BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT:	CHAPARRAL ENERGY, L.L.C.	)
		)
RELIEF SOUGHT:	POOLING	) CAUSE CD NO. 201306282
		)
LEGAL DESCRIPTION:	SECTION 12, TOWNSHIP 27 NORTH, RANGE 16 WEST, WOODS COUNTY, OKLAHOMA	)) ORDER NO. **618226**)

ORDER OF THE COMMISSION

1. Hearing Date and Place: 8:30 a.m., October 21, 2013, Jim Thorpe Building, 2101 N. Lincoln Boulevard, Oklahoma City, OK 73105.

2. Appearances: **GREGORY L. MAHAFFEY**, Attorney, appeared for Applicant.

3. Notice and Jurisdiction: Notice has been given as required and the Commission has jurisdiction of the subject and persons. The Commission has conducted a judicial inquiry into the sufficiency of Applicant's search to determine the names and whereabouts of respondents served herein by publication, and based on the evidence adduced, the Commission finds that Applicant, the owner of oil and gas leasehold interests within the lands described in the caption hereof, has exercised due diligence and has conducted a meaningful search of all reasonably available sources at hand. The Commission approves the publication service given herein as meeting statutory requirements and the minimum standards of state and federal due process so that notice has been given in all respects as required by law and by the rules of the Commission.

4. Amendment: NONE.

5. Relief Requested: To pool and adjudicate the rights and equities of the owners named on Exhibit "A" in the Mississippian common source of supply underlying Section 12, Township 27 North, Range 16 West, Woods County, Oklahoma, and to designate Applicant or some other party as Operator.

6. Relief Granted: The requested relief is granted and the rights and equities of all owners named in Exhibit "A" attached hereto are hereby pooled, adjudicated, and determined in the lands described in the caption hereof for the common sources of supply as indicated:

Common Source of Supply	Size of Unit	Order No.
Mississippian	640-acre	615194

Said owners named in Exhibit "A", attached hereto, are afforded the following elections which said owners may make with all or any part of their interest; however, said owners must make their elections within 20 days from the date of this order. That the Commission shall retain jurisdiction to determine the reasonableness and necessity of the drilling, completion and operation costs to develop the unit and wells covered hereby.

6.1 Participate: To participate in the development of the unit and common source of supply by agreeing to pay such owner's proportionate part of the actual development and operation costs of the initial well covered hereby, which costs shall include a reasonable monthly charge for overhead which may be changed from time to time at the option of Operator, but shall not exceed what is

reasonable, and by paying, as set out below, to Operator such owner's proportionate part of the estimated completed for production cost thereof, or by securing or furnishing security in addition to the election to participate for such payment satisfactory to the Operator, within 25 days from the date of this order, as follows:

Completed for production	-	$ 3,979,190.00
Completed as a dry hole	-	$ 2,148,550.00

provided, however, that in the event an owner elects to participate in said well he thereby agrees to pay his proportionate part of the actual costs thereof and if he fails or refuses to pay or to secure the payment of such owner's proportionate part of the completed for production cost as set forth herein, or fails or refuses to pay or furnish security satisfactory to the Operator for the payment thereof, all within the periods of time as prescribed in this order, then such owner shall be deemed to have elected to accept the cash bonus plus overriding or excess royalty, as provided in Paragraph 6.2 below. Thereupon, the payment of such cash bonus shall be made by Operator within 35 days after the last day on which such defaulting owner, under this order, should have paid his proportionate part of such costs or should have made satisfactory arrangements for the payment thereof with Operator and upon receipt of a signed IRS Form W-9.

6.2 **Cash Consideration of $1,000.00 Per Acre and 3/16 Total Royalty - Unit Interest: To accept $1,000.00 per acre plus an overriding royalty or excess royalty of 1/16 x 8/8** as a fair, reasonable, and equitable bonus to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the cost thereof; such cash bonus to be paid within the later of 35 days from the date of this order or upon receipt of a signed IRS Form W-9 and when so paid shall be satisfaction in full for all rights and interests of such owner in the wells, unit and common sources of supply covered hereby, except for any normal 1/8 royalty interest, plus overriding royalty or excess royalty provided in this paragraph, as defined in 52 Okla. Stat. § 87.1(e); **provided, however, in the event any owner's interest is subject to a royalty, overriding royalty, or other burden on production in excess of the normal 1/8 royalty as defined herein, then, such excess royalty, overriding royalty, or other burden shall be charged against the 1/16 x 8/8 overriding or excess royalty as herein set forth, and the same shall be reduced by the amount of any such excess**, and further provided that if an owner's interest has burdens that exceed the normal 1/8 royalty, plus overriding royalty or excess royalty provided in this paragraph, then in that event, such owner shall be deemed to have accepted the option provided in Paragraph 6.3 below. **Further, any party electing to accept the consideration set forth in this paragraph must be able to deliver on the date elections are due an 81.25% net revenue interest.**

6.3 **Cash Consideration of $600 Per Acre and 1/4 Total Royalty - Unit Interest: To accept $600 per acre plus an overriding or excess royalty of 1/8 of 8/8** as a fair, reasonable, and equitable bonus to be paid unto each owner who elects not to participate in said well by paying such owner's proportionate part of the cost thereof; such overriding or excess royalty shall be satisfaction in full for all rights and interests of such owner in the wells, unit and common sources of supply covered hereby, except for any normal 1/8 royalty interest, as defined in 52 Okla. Stat. § 87.1(e); **provided, however, in the event any owner's interest is subject to a royalty, overriding royalty, or other burden on production in excess of the normal 1/8 royalty as defined herein, then, such excess royalty, overriding royalty or other burden shall be charged against the 1/8 x 8/8 overriding royalty or excess royalty as herein set forth, and the same shall be reduced by the amount of any such excess.**

7. Failure to Elect: In the event any owner fails to elect within the time and in the manner as set out above which of the alternatives set forth in Paragraph 6 above, any such owner accepts, then such

owner shall be deemed to have accepted the highest cash bonus and lowest royalty for which such owner qualifies. In the event any owner elects to do other than participate in said well or fails to make an election provided above, such owner shall be deemed to have relinquished unto Operator all of such owner's right, title, interest, or claim in and to the wells, unit and common sources of supply, except for any normal 1/8 royalty interest, and other share in production to which such owner may be entitled by reason of any election hereunder.

8. Operator: Chaparral Energy, L.L.C.
701 Cedar Lake Boulevard
Oklahoma City, OK 73114

an owner of the right to drill in said drilling and spacing unit is designated Operator of the unit wells and common source of supply covered hereby and all elections required in Paragraph 6 hereof shall be communicated to said Operator in writing at the address above as required in this order. All written elections must be mailed and postmarked within the election period set forth in Paragraph 6. That said Operator has a current plugging bond or financial statement on file with the Corporation Commission.

9. Commencement of Operations: That Operator has commenced operations for the Heather 1H-12 Well and shall 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 bonus. If any payment of bonus, royalty payments or other payments due and owing under this order cannot be made because the person entitled thereto cannot be located or is unknown, then said bonus, royalty payments or other payments shall be paid into an escrow account within 90 days after this order and shall not be commingled with any funds of Applicant or Operator. Provided, however, that the Commission shall retain jurisdiction to grant to financially solid and stable holders an exception to the requirement that such funds be paid into an escrow account with a financial institution and permit such holder to escrow such funds within such holder's organization. Responsibility for filing reports with the Commission as required by law and Commission rule as to bonus, royalty or other payments escrowed hereunder shall be with the applicable holder. Such escrowed funds 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. If any payment of bonus due and owing under this order cannot be made for any other reason, 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 payment or other payments due to such person shall be paid into an escrow account by the holder of such funds.

10. Operator's Lien: That Operator, pursuant to 52 Okla. Stat. § 87.1(e) and in addition to any other rights provided herein, shall have a lien on the leasehold estate and the share of production from the unit pooled hereby of any owner subject to the terms of this order who has elected to participate in the initial well covered hereby. Such lien shall secure the payment of the participant's proportionate share of all costs incurred in the development and operation of the unit.

11. Special Finding: That Applicant exercised due diligence to locate each of the respondents subject to this Application and that a bona fide effort was made to reach an agreement with each respondent and that Applicant has not agreed with all such respondents in such drilling and spacing unit to pool their interests and to develop the drilling and spacing unit and common source of supply as a unit; that Applicant has proposed the drilling of the initial well on said unit and to develop said common source of supply; that the Operator, hereinabove named, is an owner of the right to drill on said drilling

and spacing unit and to develop and produce said common source of supply.

12. Special Provisions:

12.1 Non-participants: The granting of the relief requested by Applicant shall include the intent of Applicant to pool and adjudicate the rights and equities of the owners in the tract described herein as to those separate common source of supply set forth above to be tested by the proposed well on a unit basis and not on a borehole basis for any wells drilled as to the respective separate common source of supply cited herein. That the election not to participate as a working interest in the proposed initial unit well shall operate to foreclose the interests of the respondents as to elections to participate in any subsequent well that may at some future time be drilled within the subject unit pursuant to this order; and that the initial election made by respondents herein shall be binding as to the respondents, their assigns, heirs, representatives, agents, or estate for the first and all subsequent wells drilled pursuant to this order.

12.2 Participation in Subsequent Wells: Only those owners who participate ("Participants") both in the initial well and any subsequent well drilled hereunder can participate in subsequent wells drilled on the drilling and spacing unit covered hereby. Owners electing or deemed to have elected in the initial well any option contained herein other than participation shall receive no cash consideration for subsequent wells, but shall receive for subsequent wells the same excess royalty, if any, initially elected. In the event Participant ("Proposing Party") proposes the drilling of a subsequent well it shall notify those owners who elected to participate in the prior well of its intent to drill a subsequent well, and said owners will have **20 days** from the receipt of said notice to elect whether to participate in said subsequent well or accept the option set forth in **Paragraph 6.2** herein. The notice provided by the Proposing Party shall be by facsimile or by certified mail and shall include the approximate location, depth and an AFE containing the proposed costs of the subsequent well, and owners electing to participate must pay to the Operator or furnish security satisfactory to Operator for their proportionate share of said costs within **25 days** from the receipt of notice from the Proposing Party. Those owners failing to elect within the period provided or those owners electing to participate but failing to pay within the period provided shall be deemed to have elected not to participate in the subsequent well and shall be deemed to have elected the option set forth in **Paragraph 6.2** herein. Any bonus due hereunder will be paid within **35 days** of the receipt of notice from the Proposing Party or upon receipt of an executed IRS form W-9 by the Proposing Party, whichever is later. Any such proposal shall expire **180 days** after the date thereof if operations for the drilling of the well proposed thereby have not commenced. Any time an owner elects or is deemed to have elected not to participate in a subsequent well, then that owner shall not be allowed to participate in future wells drilled under the terms of this order. That location exception, density or other regulatory authority must be obtained, if necessary for the drilling of the subsequent well, before a valid proposal can be made. If the Operator hereunder elects to participate in subsequent operations with any part of its interest there shall be no change of operator hereunder. The Oklahoma Corporation Commission shall retain jurisdiction to determine the reasonableness of the drilling and completion costs proposed by Applicant for subsequent wells.

The term "subsequent well" for purposes of this paragraph shall not be deemed to include any side-tracking or other operation with respect to the initial unit well, or any subsequent well, and shall not be deemed to be any well that is drilled as a replacement or substitute well for the initial unit well 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 the initial unit well or any subsequent well, and no party subject to this order shall have the right to make any subsequent elections as to any such side-tracking, replacement, or substitute well.

13. Filing of Affidavit: That Applicant or its Attorney shall file with the Secretary of the Commission, within 10 days from the date of this order, an Affidavit stating that a copy of said order was mailed within 3 days from the date of this order to all parties pooled by this order, whose addresses are known.

14. Conclusion: The relief requested is necessary to prevent or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any of said wastes, and to protect or assist in protecting the correlative rights of interested parties. Such requested relief, as set forth above, should be granted and IT IS SO ORDERED.

CORPORATION COMMISSION OF OKLAHOMA

Patrice Douglas
PATRICE DOUGLAS, Chairman

Bob Anthony
BOB ANTHONY, Vice-Chairman

Dana L. Murphy
DANA L. MURPHY, Commissioner

DONE AND PERFORMED ON NOVEMBER 18, 2013.

BY ORDER OF THE COMMISSION:

Peggy Mitchell
PEGGY MITCHELL, Commission Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order are the Report and Recommendation of the Administrative Law Judge.

Michael Porter — 13 November 2013
MICHAEL J. PORTER — Date
Administrative Law Judge

Michael D. Norris — 11-13-13
REVIEWER — Date

APPROVED:

GREGORY L. MAHAFFEY, OBA #5626
Attorney for Applicant
1698.8484

EXHIBIT "A"
CAUSE CD NO. 201306282
CHAPARRAL ENERGY, L.L.C., POOLING RESPONDENT LIST
SECTION 12, TOWNSHIP 27 NORTH, RANGE 16 WEST, WOODS COUNTY, OKLAHOMA
Those Parties with "Unlocatable" preceding their names, if any, were not located. Those parties with "Curative" preceding their names, if any, were pooled for curative purposes.

1) **CURATIVE**
M M Resources, Inc.
1900 S.E. 15th Street, Suite B
Edmond, OK 73013

2) **CURATIVE**
M M Energy, Inc.
1900 S.E. 15th Street, Suite B
Edmond, OK 73013

AND, IF ANY OF THE FOREGOING BE DECEASED, THE UNKNOWN HEIRS, EXECUTORS, ADMINISTRATORS, DEVISEES, TRUSTEES AND ASSIGNS, IMMEDIATE AND REMOTE, OF ANY SUCH PARTY

1698.8484