

UNIVERSITY LANDS OIL & GAS LEASES REQUIRED OPERATING, REPORTING & COMPLIANCE PROCEDURES

(Revised November 1, 2009)

Operating, reporting and compliance procedures have been adopted and are the basic procedures to be followed by lessees and/or operators on University Lands. These procedures do not supersede any requirement as set forth in any applicable lease form.

I. SUBMIT INFORMATION TO:

University Lands

Attn: Land Department

P. O. Box 553

Midland, Texas 79702

Business: (432) 684-4404

Emails to: Drillingreport@utsystem.edu (Drilling and completion information only)

OGRegulatory@utsystem.edu (Regulatory forms only)

A. Notice of Move-Ins

Operator shall submit a notice of move-in prior to the commencing of any move-in, drilling or reentry activity. Such notices must include the location of the well, the lease name, well number and the address and phone number of the operator. (A copy of the Railroad Commission Form W-1, accompanied by a plat of the well site and lease premises, will satisfy this requirement.)

B. Copies of Railroad Commission Forms and Documents

Operator shall submit copies of all forms and documents pertaining to a University lease and filed with the Railroad Commission of Texas. These copies shall be simultaneously transmitted to University Lands at the time filed and/or transmitted to the Railroad Commission of Texas (or as prescribed in the applicable lease form). This required reporting category also includes all information submitted for Railroad Commission of Texas hearings and all corrected reports.

C. Copies of Drilling Records

Operator shall submit reports or copies of all daily drilling or activity reports, records, memoranda, accounts, core analyses, drill stem tests, mud or sample logs, deviation surveys or other information relative to the drilling and completion operations conducted on the leased premises.

Drilling or activity reports are to be transmitted on a daily basis from the date of move-in on a location through the date of completion. Samples of all cuttings or cores are to be submitted upon request.

Failure to file data as prescribed in Articles A, B & C shall be subject to penalty.

D. Copies of Logs

Operator shall submit a final print of all electric, radioactive or other borehole surveys no later than fifteen (15) days after reaching the total depth for the well or as prescribed in the applicable lease form.

Operator shall provide University Lands with a digital LAS and TIFF of the well copy of each borehole survey on wells drilled after August 1, 1996. Please contact the Midland office for an email address to send log files.

Failure to furnish University Lands with all logs required by the applicable lease form shall result in the lessee, at lessor's option, to reenter the well and run the required log or logs, or, require the lessee to pay to lessor the sum of \$15,000 (or the amount so prescribed in the applicable lease form).

E. Notice of Changes in Well Status

Operator shall submit a written notice when the status of a well changes, whether or not such a notice is filed with the Railroad Commission of Texas.

If a well ceases producing, or is placed on production after being shut-in, the exact nature and date of such change shall be submitted within five (5) days of such change.

F. Workover Reports

Operator shall submit a written weekly report of any workover operation conducted on any well.

Leases issued before November 29, 1955, do not contain a workover clause, and it is suggested that all applicable lessees apply for a 60-day workover amendment; otherwise, these leases will terminate after 30 days of no production even though a workover is in progress and is being reported to the University.

G. Other Production Related Reports

For additional information concerning operations on University Lands (Commingling, LACT Systems, miscellaneous operations, field inspections and measurement of production), please review Chapter 5, 6 and 7 of the Board for Lease of University Lands Rules. The Rules are located on the following website:

www.utlands.utsystem.edu/

Reporting Requirements

Board for Lease Rules

H. Request for Permission to Abandon a Producing Lease
Operator shall notify University Lands prior to abandonment of a lease.

Operator shall file with the University Lands final appropriate affidavits of production showing proper disposition of all closing stock, required supporting documents and all other papers required to be filed and shall make payment in full of all sums owed under said lease.

Upon consideration of the operator's compliance with all other University regulations, the operator will be given permission for abandonment of a lease.

II. DRILLING OPERATIONS

All operators must contact the designated field representative, at least (3) three days in advance of a move-in to expedite and coordinate the move-in with the surface lessee.

Information for rates and damages fees may be obtained in the Rate and Damage Schedule.

UNIVERSITY LANDS CONTACT LIST (*page 4*) provides the Oil and Gas personnel's telephone numbers and the Oilfield Representative's area and telephone numbers.

III. Production

Operator shall submit all information and production reports (UT forms) to University Lands.

UNIVERSITY LANDS CONTACT LIST

OIL AND GAS:

Leasing, Regulatory	James Holtzclaw	JHoltzclaw@utsystem.edu	432/686-4753
Drilling, Regulatory	Cindy Brooks	CBrooks@utsystem.edu	432/686-4728
Drilling, Regulatory	Melanie Odom	MOdom@utsystem.edu	432/686-4754
Easements	Wenda Kelly	WKelly@utsystem.edu	432/686-4715
Engineer	Dave Campbell	DCampbell@utsystem.edu	432/686-4751
Geologist	Tim Hunt	THunt@utsystem.edu	432/686-4746
Lease Analyst	Georgia Pruitt	GPruitt@utsystem.edu	432/686-4752
Environmental	Jim Buice	JBuice@utsystem.edu	432/686-4778

OILFIELD REPRESENTATIVES:

Lazaro Acosta

Cellular Telephone: **432/557-6752**
Office Telephone: 432/336-9659 (Fort Stockton)

Counties: Crane & Pecos

Don Cox

Cellular Telephone: **432/557-3789**
Office Telephone: 432/524-6400 (Midland)

Counties: Culberson & Hudspeth

Jim Evans

Cellular Telephone: **432/557-5690**
Business Telephone: 432/520-0287 (Midland)

Counties: Ector, Loving, Ward & Winkler

Tommy Gray

Cellular Telephone: **432/557-3790**
Office Telephone: 325/392-3640 (Ozona)

Counties: Crockett, Irion, Reagan, Schleicher, Terrell & Upton

Michael (Doc) Weathers

Cellular Telephone: **432/631-7646**
Business Telephone: 432/686-4749 (Midland)

Counties: Andrews, Dawson, Gaines & Martin