly
3812 Consolvo Drive
Flower Mound, TX 75028
82. W.N. Bartlett Joint Venture
200 W. Douglas, Ste. 1150
Wichita, KS 67202
83. **Dismissed**
84. William C. Ford
39 Azure Lake Ct
Katy, TX 77494
**no evidence of receipt of certified
mailing**
85. Wilma Jean Price Rev. Trust dtd
12/18/98, and the Trustee of such
trust
6301 Waterford Blvd, Suite 120
Oklahoma City, OK 73118
86. Winifred J. Evans, dec.
c/o Mark Phelps
PO Box 152
416 N. Main
Seminole, OK 74818
87. C. H. West
Address Unknown
88. Edith West
Address Unknown
89. G. W. Hatfield
Address Unknown