City Council Agenda Memo



City Council Meeting Date: 08/22/13

TO: Larry D. Gilley, City Manager

FROM: Megan R. Santee, Director of Public Works

SUBJECT: Oral Resolution: Re-Application/Permit to Drill and/or Operate an Oil and/or Gas well – Sojourner Drilling Corporation: "Impact Unit 3, Well No. 4", Permit No. 767932

## **GENERAL INFORMATION**

Chapter 21, Oil and Gas, of the City Code requires a permit for drilling and operating oil/gas wells within the city limits. As part of the review process, the City Council is to conduct a public hearing and then approve or deny the permit.

Sojourner Drilling Corporation of Abilene, Texas has submitted a re-application to drill the "Impact Unit 3, Well No. 4" on property owned by Rogelio Gonzales located at 3896 Clinton Street, at the southwest corner of the intersection of Clinton Street and Roosevelt Street, as shown on the attached map. City Council previously approved a drilling permit for this well at its 7/25/13 meeting; however, when the applicant commenced drilling operations on 8/8/13, it found that the drillsite needed to be moved approximately 25 ft. to the southwest in order to properly fit the drilling rig onto the property. This move of the approved/permitted location rendered the previously approved drilling permit null & void, and required that the applicant re-apply for the new location.

This well is being drilled under the applicant's 43.59 acre "Impact Unit 3" lease, comprised of multiple property and mineral interest owners as detailed within the supporting documentation for the permit application. The applicant is requesting a variance per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of existing buildings and residences, and the applicant has provided the notarized written consent of the owner of each residence within a 200 ft. radius of the well location, as required by ordinance. Additionally, the applicant was requested to provide, and has provided a mineral interest title opinion verifying that the City of Abilene owns no mineral or royalty interest in/under the streets and alleys within the 43.59 acre unit area. This application has been reviewed and approved by City Staff. All owners of real property within 500 feet of the proposed drill site have been notified of this application and of the City Council meeting to consider its approval, as required by City ordinance.

## STAFF RECOMMENDATION

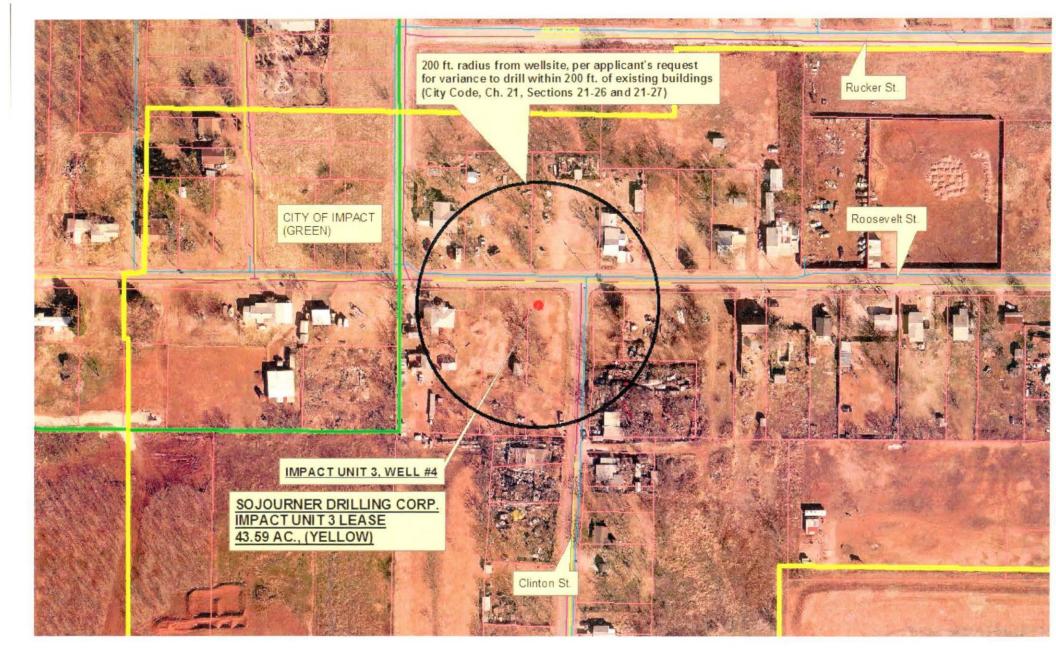
Because all prerequisites and requirements of Chapter 21, Oil and Gas; have been met, including no anticipated adverse effect on the health, safety and welfare of the public, staff recommends that the City Council vote to approve the application for this drilling permit and authorize the Mayor to execute permit no. 761918 for Sojourner Drilling Corporation.

## ATTACHMENTS

Site Map

The Application/Permit to Drill and/or Operate an Oil and/or Gas Well, including all supporting documentation, is on file with the City Secretary.

Prepared by:		Disposition by City Council
Name: Travis McClure         Title: Land Agent	Item No	<ul> <li>Approved Ord/Res#</li> <li>Denied</li> <li>Other</li> </ul>
		City Secretary





#### APPLICATION/PERMIT TO DRILL AND/OR OPERATE AN OIL AND/OR GAS WELL

Bo	ond/Letter of Credit # Letter of Credit No. 1368 RRC Permit #767932
1.	Date August 8, 2013 Lease Name & Well No. : Impact Unit 3 #4
2.	Applicant/Permit Holder Sojourner Drilling Corporation
	Address P O Box 3234
	Abilene, TX 79604
	Phone <u>325-672-2832</u>
3.	Local 24 hour phone contact. in case of emergency:
	Name Avery Potts 325-280-8512 (C), William Sojourner 325-829-6303 (C), Office 325-672-2832
	Phone
4.	Legal description of drill site including copy of survey by licensed surveyor: <u>Survey plat should</u> show the locations of any buildings, type of construction and use, including residences, within 200 feet of proposed drill site, and flood zone elevation lines (lines of 100 year floodplain and floodway) in relation to the proposed drill site.
	See Attached Plat
5.	Applicant <u>X</u> IS/ IS NOT requesting a variance, per sections 21-26 and 21-27 of Chapter 21 of the City of Abilene Code of Ordinances, Oil and Gas, to drill within 200 feet of any existing building or buildings.
	The proposed well locationXIS/IS NOT within 200 feet of any residence or residences. If the proposed well location IS within 200 feet of any residence or residences, applicant should attach a list of the names of the owners of each residence corresponding to each address lying within a 200 foot radius of the proposed well location, indicating their approval/disapproval of the proposed well location.
	The notarized written consent of the owner of each residence within a 200 foot radius of the proposed well location should be attached to this application.
	Applicant should also attach copies of documentation of any granted exceptions to the Railroad Commission's statewide spacing rules that apply to the proposed well.
6.	Proposed date to commence drilling Within 6 months
	The height of the rig used to drill/re-enter this well will be approximately65 feet.
7.	Proposed depth of well 2000 feet
	This well is planned/anticipated to be primarily an OIL X or GAS well.
8.	Attached as EXHIBIT 1 the names of the (a) Surface owners (b) Mineral owners (c) Royalty owners
9.	Attached as <b>EXHIBIT 2</b> approved Railroad Commission Form W-1 including required plat of lease and approval letter from Texas Water Development Board.

10. Attached as **EXHIBIT 3** a Certificate of Insurance evidencing the applicant as insured under the following:

Type	,		Amount
(1)		ers Compensation (where red by State law)	Statutory
		by state lawy	\$100,000
(2)	Comp	rehensive General Public	\$1 million – per
	Liabil	ity to include (but not	Occurrence for
	Limite	ed to):	Property Damage
			OR
	a)	Premises/Operations	Combined single limit
	b)	Independent Contractors	million - Per Occurrence
	c)	Personal Injury Liability	
	d)	Products/Completed Operations	
	e)	Contractual Liability	
	f)	Coverage for Explosion, Collapse,	
		and Underground Property Damage	
		(to include seepage, pollution	

Said Insurance Policy must insure all activities contemplated under this permit application and must be in effect at all times during production operations. The City must be notified <u>30 days</u> prior to cancellation of insurance coverage and City shall be named as additional insured.

#### 11. Indemnity

#### **A. Definitions**

For the purpose of this section the following definitions apply:

and contamination coverage)

"Applicant/Permit Holder" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Applicant/Permit Holder's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Applicant/Permit Holder.

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

#### **B.** Indemnity

The Applicant/Permit Holder must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Applicant/Permit Holder's work and activities conducted in connection with this Contract.

The Applicant/Permit Holder is an independent Applicant/Permit Holder and is not, with respect to its acts or omissions, an agent or employee of the City.

Applicant/Permit Holder must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Applicant/Permit Holder's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Applicant/Permit Holder or Applicant/Permit Holder's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Applicant/Permit Holder.

The City and Applicant/Permit Holder must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Applicant/Permit Holder or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND APPLICANT/PERMIT HOLDER EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE APPLICANT/PERMIT HOLDER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

- 12. Attached as EXHIBIT 4 \$10,000 performance bond or an Irrevocable Letter of Credit from a Federally insured bank to meet the performance payment, penalty, abandonment and other provisions as required by City Council and by the Oil/Gas Ordinance, Chapter 21 of the City Code of Ordinances (This amount may be raised in appropriate circumstances).
- Special requirements for this permit, if any, as set by City Council (drill site lighting, pits/tanks, hours of operation, fencing, buried lines, approved truck routes, noise buffers, pump type, etc.). Attachment \_\_\_\_\_\_\_.
- 14. The City of Abilene has required standards for drilling and production as provided by Chapter 21 of City Code, Oil and Gas Ordinance. Applicant/Permit Holder shall observe and obey all federal, state, and local laws and regulations. Violation of these or any requirements imposed by ordinance or the City Council will result in the termination of the permit.
- 15. By signing this application/permit, Applicant/Permit Holder certifies that he has received and read City code provisions, Chapter 21, Oil and Gas Ordinance.
- THIS PERMIT EXPIRES SIX (6) MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL. Actual drilling must commence within six (6) months from that date. Cessation of drilling or production for thirty (30) days shall cancel this permit.

- 17. If the City owns any mineral interest in the location of the proposed well, this permit is subject to compliance with an oil and gas lease obtained from the City.
- 18. The City Land Agent's office shall be notified prior to commencement of drilling operations.
- 19. If operation of the well is transferred, the City shall be notified in writing thirty (30) days prior to the transfer of the lease.
- 20. Applicant/Permit Holder shall make full payment for any and all damages or losses to City's Surface Lessee if the property is City owned, which shall include but not be limited to damages to and/or loss of crops, livestock, or improvements or a part thereof which loss may be the result of the Applicant's/Permit Holder's negligence or use of land.
- 21. This Application, upon approval, shall become the Drilling Permit.

#### THIS PERMIT IS NOT TRANSFERRABLE OR ASSIGNABLE

Signature:		Date:
Ja Jan	Review & Approval of Planning Director	8-13-2013
Day Su-	Review & Approval of Airport Director	8/13/13
Gad Cartage	Review & Approval of City Engineer	8/13-13
for alphi	Review & Approval of Water Director	8-13-13
Bantmich	Review & Approval of Stormwater Administrator	8/12/13
(Johnin Chill	Review & Approval of Risk Manager	8-13-13
A miel Conta+	Review & Approval of City Attorney	8/13/13
Mining Milling	Review & Approval of Land Agent	8/13/13
		1 1

20 . This permit issued this day of

**CITY OF ABILENE** 

ATTEST:

MAYOR

**City Secretary** 

City Seal:

Sojourner Drilling Corporation Applicant/Permit Holder B

<u>Sheryl Minear, Regulatory Manager</u> Title

**ATTEST: (If Corporation)** Secretary Gene Brady

Corporate Seal

## EXHIBIT A

## SPECIAL REQUIREMENTS

SOJOURNER DRILLING CORP.

## IMPACT UNIT 3, WELL #4:

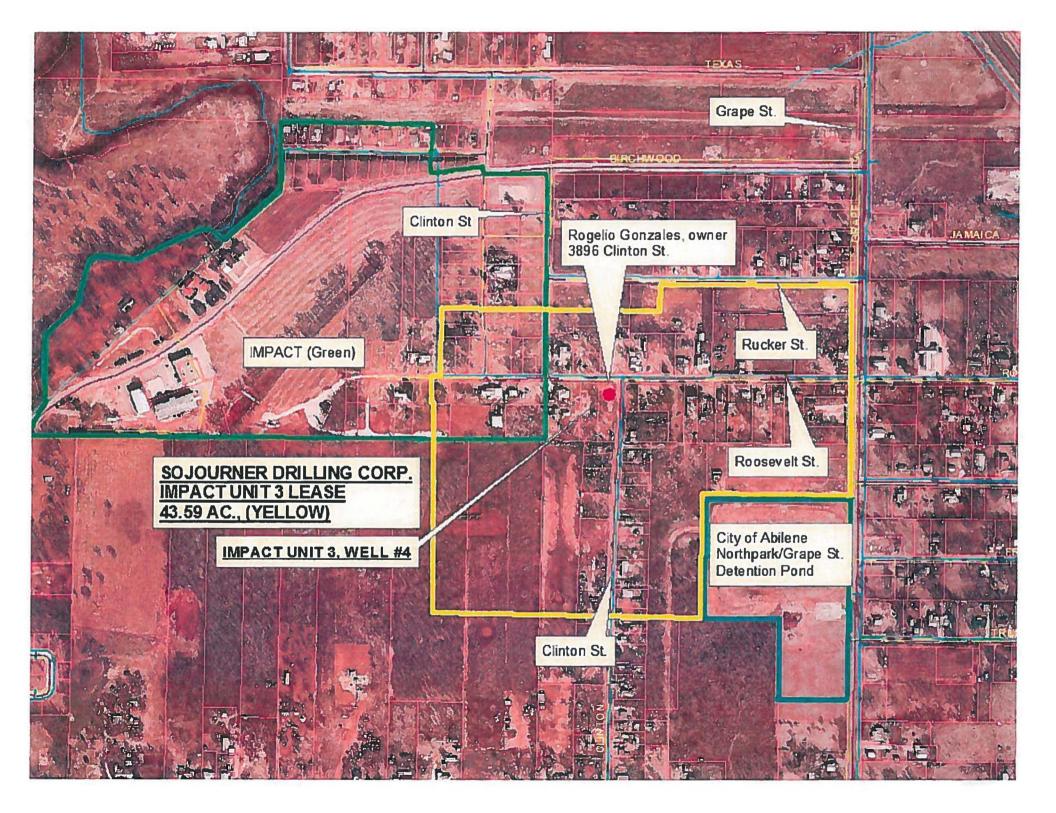
1. CITY OF ABILENE WATER LINES AND SEWER MAINS ARE LOCATED UNDER THE PAVED SURFACES AND WITHIN THE CITY RIGHT-OF-WAYS OF CLINTON AND ROOSEVELT STREETS, IN THE VICINITY OF AND ADJACENT TO THE PROPERTY ON WHICH THE WELL IS LOCATED.

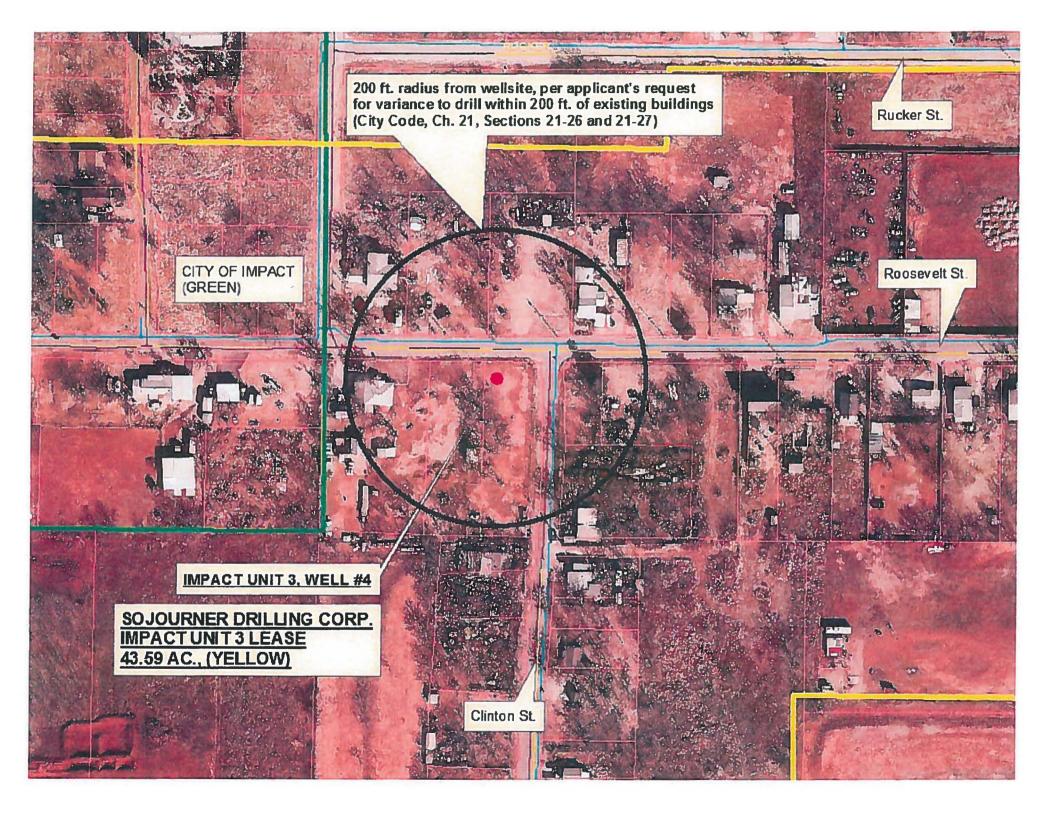
THE APPLICANT/PERMITTEE/OPERATOR SHOULD TAKE ALL NECESSARY & REASONABLE PRECAUTIONS TO INSURE THAT THE CITY'S WATER LINES AND SEWER MAINS ARE NOT DAMAGED BY/FROM THE MOVING IN/OUT OF EQUIPMENT AND/OR FROM DRILLING/PRODUCTION OPERATIONS FOR THIS WELL LOCATION, DURING THE LIFE OF THIS WELL.

2. DURING SITE PREPARATION AND DRILLING ACTIVITIES, THE APPLICANT/PERMITTEE/OPERATOR AGREES TO INSTALL AND MAINTAIN TEMPORARY SECURITY FENCING AND EMPLOY ANY OTHER NECESSARY/REASONABLE/PRUDENT SECURITY MEASURES, IN ORDER TO RESTRICT OPEN PUBLIC ACCESS TO THE SITE.

THE APPLICANT/PERMITTEE/OPERATOR AGREES TO EMPLOY ALL REASONABLE & PRUDENT MEASURES TO CONTROL NOISE DURING DRILLING, ESPECIALLY AT NIGHT, AND TURN DRILLSITE LIGHTING DOWNWARD/INWARD TO THE EXTENT PRACTICABLE/POSSIBLE WHILE STILL MAINTAINING ALL NECESSARY SITE SAFETY MEASURES.

- 3. IF OIL PRODUCTION IS OBTAINED FROM THIS WELL, THE APPLICANT/PERMITTEE/OPERATOR AGREES TO INSTALL AND MAINTAIN A HYDRAULIC PUMPING UNIT FOR THE LIFE OF THIS WELL. ADDITIONALLY, IF PRODUCTION IS OBTAINED FROM THIS WELL, THE APPLICANT/PERMITTEE/OPERATOR AGREES TO INSTALL AND MAINTAIN ADEQUATE & PERMANENT SECURITY FENCING AROUND THE PUMPING UNIT/WELLSITE AND TANK BATTERY LOCATION (IF A TANK BATTERY IS LOCATED ON SITE), FOR THE LIFE OF THIS WELL. THE APPLICANT/PERMITTEE/OPERATOR AGREES TO EMPLOY ALL NECESSARY, REASONABLE AND PRUDENT MEASURES TO RESTRICT OPEN PUBLIC ACCESS TO THE PUMPING UNIT, WELLSITE AND TANK BATTERY LOCATION.
- 4. THE CITY OF ABILENE LAND AGENT'S OFFICE MUST BE NOTIFIED AT LEAST ONE BUSINESS DAY PRIOR TO COMMENCEMENT OF DRILLING OPERATIONS.





RAILROAD COMMISSION OF TEXAS Oil and Gas Division PO Box 12967 Austin, Texas 78711-2987 www.rc.state.tx.us

## CERTIFICATE OF POOLING AUTHORITY

P-12

Revised 05/2001

1. Field Name(s)	2. Lease/iD Number (# assigned)	3. RRC District Number
Potts Luck (Tannehili)	30846	7B
4. Operator Name Sojourner Drilling Cooperation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unit Name Impact Unit 3	8. API Number 42-441-	9. Purpose of Filing
10. County Taylor	11.Total acres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS UNLEASED NON-POOLED
3-10	Gertha Oliver	.0496	
3-11	Cuillermo Torres	.1373	
3-12	City of Impact	.1652	
3-13	City of Impact	.0929	
3-14	Sojourner Drilling Corporation	.1721	
3-15	Jack Sharp	.2918	
3-16	Sojourner Drilling Corporation	.1721	
3-17	Sojourner Drilling Corporation	.0668	
4-10	Michael Shane Stapleton	.1160	
4-11	Serum Contreras	.1836	

CERTIFICATION:

-Lectare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, concert, and complete to the best of my knowledge.

Univer!	7	Sheryi Minear	
Signature		Print Name	· · · · · · · · · · · · · · · · · · ·
<b>Regulatory Manager</b>	sheryi@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mail (r eveletie)	Date	Phone

INSTRUCTIONS - Reference: Statewide Rules 31, 38 and 40

 When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.

2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.

3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.

 If the Purpose of Fling is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.

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5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

6. Identify the drill site tract with an " to the left of the tract identifier.

7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

Page 1\_\_\_\_of 8

**RAILROAD COMMISSION OF TEXAS Oil and Gas Division** PO Box 12987 Austin, Texas 78711-2987 www.rrc.state.tx.us

## CERTIFICATE OF POOLING AUTHORITY

P-12

Revised 05/2001

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Potts Luck (Tannehili)	30846	7B
4. Operator Name Sojourner Drilling Cooperation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unit Name Impact Unit 3	8. API Number 42-441-	9. Purpose of Filing
to. County Taylor	11.Total scres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT NAME	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIVIDED INTERESTS UNLEASED NON-POOLED
4-12	Victor Sanders	.1951	
4-13	Barbara Sanders	.1951	
4-14	Victor Allen Sanders	.1951	
6-1	Kenneth & Diane Thompson	.3541	
6-2	Kenneth & Diane Thompson	.3460	
6-3	Kenneth & Diane Thompson	.1730	
6-4	Sojourner Drilling Corporation	.1730	
6-13	Albert Leija	.2582	
6-14	Kenneth & Diane Thompson	.2582	
6-15	Kenneth & Diane Thompson	.5165	

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the Ibreacing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, context, and complete to the best of my knowledge.

Sullin		Sheryl Minear	
Signature		Print Name	
Regulatory Manager	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mail (# svalabie)	Date	Phone

INSTRUCTIONS - Reference: Statewide Rules 31, 38 and 40

When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat. 1.

The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract 2. Identifier and associated information listed on the Certificate.

3.

tf within an individuat tract, a non-pooled and/or unteased interest exists, indicate by checking the appropriate box. If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains 4. to all fields requested on Form W-1.

Steret Contra-

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

tdentify the drill site tract with an \* to the left of the tract identifier.
 The total number of acres in the pooled unit in \$11 should equal the total of all acres in the individual tracts listed.

Page 2 of 8

RAILROAD COMMISSION OF TEXAS Oil and Gas Division PO Box 12967 Auslin, Texas 78711-2967 www.rrc.state.tx.us

## CERTIFICATE OF POOLING AUTHORITY

P-12

Revised 05/2001

1. Field Name(s)	2. Lasse/ID Number (# assigned)	3. RRC District Number
Potts Luck (Tannehili)	30846	7B
4. Operator Name Sojourner Drilling Corporation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unit Name Impact Unit 3	8. APi Number 42-441-	9. Purpose of Filing
10. County Taylor	11.Total acres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT NAME	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDIMIDED INTERESTS UNLEASED NON-POOLED
6-16	Sojourner Drilling Corporation	.5165	
1	Salas Lupe Cortinaz	.4471	
2	Ronny Dean & Sandra Bird	1.5039	
3	Lucinda Estrada	1.3160	
4	Ruben Hemandez	.4464	
5	Ruben & Maria Hernandez	.4797	
6	Felipe Leija	.4797	
7	Felipe & isabei Leija	.2892	
8	Mary Pena	.1928	
9	Albert Leija	.2290	

CERTIFICATION:

I declare under panalities prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the Information provided by me or under my direction on this Certificate of Pooling Authority Is true, consider and complete to the best of my knowledge.

Day VIII		Sheryl Minear	
Signature		Print Name	
Regulatory Manager	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mall (if evaluate)	Date	Phone

INSTRUCTIONS - Reference: Statewide Rules 31, 38 and 40

 When two or more tracts are pooled to form a unit to obtain a drilling parmit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.

2. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.

3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.

 If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Cartificate pertains to all fields requested on Form W-1.

Clickly \* of bit

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

6. Identify the drill site tract with an \* to the left of the tract identifier.

7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

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RAILROAD COMMISSION OF TEXAS Oil and Gas Division PO Box 12957 Austin, Texas 78711-2967 www.rc.state.tr.us

## CERTIFICATE OF POOLING AUTHORITY

P-12

Revised 05/2001

1. Field Name(s)	2. Lesse/ID Number (# essigned)	3. RRC District Number
Potts Luck (Tannehili)	30846	7B
4. Operator Name Sojourner Drilling Corporation	5. Operator P-5 Number 800750	6. Well Number 4
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TRACT/PLAT	Tract Name	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDMIDED INTERESTS
10	P.G. Brown	.2892	
11	Roland Garcla	.7410	
12	Margarito Garcla	1.4820	
13	Charile & Melissa Danleis	1.6035	
14	Yolanda Loza & Juan Perez	.8479	
15	Patricia Ann Glover	.4124	
16	Ragello Gonzalez	.4916	
17	Alberto Ornelas Leija	.2087	
18	Bentura Leija	.1918	
19	Bentura Lelja	.3081	

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, carrent and camplete fo the best of my knowledge.

16h Lank		Sheryl Minear	
Signature		Print Name	
Regulatory Manager	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mail (Veveletie)	Date	Phone

INSTRUCTIONS - Reference: Statewide Rules 31, 38 and 40

 When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Cartificate of Pooling Authority and cartified plat.

2. The cartified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.

3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.

 If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.

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5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

6. Identify the drill site tract with an \* to the left of the tract identifier.

7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

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**RAILROAD COMMISSION OF TEXAS** Oil and Gas Division PO Box 12967 Austin, Texas 78711-2967 www.rrc.state.bx.us

## CERTIFICATE OF **POOLING AUTHORITY**



Revised 05/2001

1. Field Name(s)	2. Lease/IO Number (2' essigned)	3. RRC Olatrict Number
Potts Luck (Tannehlii)	30846	78
4. Operator Name Sojourner Drilling Corporation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unit Name Impact Unit 3	8. APi Number 42-441-	9. Purpose of Filing
10. County Taylor	11.Total acres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT Name	ACRES IN TRACT (See Inst. \$7 below)	INDICATE UNDIMIDED INTERESTS UNLEASED NON-POOLED
20	Rhoda Allen	.8116	
21	Rosa Sanchez	.2952	
22	Mercedes Lee Holguin	.4429	
23	Raul & Maria Valenzuela	.2952	
24	Ruperto & Consuelo Orozco	.5905	
25	isidra Martinez Serrano	.4724	
26	Romona Riordan Preas	.2952	
27	Lou Ellen Oliver	.5201	
28	Lou Ellen Oliver	.2315	
29	Miguel & Ana Gonzalez	.2754	

CERTIFICATION:

Haciare under peoplities prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the Information provided by me or under my direction on this Certificate of Pooling Authority is true, correctly and complete to the best of my knowledge. . . . .

VILLOU		Sheryl Minear	
Signature		Print Name	
Regulatory Manager/	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mail (# evelable)	Date	Phone

INSTRUCTIONS -- Reference: Statewide Rules 31, 38 and 40

When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to 1. Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.

The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract 2. Identifier and associated information listed on the Certificate.

3.

If within an individual tract, a non-pooled and/or unleased interest exists, indicale by checking the appropriate box, If the Purpose of Filing is to obtain a drilling permit, in box \$1 list all applicable fields separately or enter "All Fields" if the Certificate pertains 4. to all fields requested on Form W-1.

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

Identify the drill site tract with an \* to the left of the tract Identifier. 6.

7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

Page 5 of 8

Acres Solah

RAILROAD COMMISSION OF TEXAS Oli and Gas Division PO Box 12987 Austin, Texas 78711-2867 www.rc.state.tx.us

## CERTIFICATE OF POOLING AUTHORITY

**P-12** 

Revised 05/2001

1. Field Name(s)	2. Lesse/iD Number (# assigned)	3. RRC District Number
Potts Luck (Tannehill)	30846	7B
4. Operator Name Sojourner Drilling Corporation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unit Name Impact Unit 3	8. API Number 42-441-	8. Purpose of Filing           Ø. Purpose of Filing           Ø. Drilling Permit (W-1)
10. County Taylor	11.Total acres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT NAME	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDIVIDED INTERESTS
30	Miguel Gonzalez	.2755	· · · · ·
31	Miguel Gonzalez	.3214	
32	Gloria Roofing Company	.2066	
33	Joseph Greer	2.5147	
34	Mt. Sinal Baptist Church	5.1368	
35	David & Maria Gomez	2.7225	
36	Bentura Leija	.3218	
37	Albert Leija & Al Sioan	.3082	
38	Obaldo Dehuma Soto	.2993	
39	Juan M. Lozano	1.4235	<u> </u>

CERTIFICATION:

I declare under conalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the terestoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, consert and complete to the best of my knowledge.

She Vil		Sheryi Minear	
Signature		Print Name	······································
Regulatory Manager	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mall (Y avalable)	Date	Phone

INSTRUCTIONS --- Reference: Statewide Rules 31, 38 and 40

 When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.

2. The cartified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Cartificate.

3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.

 If the Purpose of Filing is to obtain a drilling permit, in box \$1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.

Altra Torra

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

6. Identify the drill site tract with an \* to the left of the tract identifier.

7. The total number of acres in the pooled unit in \$11 should equal the total of all acres in the individual tracts listed.

Page 6 of 8

RAILROAD COMMISSION OF TEXAS Oil and Gas Division PO Box 12967 Austin, Texas 78711-2987 www.rc.state.tr.us

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## CERTIFICATE OF POOLING AUTHORITY



Revised 05/2001

1. Field Name(s)	2. Lease/IO Number (if assigned)	3. RRC District Number
Potts Luck (Tannehlil)	30846	78
4. Operator Name Sojourner Drilling Corporation	5. Operator P-5 Number 800750	6. Well Number 4
7. Pooled Unil Name Impact Unit 3	8. API Number 42-441-	9. Purpose of Filing Drilling Permit (W-1)
10. County Taylor	11.Total acres in pooled unit 43.59	Completion Report

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT	ACRES IN TRACT (See Inst. #7 below)	INDICATE UNDIVIDED INTERESTS UNLEASED NON-POOLED
40	Bentura Lelja	.2542	
41	Patricla Ann Glover	.1718	
42	Kenneth R. Bean, Jr.	.1734	
43	Kenneth R. Bean, Jr.	.1748	
44	Kenneth R. Bean, Jr.	.1758	
45	Kenneth R. Bean, Jr.	.1765	
46	Richard L. Crawford	.1768	
47	Erlinda Lopez	.3529	
48	Erinda Lopez	.3499	
49	Erlinda Lopez	.0870	

CERTIFICATION:

I deciate under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the forepoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge.

Daille	$\mathcal{I}$	Sneryi Minear	
Signature		Print Name	
Regulatory Manager	sheryi@sojodniling.com	04/30/2013	(325) 672-2832
Title	E-mail (# evalable)	Date	Phone

INSTRUCTIONS --- Reference: Statewide Rules 31, 38 and 40

 When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat.

2. The certified plat shall designate each tract with an oulline and a tract identifier. The tract identifier on the plat shall correspond to the tract identifier and associated information listed on the Certificate.

3. If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.

If the Purpose of Filing is to obtain a drilling permit, in box #1 list all applicable fields separately or enter "All Fields" if the Certificate pertains
to all fields requested on Form W-1.

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

6. Identify the drill site tract with an \* to the left of the tract identifier.

7. The total number of acres in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.



Page 7 of 8

**RAILROAD COMMISSION OF TEXAS** Oll and Gas Division PO Box 12987 Austin, Texas 78711-2967 www.rrc.state.br.us

## **CERTIFICATE OF POOLING AUTHORITY**

Revised 05/2001

1. Field Name(s)	2. Lease/IO Number (Y assigned)	3. RRC District Number		
Potts Luck (Tannehlii)	30846	7B		
4. Operator Name Sojourner Drilling Corporation	5. Operator P-S Number 800750	6. Well Number 4		
7. Pooled Unit Name Impact Unit 3	8. API Number 42-441-	9. Purpose of Filing		
10. County Taylor	11.Total acres in pooled unit 43,59	Completion Report		

DESCRIPTION OF INDIVIDUAL TRACTS CONTAINED WITHIN THE POOLED UNIT

TRACT/PLAT	TRACT	ACRES IN TRACT (See inst. #7 below)	INDICATE UNDIV	
50	D & J Rentals	,0868	П	Ē.
51	Sojourner Drilling Corporation	.1733		
52	Faustino & Pauline Leija	.1656		
,53	John Houston Cagle	4.1664		Π.
54	Hector Gloria	2.5314		
55	Joan Faircloth	.0316		

CERTIFICATION:

I declare under penalties prescribed pursuant to the Sec. 91.143, Texas Natural Resources Code, that I am authorized to make the foregoing statements and that the information provided by me or under my direction on this Certificate of Pooling Authority is true, correct, and complete to the best of my knowledge. Chard Masor

Dur		Sheryl Minear	
Signature )	Y	Print Name	
<b>Regulatory Manager</b>	sheryl@sojodrilling.com	04/30/2013	(325) 672-2832
Title	E-mall (Y evelable)	Date	Phone

INSTRUCTIONS --- Reference: Statewide Rules 31, 38 and 40

When two or more tracts are pooled to form a unit to obtain a drilling permit, file completion paperwork, or reform a pooled unit pursuant to 1. Rule 38(d)(3) the operator must file an original Certificate of Pooling Authority and certified plat. The certified plat shall designate each tract with an outline and a tract identifier. The tract identifier on the plat shall correspond to the tract

2. Identifier and associated Information listed on the Certificate.

 If within an individual tract, a non-pooled and/or unleased interest exists, indicate by checking the appropriate box.
 If the Purpose of Filing is to obtain a drilling permit, in box \$1 list all applicable fields separately or enter "All Fields" if the Certificate pertains to all fields requested on Form W-1.

5. If the Purpose of Filing is to file completion paperwork, enter the applicable field name in box #1 for the completion.

Identify the drill site tract with an \* to the left of the tract identifier.
 The total number of acrea in the pooled unit in #11 should equal the total of all acres in the individual tracts listed.

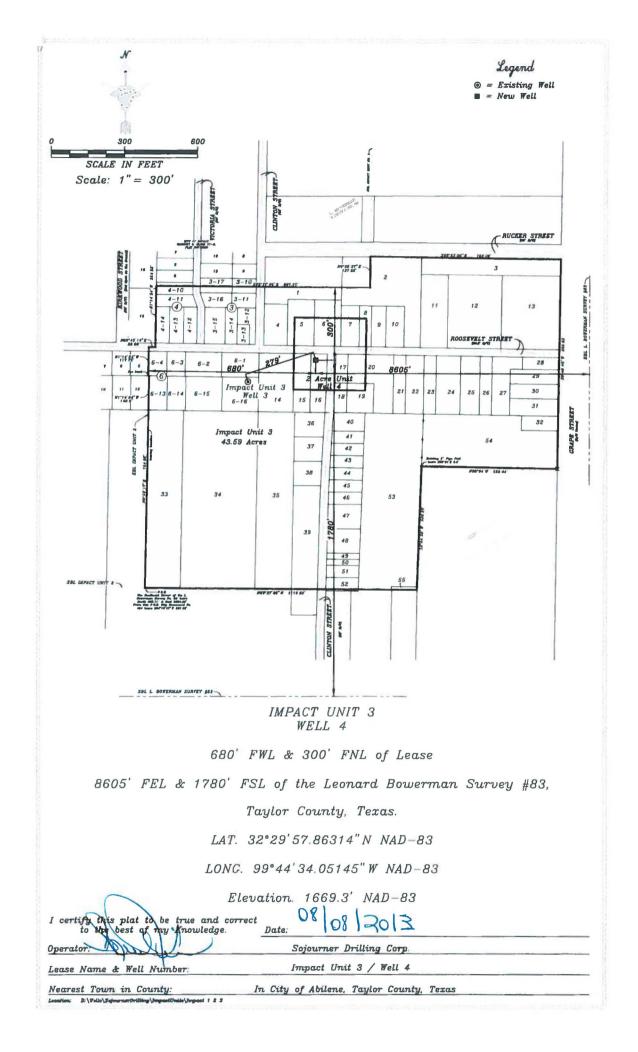
Page 8 of 8

s April 1 april

#### RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 767932	DATE PERMIT ISSUED OR AMENDED Aug 12, 2013	DISTRICT * 7B						
API NUMBER 42-441-34441	FORM W-I RECEIVED Aug 08, 2013	COUNTY						
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 43.59						
OPERATOR SOJOURNER DRILLING C	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (325) 677-3545							
LEASE NAME	CT UNIT 3	WELL NUMBER 4						
LOCATION 0 miles Within dire	TOTAL DEPTH 2000							
Section, Block and/or Survey SECTION	BLOCK	аст < 12						
DISTANCE TO SURVEY LINES 8605 ft. EAST	1780 ft. SOUTH	DISTANCE TO NEAREST LEASE LINE 300 ft.						
DISTANCE TO LEASE LINES 680 ft. WEST	DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below							
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0284109								
FIELD NAME LEASE NAME		ACRES DEPTH WELL # DIS NEAREST LEASE NEAREST WE						
** POTTS LUCK (TANNEHILL) IMPACT UNIT 3		43.59 2,000 4 76 300 279						
'**' PRECEDING FIELD NAME I	NDICATES RULE (R37)							
This well shall be completed and product well is to be used for brine mining, under	arground storage of liquid hydrocarbons in sal c purpose must be obtained from Environment	d or statewide spacing and density rules. If the tornations, or underground storage of gas in						



4		_	_	ATE OF LIA				0	OP 1D: AF (MM/DD/YYYY) 5/29/13
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th	PORTANT: If the certificate holder i e terms and conditions of the policy, rtificate holder in lieu of such endorse	certa	ain p						
	ucer / Hunter Hall, Inc.			325-673-6414	CONTACT Aneesa		I FAX		
0.	Box 1400 ne, TX 79604			325-673-4413	DAVID, HU, CALL	3-6414		325-6	73-4413
	ny Jaye Bryant				E-MAIL ADDRESS: bacona PRODUCER CUSTOMER ID # SOJO	oll_1	ernall.com		
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su	Sojourner Drilling Corp				INSURER A: St Paul	1000	And a first state of a first firs		
	PO Box 3234				INSURER B: Texas N	lutual Insu	rance Company		22945
	Abilene, TX 79604-3234				INSURER C :	- Novel 4 4 4 4 4 4			<u> </u>
					INSURER D :		2		
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	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	\$	5,000
							PERSONAL & ADV INJURY	5	1,000,000
			ļ				GENERAL AGGREGATE	\$	2,000,000
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-	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT		
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	ALL OWNED AUTOS						BODILY INJURY (Per person)	\$	
	X SCHEDULED AUTOS			11S00640	10/11/12	10/11/13	BODILY INJURY (Per accident) PROPERTY DAMAGE	\$	
	X HIRED AUTOS						(Per accident)	s	
	X NON-OWNED AUTOS							\$	
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	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	5	1,000,00
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ES	CRIPTION OF OPERATIONS / LOCATIONS / VEHIC	LES	Attach	ACORD 101, Additional Remarks	Schedule, If more space i	s required)	EXHIBI	13	
	RIPTION OF OPERATIONS / LOCATIONS / VEHIC D0084 (10-00) Any person or orga 1 notice - 30 day Notice of Cancella	tion	for r	n me with us to receive naterial change or	2				
an	ellation, other than nonpayment of	r pre	mlur	n. –					
E		2010			CANCELLATION				
	City of Abilene			CITYOFA		N DATE TH	DESCRIBED POLICIES BE C IEREOF, NOTICE WILL CY PROVISIONS.		
	Attn: Land Dept 555 Walnut								
	Abilene, TX 79601			AUTHORIZED REPRESENTATIVE					
	Abilene, 1X 79601								
	Abilene, 1X 79601				Ronny J.	Bryant	-,		



#### **IRREVOCABLE STANDBY LETTER OF CREDIT NO, 1368**

Date: May 14, 2013 Expiration Date: May 14, 2014

For Account of: Sojourner Drilling Corporation 810 Anson Ave, Abilene, TX 79601

Railroad Commission Number: 767932 Well Number: #4 Lease Name: Impact Unit 3

To Beneficiary: City of Abilene, Texas 555 Walnut Street Abilene, TX 79601

## Gentlemen:

Prosperity Bank hereby establishes our Irrevocable Standby Letter of Credit in your favor as Beneficiary in the amount of Ten Thousand Dollars & No/100 which is available by negotiation of your sight draft drawn on us marked "Drawn under Prosperity Bank, Abilene, Texas, Irrevocable Standby Letter of Credit No, 1368 dated May 14, 2013," accompanied by this original Letter of Credit and a statement signed by an authorized representative of the City of Abilene, Texas stating that:

### In the event the Operator, Sojourner Drilling Corporation fails to:

(1). Comply with the terms and conditions of the Lease Agreement and/or Chapter 21 of the Abilene Municipal Code, in the drilling and operation of an oil and gas well;

(2). Promptly pay all fines, penalties and other assessments imposed upon operator by reason of breach of any of the terms, provisions and conditions of the Lease Agreement and/or Chapter 21 of the Abilene Municipal Code; or

(3). Promptly restore the streets and sidewalks, and other public property of the City, which may be disturbed or damaged in the drilling and operations of a well, to their former condition; and following cessation of drilling activities, or production, whichever occurs last, plug the oil or gas well in accordance with Texas Railroad Commission requirements, and promptly clear all premises of all litter, trash, waste, and other substance used, allowed, or occurring in the drilling or producing operations, and, after abandonment, grade, level, and restore such property to the same surface condition, as nearly as possible, as existed when operations for the drilling of the well were first

commenced.

This letter of credit shall be governed by the laws of the State of Texas.

Very truly yours, PROSPERITY BANK

Sillien 5 D

By: Gary R. Galbraith Title: Regional President 402 Cypress Street Abilene, TX 79601-5139

Note: Structure location Plat

As noted on the plat, Mr. Leija has a shop building that is located 216 feet from the proposed well site. His home is even further away.

Tract 4 is owned by Ruben Hernandez and we have a consent and waiver from Mr. Hernandez.

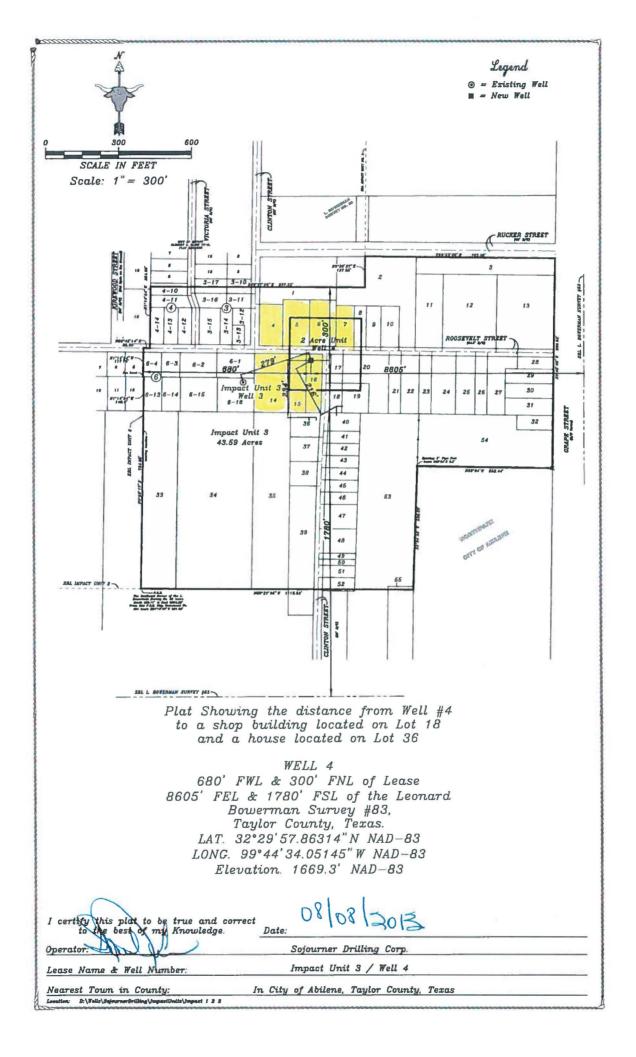
Tracts 5 & 6 have no structures located on them.

Tract 7 is owned by Felipe and Isabel Leija and we have a consent and waiver from them.

Tract 14 is owned by Yolanda Loza and Juan M. Perez and we have a consent and waiver from them.

Tracts 15 & 16 have no structures on them.

Sheryl Minear



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS RECORDED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

### **CONSENT AND WAIVER TO DRILLING OPERATIONS**

STATE OF TEXAS COUNTY OF TAYLOR Mazch 2015 Effective Date: つる day of June, 2012

Lessor: RUBEN HERNANDEZ, 1940 ROOSEVELT ST, ABILENE, TX 79603

Lessee: Sojourner Drilling Corporation, PO Box 3234, Abilene, Texas, 79604

Lessor (whether one or more) hereby states, declares and gives notice that in and for good and valuable consideration therein described the receipt and sufficiency of which are hereby acknowledged, each of them has executed, acknowledged and delivered unto Lessee an Oil, Gas and Mineral Lease dated as of the Effective Date; granting Lessee the rights therein set forth in and to the lands described on the schedule attached hereto as Exhibit A ("leased premises") subject to the terms and conditions therein set forth. Such Lease contains among other provisions the following consent and waiver with respect to the drilling of wellbores on or near the leased premises.

Lessor hereby consents to and waives any and all rights to object or protest the drilling by Lessee and its affiliates, successors and assigns of any wellbore regardless of how close the same is located to the leased premises or any building or structure thereon, provided no wellbore shall be drilled on (but may be drilled under) any lot covered by the leased premises upon which there is now located a house or drilled within 50 feet of any such house whether such wellbore is on the leased premises or other lands.

Lessor acknowledges and agrees that in and for said consideration this Consent and Waiver may be filed with any governmental body having jurisdiction over the drilling of wellbores on or near the leased premises as proof of Lessor's consent to the location of any wellbore complying with the terms and provisions set forth above and the waiver of Lessor's rights to object to and/or protest the location of such wellbore under any applicable rule, regulation, ordinance or statute or at any meeting, hearing or other public forum, particularly with respect to any wellbore located within 200 feet of any building located on the leased premises or within 500 feet of the leased premises.

This Consent and Waiver may be executed in any number of identical counterparts, each of which for all purposes shall be deemed an original, and all of which shall constitute collectively, one instrument. It is not necessary that each of the undersigned execute the same counterpart so long as indentical counterparts are executed by each of the undersigned.

IN WITNESS WHEREOF, this Consent and Waiver is executed by each of the undersigned Lessor on the date such execution is acknowledged, but the same shall be effective for all purposes as of the Effective Date.

13,203

LESSOR ANDEZ

STATE OF TEXAS COUNTY OF TAYLOR

This instrument was acknowledged before me on June-ELMA J. BERNAL My Commission Expires August 3, 2015

MARCh

2012: by RUBEN HER Notary Public, State of T

STATE OF TEXAS COUNTY OF TAYLOR

This instrument was acknowledged before me on June \_\_\_\_, 2012, by .

Notary Public, State of Texas



# EXHIBIT "A"

All recording references are to the real property records of Taylor County, Texas

All of that certain lots, tracts or parcel of land situated in the County of Taylor, State of Texas and being the same lands located in the Leonard Bowerman Survey No. 83, A-0012, containing a 0.4798 acre tract out of a Hickman 3 acre tract and as Referenced in Warranty Deed Volume 1914 Page 172, also a .04449 acre tract out of Block A, Lot 1 and Referenced in Warranty Deed Volume 1803 Page 77 of the Official Records of Taylor County and listed as Property ID #28773 and #27776 of the Taylor CAD Records, including any and all streets and alleys, Taylor County, TX.

AFTER RECORDING, RETURN TO: Sojourner Drilling Corp., P.O. Box 3234, Abilene, TX 79604

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS RECORDED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

#### **CONSENT AND WAIVER TO DRILLING OPERATIONS**

STATE OF TEXAS COUNTY OF TAYLOR

Effective Date: 3/ day of December, 2012.

Lessor: Felipe and Isabel Leija, 1842 Roosevelt, Abilene, TX 79603

Lessee: Sojourner Drilling Corporation, 810 Anson Avenue, Abilene, Texas 79604.

Lessor (whether one or more) hereby states, declares and gives notice that in and for good and valuable consideration therein described the receipt and sufficiency of which are hereby acknowledged, each of them has executed, acknowledged and delivered unto Lessee an Oil, Gas and Mineral Lease. Lessor as of the Effective Date, hereby grants unto the Lessee the rights therein set forth in and to the lands described on the schedule attached hereto as Exhibit A ("leased premises") subject to the terms and conditions therein set forth. Such Lease contains among other provisions the following consent and waiver with respect to the drilling of wellbores on or near the leased premises.

Lessor hereby consents to and waives any and all rights to object or protest the drilling by Lessee and its affiliates, successors and assigns of any wellbore regardless of how close the same is located to the leased premises or any building or structure thereon, provided no wellbore shall be drilled on (but may be drilled under) any lot covered by the leased premises upon which there is now located a house or drilled within 50 feet of any such house whether such wellbore is on the leased premises or other lands.

Lessor acknowledges and agrees that in and for said consideration this Consent and Waiver may be filed with any governmental body having jurisdiction over the drilling of wellbores on or near the leased premises as proof of Lessor's consent to the location of any wellbore complying with the terms and provisions set forth above and the waiver of Lessor's rights to object to and/or protest the location of such wellbore under any applicable rule, regulation, ordinance or statute or at any meeting, hearing or other public forum, particularly with respect to any wellbore located within 200 feet of any building located on the leased premises or within 500 feet of the leased premises.

This Consent and Waiver may be executed in any number of identical counterparts, each of which for all purposes shall be deemed an original, and all of which shall constitute collectively, one instrument. It is not necessary that each of the undersigned execute the same counterpart so long as indentical counterparts are executed by each of the undersigned.

IN WITNESS WHEREOF, this Consent and Waiver is executed by each of the undersigned Lessor on the date such execution is acknowledged, but the same shall be effective for all purposes as of the Effective Date.

**LESSORS:** 

Isabel Leija

STATE OF TEXAS COUNTY OF TAYLOR

This instrument was acknowledged before me on December 21, 2012, by Felipe and Isabel Leija



Notary Public, State of Texas

I do hereby amend said Lease in this respect and ratify and adopt the same as so amended, and grant, lease, let and
demise unto the Lessee and its successors or assigns the said Oil, Gas and Mineral Lease as amended hereby.

IN WITNESS WHEREOF, this instrument is executed to be effective as of September 23, 2010.

LESSOR:

í FELIPE LEIJA

Alin Laisa

#### ACKNOWLEDGMENTS

STATE OF TEXAS COUNTY OF TAYLOR

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DOC

This instrument was acknowledged before me on this 31 day of December, 2012, by FELIPE LEIJA and ISABEL LEIJA.

ernal

ELMA J. BERNAL My Commission Expires August 3, 2015

Notary Public. State of Texas

AFTER RECORDING, RETURN TO: Sojourner Drilling Corporation, P.O. Box 3234, Abilene, TX 79604

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS RECORDED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR **DRIVERS LICENSE NUMBER.** 

## CONSENT AND WAIVER TO DRILLING OPERATIONS

STATE OF TEXAS **COUNTY OF TAYLOR** Effective Date: 2 day of Jun

1. 5

#### Lessor: YOLANDA LOZA & JUAN M PEREZ, 1917 ROOSEVELT ST, ABILENE, TX 79603

Lessee: Sojourner Drilling Corporation, PO Box 3234, Abilene, Texas, 79604

Lessor (whether one or more) hereby states, declares and gives notice that in and for good and valuable consideration therein described the receipt and sufficiency of which are hereby acknowledged, each of them has executed, acknowledged and delivered unto Lessee an Oil, Gas and Mineral Lease dated as of the Effective Date; granting Lessee the rights therein set forth in and to the lands described on the schedule attached hereto as Exhibit A ("leased premises") subject to the terms and conditions therein set forth. Such Lease contains among other provisions the following consent and waiver with respect to the drilling of wellbores on or near the leased premises.

Lessor hereby consents to and waives any and all rights to object or protest the drilling by Lessee and its affiliates, successors and assigns of any wellbore regardless of how close the same is located to the leased premises or any building or structure thereon, provided no wellbore shall be drilled on (but may be drilled under) any lot covered by the leased premises upon which there is now located a house or drilled within 50 feet of any such house whether such wellbore is on the leased premises or other lands.

Lessor acknowledges and agrees that in and for said consideration this Consent and Waiver may be filed with any governmental body having jurisdiction over the drilling of wellbores on or near the leased premises as proof of Lessor's consent to the location of any wellbore complying with the terms and provisions set forth above and the waiver of Lessor's rights to object to and/or protest the location of such wellbore under any applicable rule, regulation, ordinance or statute or at any meeting, hearing or other public forum, particularly with respect to any wellbore located within 200 feet of any building located on the leased premises or within 500 feet of the leased premises.

This Consent and Waiver may be executed in any number of identical counterparts, each of which for all purposes shall be deemed an original, and all of which shall constitute collectively, one instrument. It is not necessary that each of the undersigned execute the same counterpart so long as indentical counterparts are executed by each of the undersigned.

IN WITNESS WHEREOF, this Consent and Waiver is executed by each of the undersigned Lessor on the date such execution is acknowledged, but the same shall be effective for all purposes as of the Effective Date.

LESSOR ANDA LOZA

This instrument was acknowledged before me on June

STATE OF TEXAS COUNTY OF TAYLOR

STATE OF TEXAS

2012, by YOLAN



ELMA J. BERNAL ly Commission Expires August 3, 2015

Notary Public, State of

\_, 2012, by JUAN M This instrument was acknowledged before me on June \_\_\_\_\_

State of Texas

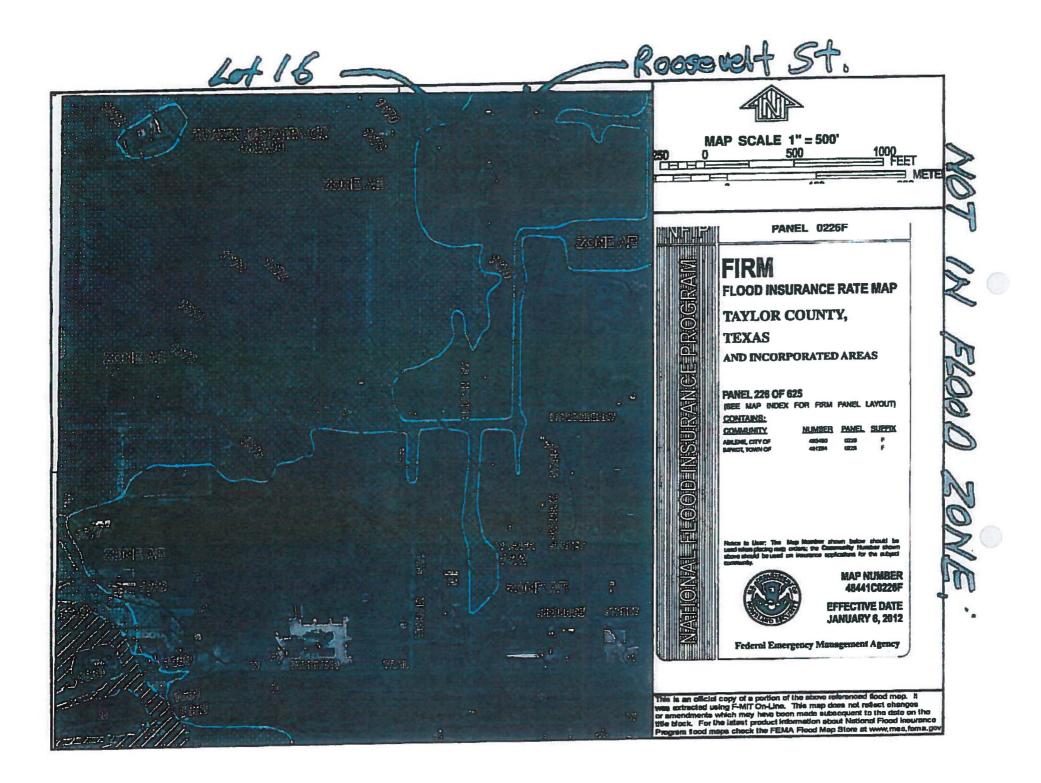


## EXHIBIT "A"

All recording references are to the real property records of Taylor County, Texas

A0012 SUR 83 L BOWERMAN, TRACT W143.3 N240 E213 MARTIN 3 1/3 AC TRACT, including all streets and alleys, Taylor County, Texas; also known as 1917 ROOSEVELT ST; Taylor CAD #33269.

AFTER RECORDING, RETURN TO: Sojourner Drilling Corp., P.O. Box 3234, Abilene, TX 79604



# FERGUS & FERGUS, L.L.P.

Attorneys and Counselors A Limited Liability Partnership 400 Pine Street, Suite 765 Abilene, Texas 79601-5194 (325) 691-0370 | Fax: (325) 692-8107

Dan M. Fergus, Dec. 1925-2004

Dan Fergus, Jr. Direct Dial: (325) 691-0370 Internet: danfergus8010@gmail.com Board Certified Oil, Gas and Mineral Law Texas Board of Legal Specialization Josh Steln Associate Direct Dial (325) 691-0370 Internet: josh.stein.esq@gmail.com

June 5, 2013

Sojourner Drilling Corporation Ms. Elma Bernal, Land Manager P. O. Box 3234 Abilene, Texas 79604

## Re: Interest of the City of Abilene in the streets and alleys or any other mineral or royalty interest in the proposed revision to the pooled area in the Sojourner Drilling Corporation – Impact Unit 3

Dear Ms. Bernal:

In connection with the Impact Unit 3, Well #4 ("the Well") that has been proposed by Sojourner Drilling Corporation ("Sojourner"), you requested on behalf of Sojourner that I determine whether the City of Abilene, Texas, ("the City") owns any mineral or royalty interest in the streets and alleys or any other mineral or royalty interest included within the boundaries of that certain 43.59 acre tract of land described in Exhibit "A" attached hereto. Impact Unit 3 is depicted on the plat attached as Exhibit "B" hereto ("the Subject 43.59 Acres"), which land is a pooled oil unit created by Sojourner by that certain Corrected Designation of Pooled Unit filed April 12, 2012(Impact Unit#3) recorded as Document No. 00005478 in the Official Public Records of Taylor County, Texas ("the Unit"). As more particularly shown below, it is my opinion that the City does not own any mineral or royalty interest in such streets and alleys or on any of the property located within the boundaries of the Unit.

To reach such conclusion, I examined the relevant land title records of Taylor County, Texas, as disclosed by the materials I examined in Taylor County as indexed by Security Title Co., Abilene, Texas. These materials include title runsheets and recorded instruments covering that period from the sovereignty of the soil to the present time, and covering all lands within the Subject 43.59 Acres. I also reviewed the relevant Plat Records of Taylor County, Texas.

Page 2 June 5, 2013 Elma Bernal

Based on such examination, I have determined that the Subject 43.59 Acres was part of the City of Impact for Blocks 3, 4, and 6 and was part of the Thomas Barrett's Subdivision for lots 33, 34 and 35 as set forth in the Numbering System described in the Williams Survey. The Williams Survey is attached as Exhibit "B" and the numbering system for the tracts is set forth on the Williams Survey. There were no other subdivisions covering the Subject 43.59 Acres.

The two recorded plats for the City of Impact and the Thomas Barrett's Subdivision, have certain dedications concerning the roads. The City of Impact's dedication was filed in Volume 3, Page 371 of the Plat Records of Taylor County, which was later changed to Plat Cabinet 2, Slide 84A of the Plat Records, Taylor county, Texas. The dedication states the following: "That the Impact Development Corporation in the State of Texas, in consideration of the enhanced value to its remaining property, does hereby dedicate to public use for street purposes the following described tracts of land." Neither one of the tracts of land described cover the Subject 43.59 acres.

The Thomas Barrett's Subdivision dedication for the roads is set forth in Volume 2, Page 69 of the Plat Records of Taylor County, Texas in File No. 781. The Dedication does not include any roadways within the Unit.

Any additional dedications covering the Unit would not be effective to convey minerals. The Texas Supreme Court has held that such dedication of streets and alleys in a recorded plat creates only an easement, and does not convey the minerals under such streets and alleys; see *Humble Oil & Refining Co. v. Blankenburg*, 235 S. W. 2d 891, at 893, 895 (Tex 1951):

[T]he dedication by the Charlotte Townsite Company of the plazas, parks streets and alleys shown on the plat of the Town of Charlotte to the use and benefit of the public did not convey the Townsite Company's title. It created an easement, the fee remaining in the Townsite Company subject to the easement.

[citation omitted]

Respondents claim under an oil and gas lease of the parks, plazas, streets and alleys of the city executed by the city of Charlotte....[However,]the lease [from the city] granted... no right, title or interest in the property in controversy herein, because, as has been said above, the dedication by the Townsite Company did not convey the Company's title. It created only an easement for the benefit of this public.

This remains the rule in Texas; see e.g., Russell v. City of Bryan, 919 S. W. 2d 698, 702 (Tex. App. – Houston [14<sup>th</sup> Dist.] 1996, writ denied) (holding in dicta that the Humble v. Blankenburg case controls when a dedication is made on a plat), and 4 Aloysius A. Leopold, TEXAS PRACTICE: LAND TITLES AND TITLE EXAMINATION § 19.2 – Dedication of Texas Streets to Public Use, at n.7 (3<sup>rd</sup> Ed. 2005)("the usual dedication of streets to a city and the public conveys only an easement for streets, with the fee to the center of the street passing to the grantees of the abutting lots.").

Page 3 June 5, 2013 Elma Bernal

There are no City of Abilene tracts or properties owned by the City of Abilene in the Subject 43.59 Acres. The three other main roadways within the Unit include Roosevelt Street, Clinton Street and Victoria Street. We found no minerals reserved by the City of Abilene or other municipality covering these roadways and we have treated these roadways as allowing the fee simple owner to own the minerals to the center of the street. See, *Bitulithic Co., v. Warwick*, 293 S. W. 160 (Tex. Comm'n. App., Section B, 1927, judgm't adopted) citing the established doctrine set forth in *Mitchell v. Bass*, 26 Tex. 372 (1862).

Consequently, based on the facts and law set forth above it is my opinion that the City of Abilene owns no mineral or royalty interest in the streets and alleys included within the Subject 43.59 Acres and actually owns no mineral or royalty interest for the remainder of the Subject 43.59 Acres.

Should you have any questions, please contact me.

Very truly yours,

FERGUS & FERGUS, L.L.P.

DFJR/sjm

Exhibits to this letter:

Exhibit "A" – Field Notes of the Subject 43.59 Acres Exhibit "B" – Plat of the Subject 43.59 Acres. BEING 43.59 acres out of the L. Bowerman Survey No. 83, Taylor County, Texas and being more particularly described as follows:

BEGINNING at a 3/8" rebar found at the Southeast corner of the Woods Unit, from whence the Southeast corner of the L. Bowerman Survey No. 83 bears South 858.11 feet and East 9304.28 feet;

THENCE N0°59'17"E 724.85 feet to a 3/8" rebar found at the Southeast corner of Lot 12 and the Southwest corner of Lot 13, Block 6, City of Impact;

THENCE N1°14'54"W along the EBL of said Lot 12 and the WBL of said Lot 13 140.0 feet to a 3/8" rebar found at the Northeast corner of said Lot 12 and the Northwest corner of said Lot 13;

THENCE S89°43'14"W 3.5 feet along the SBL of Lot 4, Block 6, City of Impact to a 3/8" rebar found at the Southwest corner of said Lot 4 and the Southeast corner of Lot 5, Block 6, City of Impact;

THENCE N1°14'54"W at along the EBL of said Lot 5 and the WBL of said Lot 4 at 100.5 feet pass the Northwest corner of said Lot 4 and the Northeast corner of said Lot 5 and continue along for a total distance of 117.75 feet to a 60-D nail found in the middle of Roosevelt Street;

THENCE N89°43'14"E 26.50 feet along the middle of Roosevelt Street to a 60-D nail found;

THENCE N1°14'54"W at 17.25 feet pass the Southwest corner of Lot 14 and the Southeast corner of Lot 15, Block 4, City of Impact, and continue along for a total distance of 254.92 feet to a 3/8" rebar found on the WBL of Lot 10 and the EBL of Lot 16, Block 4, City of Impact;

THENCE S89°37'06"E 897.25 feet to a 3/8" rebar found for an Interior corner of this tract and the most Easterly Southeast corner of the Woods Unit tract;

THENCE N0°29'37"E 127.55 feet to a 3/8" rebar set on the SBL of Rucker Street for the most Northerly Northwest corner of this tract;

THENCE S89°23'05"E 783.08 along the SBL of Rucker Street to a 3/8" rebar set on the WBL of Grape Street for the Northeast corner of this tract;

THENCE S0°48'40"W 860.62 feet along the WBL of Grape Street to a 1" rod found at the Northeast corner of Northpark;

THENCE N89°04'W 558.44 feet along the NBL of Northpark to a point at the Northwest corner of said Northpark, from whence an existing 2" pipe post bears S58°24'E 0.5 feet;

THENCE S2°04'28"W 506.89 feet to a 3/8" rebar set for the most Southerly Southeast corner of this tract;

THENCE N89°37'06"W 1116.82 feet to the place of beginning and containing 43.59 acres of land.

EXHIBIT "A"

