



COURT FILE NUMBER 1901-14615
 COURT COURT OF QUEEN’S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 APPLICANTS ORPHAN WELL ASSOCIATION
 RESPONDENTS HOUSTON OIL & GAS LTD.



DOCUMENT **APPLICATION BY RECEIVER, re:
 APPROVAL OF SALE AND VESTING
 ORDER**

\$50
 COM
 Nov. 10, 2020
 Justice Romaine

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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NOTICE TO THE ATTACHED SERVICE LIST (SCHEDULE “A”)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date November 10, 2020
Time 4:00 PM
Where Calgary Courts Centre (Via WebEx Video Conference)
Before Whom The Honourable Madam Justice B.E.C. Romaine

Go to the end of this document to see what else you can do and when you must do it.

REMEDY CLAIMED OR SOUGHT:

1. BDO Canada Limited (“**BDO**”) is the court-appointed receiver and manager (the “**Receiver**”) over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**), of Houston Oil & Gas Ltd. (the “**Debtor**”), pursuant to a receivership order (the “**Receivership Order**”) of the Court of Queen’s Bench of Alberta (the “**Court**”) pronounced on October 29, 2019, as amended

by an Order of the Court in Action Number 2001-07870 pronounced on June 30, 2020 (the “**Receivership Order**”).

2. Unless otherwise indicated, capitalized terms used herein have the meanings given to them in the Second Supplement to the Second Report of the Receiver dated and filed on November 2, 2020 (the “**Second Supplement**”), the Supplement to Second Report of the Receiver dated and filed on September 30, 2020 (the “**Supplement to the Second Report**”), or in the Second Report of the Receiver dated and filed on August 24, 2020 (the “**Second Report**”).
3. In this Application, the Receiver seeks from this Honourable Court an Order substantially in the form attached hereto as **Schedule “B”**:
 - (i) declaring service of this Application (and all supporting materials) to be good and sufficient, and abridging the time for notice of this Application to the time actually given, if necessary;
 - (ii) approving the Seol Transaction between the Receiver and Seol;
 - (iii) vesting all of the Debtor’s right, title and interest in and to the assets purchased pursuant to the Seol PSA and Seol Amending Agreement, in the name of Seol, free and clear of all claims (except any permitted encumbrances);
 - (iv) without limiting the generality of (iii) above, vesting the purchased assets free and clear of a royalty agreement between the Debtor and Pioneer Oil Well Service Corp., if required; and
 - (v) authorizing and directing the Receiver to take such further steps, as necessary, to complete the Seol Transaction.
4. Such further and other relief as counsel may advise and this Honourable Court may permit.

GROUNDS FOR MAKING THIS APPLICATION:

Background

5. The Debtor is a private oil and gas exploration and production company based in Calgary, Alberta. The Debtor’s Property substantially comprises natural gas wells located in south eastern Alberta, including approximately 1,426 well licenses, 73 facility licenses and 272 pipeline licenses.
6. On October 29, 2019, the Orphan Well Association (“**OWA**”) made an application to the Court for the appointment of an interim receiver and receiver and manager in respect of the Debtor’s Property. Among other things, the OWA commenced these proceedings after the Debtor advised

the Alberta Energy Regulator (the “**AER**”) that, due to its financial situation, it intended to or had shut-in all of its operations. The Debtor also owed substantial environmental liabilities. The Court granted the relief sought by the OWA and appointed Hardie & Kelly Inc. (“**H&K**”) as Receiver. On June 30, 2020, pursuant to a merger of H&K with BDO, this Honourable Court granted an Order substituting H&K with BDO as Receiver.

7. The Receivership Order empowers the Receiver to, *inter alia*, (i) market the Property, (ii) sell, convey, transfer, lease or assign the Property, subject to the approval of this Honourable Court for any transaction exceeding \$1,000,000 or the aggregate of multiple transactions exceeding \$5,000,000; and (iii) apply to the Court for any vesting order necessary to convey the Property or any part thereof to a purchaser(s).

SSP, Initial Sale Approval Application and October Sale Approval Application

8. On December 12, 2019, the Receiver applied to the Court for approval of a sale solicitation process (the “**SSP**”) and for approval of the Receiver’s engagement of Sayer Energy Advisors (“**Sayer**”) as its sales advisor to administer the SSP. The Court granted the relief (the “**SSP Order**”).
9. As is more fully set out in the Second Report, the Receiver, with the assistance of Sayer, launched the SSP in January 2020. Specifically, the Receiver and Sayer conducted a broad pre-marketing and marketing campaign, the Receiver then received non-binding LOI’s by the Phase 1 Bid Deadline of February 27, 2020, and received binding Formal Offers by the Phase 2 Bid Deadline of April 7, 2020. The Receiver then evaluated the Formal Offers and began negotiations with several bidders to arrive at definitive agreements.
10. In the result, in mid to late August 2020, the Receiver entered into sale agreements with nine parties who had submitted Formal Offers, and applied to this Court for approval of the agreements and associated transactions on September 3, 2020 (the “**Initial Sale Approval Application**”). This Court granted the orders in the manner sought (the “**Initial Sale Approval Orders**”).
11. However, as described in the Second Report, as at the date thereof, the Receiver and Sayer were continuing to negotiate with several additional parties who had participated in the SSP (the “**Subsequent Purchasers**”).
12. As a result of the Receiver’s ongoing discussions and negotiations, the Receiver then entered into three additional sale agreements with Subsequent Purchasers (the “**Subsequent Sale Agreements**”), as detailed in the Supplement to the Second Report and the Confidential

Appendices thereto. Specifically, between September 28 and 29, 2020, the Receiver entered into Subsequent Sale Agreements with Road 53 Resources Inc. (“**Road 53**”), Canadian Natural Resources (“**CNR**”), and Seol Energy Inc. (“**Seol**”). The AER and OWA were consulted with by the Receiver, or by the respective purchaser, where appropriate, in respect of the Subsequent Sale Agreements.

13. On October 8, 2020, the Receiver then applied to this Court for approval of the Subsequent Sale Agreements and associated transactions (the “**October Sale Approval Application**”). This Court granted the orders in the manner sought in respect of the transaction with Road 53 and with CNR (the “**October Sale Approval Orders**”).
14. However, in the days leading up to the October Sale Approval Application, the Receiver received concerns from interested parties regarding the Seol PSA. Specifically, and as is more fully detailed in the Second Supplement, the Receiver received concerns that (a) asset schedules for the Seol PSA appeared partially inaccurate, and (b) the Seol PSA appeared inconsistent with a unit agreement and/or unit operating agreement relating to the Arrowhead Unit, which governed certain of the interests proposed to be sold under the Seol PSA.
15. Due to these concerns, and with Seol’s consent, the Receiver adjourned the relief it proposed to seek at the October Sale Approval Application in respect of the Seol PSA, pending further analysis and investigation by the Receiver.

Approval of the Seol Transaction

16. Since the October Sale Approval Application, the Receiver has undertaken further analysis and investigations in respect of the aforementioned concerns. Consequently, the Receiver has (a) made certain amendments to the asset schedules of the Seol PSA, which are set out in an amending agreement entered into between the Receiver and Seol dated November 2, 2020 (the “**Seol Amending Agreement**”), and (b) analysed the unit agreement and unit operating agreement for Arrowhead Unit, and concluded that the Seol Transaction is permissible under those agreements. Accordingly, the Receiver again seeks this Court’s approval of the Seol Transaction.
17. As for the previous sale approval applications, the Receiver considers that the Seol Transaction should be approved by this Court since, among other things:
 - (a) the Seol Transaction was generated as a result of the SSP, which was approved by this Court pursuant to the SSP Order;

- (b) Sayer is regarded as a well respected sales advisor in the marketplace and has executed many engagements on behalf of receivers;
 - (c) Houston's assets were widely advertised by Sayer during the SSP, which Sayer advises received significant interest from potential buyers for an offering of its size;
 - (d) the Receiver and Sayer have undertaken an extensive negotiation process with Seol and the Receiver considers the cash proceeds to be realized from the Seol Transaction to be the best price available;
 - (e) in addition to cash consideration, the consummation of the Seol Transaction will result in Seol assuming responsibility for the related abandonment and reclamation cost associated with the wells, facilities, and pipelines being purchased, which is substantial. If the Seol Transaction is not approved, then it is likely that the subject assets and substantial liability associated therewith will fall to become the responsibility of OWA;
 - (f) the Seol Transaction is not subject to any material conditions other than Court approval, vesting free and clear of encumbrances excluding any permitted encumbrances, and a lack of legal barriers to consummation of the transaction, such as the ability to transfer licenses;
 - (g) the Receiver understands that the OWA is supportive of the Seol Transaction;
 - (h) the Seol Transaction will result in Seol assuming certain obligations of Houston in respect of municipal property taxes, mineral lease royalties and rentals, and surface lease rentals;
 - (i) the oil and gas industry continues to be in a dire condition, and the Pandemic is ongoing, meaning that the costs and delays associated with any further marketing efforts are highly unlikely to generate any more favourable transactions in respect of the assets being purchased by Seol;
 - (j) the Receiver considers that there has been no unfairness arising from the SSP; and
 - (k) the Receiver is of the view that the Seol Transaction was negotiated in good faith and is commercially reasonable in the circumstances.
18. For similar reasons, it is just and equitable for this Court to vest the purchased assets, free and clear of all claims (except any permitted encumbrances) in the name of Seol.

Vesting of Pioneer GORR

19. As detailed in the Second Report (and in the First Report), the Receiver discovered that Houston appeared to have entered into a royalty agreement (the "**Pioneer Royalty Agreement**") on April 1, 2018, with a related party, Pioneer Oil Well Service Corp. ("**Pioneer**"), whereby Houston agreed to pay Pioneer a 5% gross overriding royalty on all petroleum substances produced on Houston's lands from its wells (the "**Pioneer GORR**"). The Receiver disclaimed the Pioneer GORR on December 4, 2019.

20. Nevertheless, the Receiver seeks specific relief from this Court as further assurance that the Pioneer GORR will not encumber any of the purchased assets in favour of Seol.
21. The Receiver considers the vesting off of the Pioneer GORR to be just and equitable since, among other things:
 - (a) the Pioneer GORR is, at most, a contractual interest in production revenues and not an interest in land;
 - (b) the Pioneer GORR was granted by the Debtor for no apparent consideration;
 - (c) there is no reason to give a priority to the Pioneer GORR which creates no value for the Debtor;
 - (d) Pioneer is related to the Debtor;
 - (e) the Receiver disclaimed the Pioneer GORR in December 2019, and has received no objection from Pioneer; and
 - (f) it is in the interests of stakeholders as a whole for the Pioneer GORR to be vested off title.
22. Further, this Court already granted specific vesting relief regarding the Pioneer GORR pursuant to the Initial Sale Approval Orders and the October Sale Approval Orders.
23. Such further and other grounds as counsel may advise and this Honourable Court may permit.

MATERIAL OR EVIDENCE TO BE RELIED ON:

24. The Receiver's Second Supplement, filed.
25. The Receiver's Supplement to the Second Report, filed.
26. The Confidential Appendices to the Receiver's Supplement to the Second Report, filed.
27. The Receiver's Second Report, filed.
28. The Bench Brief of the Receiver, filed on August 27, 2020.
29. Transcript of Court Proceedings for September 3, 2020, filed.
30. Transcript of Court Proceedings for October 8, 2020, filed.
31. The pleadings, affidavits and other materials previously filed in these proceedings.

32. Such further and other material or evidence as Counsel may advise and this Honourable Court may permit.

APPLICABLE RULES:

33. *The Alberta Rules of Court*, AR 124/2010.
34. *The Bankruptcy and Insolvency General Rules*, CRC, c 368.

APPLICABLE ACTS AND REGULATIONS:

35. *The Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
36. *The Judicature Act*, R.S.A. 2000, c J-2.
37. *The Law of Property Act*, RSA 2000, c L-7.
38. Such further and other Acts and regulations as Counsel may advise and this Honourable Court permit.

ANY IRREGULARITY COMPLAINED OF OR OBJECTION RELIED ON:

39. None.

HOW THE APPLICATION IS PROPOSED TO BE HEARD OR CONSIDERED:

40. Via Webex Video Conference, before the Honourable Madam Justice B.E.C. Romaine, with some or all of the parties present.

WARNING

Subject to the Court's procedures having regard for the COVID-19 pandemic, if you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

SERVICE LIST

SERVICE LIST

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Workers Compensation Board Collection Unit 9925 – 1078 Street, 8 th Floor Edmonton, AB T5J 3S9 Phone: 780-509-1395 Fax: 780-498-7871		Fax
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Imperial Oil Resources Po Box 2480 Station M Calgary, AB T2P 3M9 Attention: Daniel Dubois daniel.p.dubois@esso.ca		Email

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<p>McLeod Law LLP 300, 14505 Bannister Road SE Calgary, AB T2X 3J3 Attention: Randolph W. Mitchell rmitchell@mcleod-law.com</p>	<p>Patriot Energy Marketing Inc. and/or Patriot Power and Alternate Fuels Inc.</p>	<p>Email</p>
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<p>Reynolds Mirth Richards & Farmer LLP c/o Municipal District of Taber 3200, 10180 – 101 Street Edmonton, AB T5J 3W8 Attention: Emma Banfield and Shauna Finlay EBanfield@rmrf.com SFinlay@rmrf.com</p>	<p>Municipal District of Taber</p>	<p>Email</p>
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Ovintiv Canada ULC 500 Centre Street SE Calgary, AB T2P 2S5 legal.notices@ovintiv.com		Email
Persistence Energy Ltd. 1600, 505 – 3 rd Street SW Calgary, AB T2P 3E6 Attention: Neil McPherson neilm@persistence-energy.com		Email
Pieridae Alberta Production Ltd. 3100, 308 4 th Ave SW Calgary, AB T2P0H7 Attention: Rich Rowe rich.rowe@pieridaenergy.com		Email
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<p>Stikeman Elliott LLP 4300, 888 – 3 Street SW Calgary, AB T2P 5C5 Attention: David M. Price dprice@stikeman.com</p>	Journey Energy Partnership Journey Energy Inc.	Email
<p>Surface Rights Board of Alberta 1229 – 91 Street SW Edmonton, AB T6X 1E9 Attention: Frances Gunraj frances.gunraj@gov.ab.ca</p>		Email

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BENCI SEED FARMS INC BOX 102 CARMANGAY, AB T0L 0N0		Courier
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Ener-Controls Audit Services Inc. 72 Quarry Gardens SE Calgary, AB T2Z 0E3		Courier
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ESTATE OF IRENE FLORENCE VOSHALL C/O VERNA MCFADDEN, EXECUTRIX BOX 2161 SUNDRE, AB T0M 1X0		Courier
ESTATE OF ROBERT JOHN WEBER C/O CINDY K. WOLF, EXECUTRIX 908 ARCHWOOD ROAD SE CALGARY, AB T2J 1C4		Courier
EXXONMOBIL CANADA LTD. PO BOX 2480 STATION M CALGARY, AB T2P 3M9		Courier
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ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
FREEHOLD ROYALTIES LTD. 1000, 517 10 Ave SW Calgary, AB T2R 0A8		Courier
Frey & Assoc. Ltd (previously Frey & Associates Engineering LTD) Box 6961 Drayton Valley Alberta T7A 1S3		Courier
FRONTIER ENERGY INC. 8 - 10 STREET SYLVAN LAKE, AB T4S 2P3		Courier
GEAR ENERGY LTD. 2400, 525 8 Ave SW Calgary, AB T2P 1G1		Courier
GILES, DELBERT M & M JEAN PO BOX 862 BROOKS, AB T0J 0J0		Courier
GOSSEN, DAWN 1242 FRASER AVENUE PORT COQUITLAM, BC V3B 1M2		Courier
GREEN, RETA JEAN 204 SHAWNEE MANOR SW CALGARY, AB T2Y 2V2		Courier
GREENBERG, ARNOLD L. 2990 E. 17TH AVENUE, APT#2507 DENVER, CO USA 80206		Courier
GREENE, DENNIS GERALD 1516 - 15 AVE N LETHBRIDGE, AB T1H 1W3		Courier
GREENE, GORDON 369 LAVAL BLVD LETHBRIDGE, AB T1K 3W7		Courier
GREGORY & STACEY BAJEMA BOX 1091 GIBBONS, AB T0A 1N0		Courier
HALVERSON, CATHERINE ANN 59 COACH MANOR TERRACE SW CALGARY, AB T3H 1C9		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
HARVEST OPERATIONS CORP. 1500, 700 - 2ND STREET SW CALGARY, AB T2P 2W1		Courier
HERITAGE ROYALTY RESOURCE CORP. 710, 215 - 2ND STREET SW CALGARY AB T2P 1M4		Courier
HERITAGE ROYALTY PARTNERSHIP ATT'N: FEE LEASING, MINERAL LAND CALGARY PLACE PO BOX 20056 CALGARY, AB T2P 4J2		Courier
HERTZSTEIN, EMILY 6111 ROSALIND AVENUE RICHMOND, CA USA 94805		Courier
HOWE RANCHES GENERAL DELIVERY BUFFALO, AB T0J 0K0		Courier
HUTTERIAN BRETHREN CHURCH OF ALBION RIDGE BOX 828 PICTURE BUTTE, AB T0K 1V0		Courier
HUTTERIAN BRETHREN CHURCH OF ARROWWOOD RR 1 BLACKIE, AB T0L 0J0		Courier
HUTTERIAN BRETHREN CHURCH OF KEHO LAKE PO BOX 125 BARONS, AB T0L 0G0		Courier
HUTTERIAN BRETHREN OF LATHOM BOX 450 BASSANO, AB T0J0B0		Courier
IAN DONOVAN BOX 41 MOSSLEIGH, AB T0L 1P0		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
Inland Development Company Ltd. 3720 - 2 Avenue SW Calgary, AB T3C 0A3		Courier
Insignia Energy Ltd. 800, 520 - 3 Avenue SW Calgary, AB T2P 0R3		Courier
J2 RESOURCES INC. 236 SCHOONER COVE NW CALGARY, AB T3L 1Z2		Courier
JAMES BLAINE DAVIES RR 2 HIGH RIVER, AB T1V 1N2		Courier
JANKE, RONALD & SHAREE ANN BOX 1057 BROOKS, AB T1R 1B9		
JOLAR OILS LTD. BOX 15, SITE 7, RR#1 OKOTOKS, AB T1S 1A1		Courier
JUBB, AVERY E. 62 - 34TH AVENUE SW CALGARY, AB T2S 2Z1		Courier
JUDITH D. SNIDER BOX 30 ALDERSYDE, AB T0L 0A0		Courier
JUPITER RESOURCES INC. Suite 1100, 585-8th AVENUE SW CALGARY, AB T2P 1G1		Courier
Kaisen Energy Corp. 400, 522 - 11 Avenue SW Calgary, AB T2R 0C8		Courier
Karon Resources Inc. 74 Chaparral Grove SE Calgary, AB T2X 3W1		Courier
KATHERINE F. STRICKLAND 2009 TRUST 14 STANWICH LAND GREENWICH, CT USA 06830		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
KAY RUSINKO P O BOX 212 THORHILD, AB TOA 3J0		Courier
KEN VAN RAA Y INC. BOX 127 PICTURE BUTTE, AB T0K 1V0		Courier
KENNETH HARRY WEBER AND ROSEMARY WEBER RR 1 BLACKIE, AB T0L 0J0		Courier
KENNIBAR RESOURCES LTD. 1 - 3315 RIDEAU PLACE SW CALGARY, AB T2S 2T1		Courier
KIRK BOYKO BOX 203 THORHILD, AB T0J 3J0		Courier
KOPPENSTEIN FARMS LTD 2418 - 6 AVENUE SOUTH LETHBRIDGE, AB T1J 1C4		Courier
L. CALVIN FULENWIDER, III 2009 TRUST and L.C. FULENWIDER JR & CO. 2500, 1125 17TH STREET DENVER, CO USA 80202		Courier
LEGG, TARA ANDREA 23702 COASTAL MEADOW KATY, TX USA 77494		Courier
LEIBEL, LISA CHERYL 7919 WENTWORTH DRIVE SW CALGARY, AB T3H 4P2		Courier
Lethbridge County 100, 905-4th Ave South Lethbridge, AB T1J 4E4		Courier
Lintus Resources Limited 700, 330 - 5 Avenue SW Calgary, AB T2P 0L4		Courier
Long Run Exploration Ltd. 600, 600 - 3 Avenue SW Calgary, AB T2P 0G5		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
LORI VICKERSON 2830 AUTO ROAD SE SALMON ARM, BC V1E 2H4		Courier
LOWE, IDA PO BOX 460 CARDSTON, AB T0K 0K0		Courier
MAGNUS ONE ENERGY CORP. C/O QUESTERRE ENERGY CORPORATION 1650, 801 - 6 AVENUE SW CALGARY, AB T2P 3W2		Courier
MCRAE, DONNA BELLE & JOHN ANDREW 5720 - 186A STREET SURREY, BC V3S 7N2		Courier
MCWILLIAM FARMS LTD C/O BERNARD & DARLENE MCWILLIAM RR 1 BLACKIE, AB T0L 0J0		Courier
MD Greenview 4806 – 36 Ave Box 1079 Valleyview, AB T0H 3N0		Courier
Minister of Finance Provincial Treasurer - Alberta Energy Petroleum Plaza - North Tower 9945 - 108th Street, Edmonton, AB T5K 2G8		Courier
MONTRICHARD OIL & GAS LTD. 8 SYRACUSE CRESCENT TORONTO, ON M1E 2G6		Courier
NELSON, CHRISTIAN A. BOX 37 ARROWWOOD, AB T0L 0B0		Courier
NIEBUHR, CAPRICE LARA AND/OR HANSON, DYLAN KONRAD HAUSER 106 TUSCANY RAVINE BAY NW CALGARY, AB T3L 2S9		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
NIZNIK, GENOVIA, GEORGE J & B. JOAN and JOHN STEPHEN BOX 337 BROOKS, AB T1R 1B4		Courier
Nova Gas Transmission Ltd. 450 – 1 Street S.W. Calgary, AB T2P 5H1		Courier
NUNA RESOURCES LTD P.O. BOX 414 IRRICANA, AB T0M 1B0		Courier
NUVISTA ENERGY 2500, 525 8TH AVENUE S.W. CALGARY, AB T2P 1G1		Courier
Obsidian Energy 200, 207 9 Ave SW Calgary, AB T2P 1K3		Courier
PALLISER PRODUCTION MANAGEMENT LTD. and TORXEN ENERGY LTD. 2700, 240 4TH AVENUE S.W. CALGARY, AB T2P 4H4		Courier
PARAMOUNT RESOURCES LTD. 2800, 421 - 7TH AVE SW CALGARY, AB T2P 4K9		Courier
PATRICK MURRAY PALIN & MARLENE A PALIN 46 SPRINGLAND WAY CALGARY, AB T3Z 3N6		Courier
PENGROWTH ENERGY CORPORATION 1900, 222 - 3 AVENUE SW CALGARY, AB T2P 0B4		Courier
PETROMIRA VENTURES LTD 109 SUNBANK WAY S.E. CALGARY, AB T2X 2H9		Courier
PLAINS MIDSTREAM CANADA ULC 1400, 607 8TH AVENUE S.W. CALGARY, AB T2P 0A7		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
POLLEY, SHELLEY ALYSSA 8 W ANDISON CLOSE COCHRANE, AB T4C 1J5		Courier
PRASKACH, PAUL & MARY ANN BOX 27 PICTURE BUTTE, AB T0K 1V0		Courier
PROSPECT OIL & GAS MANAGEMENT LTD. 90B-2 SLATER ROAD STRATHMORE, AB T1P1V1		Courier
PROVEN OIL ASIA LTD. 2500, 450 1st Street SE Calgary, AB T2G 5E3		Courier
RAEDSCHELDERS, MARC 11015 OAKFIELD DRIVE SW CALGARY, AB T2W 3H3		Courier
RECEIVER GENERAL FOR CANADA INDIAN OIL & GAS CANADA 100, 9911 CHIILA BOULEVARD TSUU T'INA (SARCEE), AB T2W 6H6		Courier
REPSOL OIL & GAS CANADA INC. 2000, 888 - 3RD STREET SW CALGARY, AB T2P 5C5		Courier
RISING STAR RESOURCES LTD. 1000, 500 - 4TH AVENUE S.W. CALGARY, AB T2P 2V6		Courier
ROBERT & LORRAINE WOODWARD BOX 586 CARDSTON, AB T0K 0K0		Courier
RON MYKYTE P O BOX 493 THORHILD, AB T0A 3J0		Courier
Rose's Well Services Ltd. 101, 4209 - 99 Street NW Edmonton, AB T6E 5V7		Courier
ROSENKRANZ, PAULINE 210 CANYON ESTATES WAY WEST LETHBRIDGE, AB T1K 7A4		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
Royal Bank of Canada 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON M2P 0A4		Courier
SHARPE, KENNETH W & ARLANE L PO BOX 1053 BROOKS, AB T1R 1B8		Courier
SEREDA, RONALD BOX 38 ROLLING HILLS, AB T0J 2S0		Courier
Shell Canada Energy and Shell Canada Limited c/o Meghan Waters Shell Canada Limited, Legal Dept. 400 - 4 Avenue SW Calgary, AB T2P 0J4		Courier
Signalta Resources Ltd. 700, 840 - 6 Avenue SW Calgary, AB T2P 3E5		Courier
SINOPEC DAYLIGHT ENERGY LTD. LOCKBOX: CH3075 C/O CH3075 PO BOX 2509, STATION M CALGARY, AB T2P 0E2		Courier
SPECIAL AREAS BOARD 212 - 2ND AVENUE WEST HANNA, AB T0J 1P0		Courier
Strathcona Resources Ltd. 1900, 421 – 7th Avenue SW Calgary, AB T2P 4K9		Courier
SUFFIELD INDUSTRY RANGE CONTROL C/O IPC ALBERTA LTD 900, 215 - 9TH AVENUE SW CALGARY, AB T2P 1K3		Courier
SUNNYSIDE AG. INC. 1-55320 RGE RD 240 STURGEON COUNTY, AB T8T 1W1		Courier
TAMARACK ACQUISITION CORP. 600, 425 - 1ST STREET SW CALGARY, AB T2P 3L8		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
THOMAS BARTO BOX 1001 THORHILD, AB T0A 3J0		Courier
Thorhild County PO Box 10, 801-1st Street Thorhild, AB T0A 3J0		Courier
TONILYNN C. LEMAY C/O PAT HAMMELL 15 EMENY ROAD ENDERBY, BC V0E 1V3		Courier
Universal Properties Inc. 53120A Range Road 13 Parkland County, AB T7Y 2T2		Courier
VALKENIER, CAROLE JEAN 737, 205 KIMTA ROAD VICTORIA, BC V9A 6T5		Courier
VAN RAAY PASKAL FARMS LTD and VAN RAAY, DARREN PO BOX 64 IRON SPRINGS, AB T0K 1G0		Courier
VENTURION OIL LIMITED 1600, 500 - 4TH AVENUE S.W. CALGARY, AB T2P 2V6		Courier
WARK, THOMAS DAVID & IONA MARLENE BOX 105 MOSSLEIGH, AB T0L 1P0		Courier
WENDY LEE DENBIGH BOX 131 VULCAN, AB T0L 2B0		Courier
WESTERSUND, CHASE, COLE & CONNOR 37 MOUNTAIN RIVER ESTATES CALGARY, AB T3Z 3J3		Courier
WESTHILL PETROLEUM LTD 3300, 421 – 7 th Ave SW Calgary, AB T2P 4K9		Courier

ADDRESS FOR SERVICE	PARTY REPRESENTING	METHOD OF SERVICE
WIGHAM RESOURCES LTD #255, 339 - 50TH AVENUE S.E. CALGARY, AB T2G 2B3		Courier
WILLISCHILD ENERGY LTD. 621 E STREET SNYDER, OK USA 73566-2244		Courier
WILLOW ISLAND FARM LTD C/O KAREN & ROBERT THOMPSON PO BOX 130 CARSELAND, AB T0J 0M0		Courier
WINSLOW RESOURCES INC. 4300 Bankers Hall West 888 – 3rd Street SW Calgary, AB T2P 5C5		Courier
WOLF COULEE RESOURCES INC 4500, 855 – 2 St SW Calgary, AB T2P 4K7		Courier
XTO ENERGY CANADA ULC P.O. BOX 2480 STATION M CALGARY, AB T2P 3M9		Courier
Yellowhead County 2716 1 Avenue Edson, AB T7E 1N9		Courier
ZARGON OIL & GAS LTD SUN LIFE PLAZA - EAST TOWER 1100, 112 - 4TH AVE. SW CALGARY, AB T2P 0H3		Courier

SCHEDULE "B"

APPROVAL AND VESTING ORDER

COURT FILE NUMBER	1901-14615	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	ORPHAN WELL ASSOCIATION	
DEFENDANT	HOUSTON OIL AND GAS LTD.	
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver)	

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Borden Ladner Gervais LLP 1900, 520 – 3 rd Avenue S.W. Calgary, AB T2P 0R3
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Attention: Jack R. Maslen
Telephone: (403) 232-9790
Email: jmaslen@blg.com

DATE ON WHICH ORDER WAS PRONOUNCED: November 10, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine

UPON THE APPLICATION by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Houston Oil and Gas Ltd. (the “**Debtor**”) for an order (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and Seol Energy Inc. (the “**Purchaser**”) dated September 29, 2020, a redacted copy of which is appended as an Appendix to the Supplement to the Second Report of the Receiver dated September 30, 2020 (the “**Supplement to the Second Report**”) and an unredacted copy of which is appended as a Confidential Appendix to the Supplement to Second Report, which agreement was amended by an amending agreement between the Receiver and Seol dated November 2, 2020, a copy of which is appended as an Appendix to the Second Supplement to the Second Report of the Receiver dated November 2, 2020 (the “**Second Supplement**”) (collectively, the “**Sale Agreement**”), and

(ii) vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Orders dated October 29, 2019 and June 30, 2020 (together, the "**Receivership Order**"), the Second Supplement, the Supplement to the Second Report, the Confidential Appendices to the Supplement to the Second Report, the Second Report of the Receiver dated August 24, 2020 (the "**Second Report**"), the Affidavit of Service, and such additional pleadings and proceedings had and taken in this action; **AND UPON HEARING** the submissions from counsel for the Receiver and counsel for any other interested parties appearing at the hearing of this application, which occurred via WebEx Video Conference, having regard to the Court's procedures for the COVID-19 pandemic;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the

form set out in **Schedule “A”** hereto (the “**Receiver's Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, “**Permitted Encumbrances**”))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in **Schedule “E”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the

Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing,

asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

14. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 17. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;

- (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
[https://relieffromdebt.ca/houston-oil-gas-ltd./](https://relieffromdebt.ca/houston-oil-gas-ltd/)

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE “A”

Form of Receiver’s Certificate

COURT FILE NUMBER 1901-14615

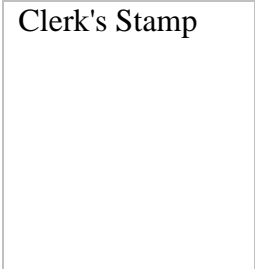
COURT COURT OF QUEEN’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ORPHAN WELL ASSOCIATION

DEFENDANT HOUSTON OIL AND GAS LTD.

DOCUMENT **RECEIVER’S CERTIFICATE**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Borden Ladner Gervais LLP**
1900, 520 – 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Jack R. Maslen
Telephone: (403) 232-9790
Email: jmaslen@blg.com

RECITALS

- A. Pursuant to an Order of the Honourable Justice K. Eidsvik of the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the “**Court**”) dated October 29, 2019, Hardie & Kelly Inc. (as now substituted with BDO Canada Limited pursuant to an Order of the Court dated June 30, 2020) was appointed as the receiver (the “**Receiver**”) of the undertakings, property and assets of Houston Oil and Gas Ltd. (the “**Debtor**”).

- B. Pursuant to an Order of the Court dated November 10, 2020, the Court approved the agreement of purchase and sale made as of September 29, 2020, as amended by an amending agreement made as of November 2, 2020 (collectively, the “**Sale Agreement**”), each between the Receiver and Seol Energy Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased

Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 4.2-4.5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 4.2-4.5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____.

BDO CANADA LIMITED, in its capacity as Receiver of the undertakings, property and assets of Houston Oil and Gas Ltd., and not in its personal capacity.

Per; _____

Name: Marc Kelly

Title: Senior Vice President

SCHEDULE “B”**Purchased Assets**

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein), including, without limitation, the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests as described in the attachments to this Schedule “B”, but specifically excluding the Excluded Assets.

Lands and Petroleum Natural Gas Rights

See attached.

Wells, Pipelines and Facilities

See attached.

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00893 A	LSE TYPE: CR PNG LEA CR: 31256 LSE DATE: 1973 May 24 EFF DATE: 1973 Mar 09 EXP DATE: 1983 Mar 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 19 RGE 26 W4M NE 26, SEC 36 TWP 20 RGE 26 W4M SECS 2, 11, 12 NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 98.75% COASTAL RE 0.5% TAQA NORTH 0.75% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 98.75% PDBY COASTAL RE 0.5% PDBY TAQA NORTH 0.75% NONCONV GOR ALL 5.0% BASED ON 98.75% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00142 B CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00142 B CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 AR U00001 AU U00001 BV U00001 BW U00001 BX	100/01-11-020-26-W4/02 100/07-02-020-26-W4/00 100/10-36-010-26-W4/00
M00893 B	LSE TYPE: CR PNG LEA CR: 31256 LSE DATE: 1973 May 24 EFF DATE: 1973 Mar 09 EXP DATE: 1983 Mar 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 19 RGE 26 W4M NE 26, 36 TWP 20 RGE 26 W4M SECS 2, 11, 12 PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 98.75% COASTAL RE 0.5% TAQA NORTH 0.75% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 98.75% PDBY COASTAL RE 0.5% PDBY TAQA NORTH 0.75% NONCONV GOR ALL 5.0% BASED ON 98.75% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00142 B CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00142 B CAPL 1971 No ROFR Applies C00762 A	100/01-11-020-26-W4/00 100/10-12-020-26-W4/00 100/07-02-020-26-W4/02

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ROYALTY INT		ROFR Unknown	
			NONCONV GOR		PS0007 A	
			ALL 5.0%		ROFR Unknown	
			BASED ON 98.75%			
			PDTO PIONEER OI 100.0%			
M00910 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SEC 7 LSE DATE: 1972 Mar 04 PNG TO BASE BELLY_RIVER EFF DATE: 1972 Mar 04 EXCL NG IN EXP DATE: 1982 Mar 03 BASAL_BELLY_RIVER_SANDST INT TYPE: WI MNRL INT: 50.0 EXT CODE: UNITIZED		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO DAVIES, VI 16.66% PDTO DAVIES, JA 33.34% PDTO ESTATE OF 25.0% PDTO ESTATE OF 25.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00577 A ROFR Unknown C00762 A ROFR Unknown PS0007 A ROFR Unknown	100/14-07-020-25-W4/00 100/14-07-020-25-W4/02 100/07-07-020-25-W4/02
			ROYALTY INT			
			NONCONV GOR			
			ALL 5.0%			
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			
M00910 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SEC 7 LSE DATE: 1972 Mar 04 NG IN EFF DATE: 1972 Mar 04 BASAL_BELLY_RIVER_SANDST EXP DATE: 1982 Mar 03 (UNITIZED) INT TYPE: WI (ARROWWOOD GAS UNIT NO. 1) MNRL INT: 50.0 EXT CODE: UNITIZED		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI	100/07-07-020-25-W4/00

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			TAQA NORTH 2.516008% 1019867 AL 1.80328%	BASED ON 92.5% PDBY HOUSTON OI 100.0%	RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 AW	
			ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO DAVIES, VI 16.66% PDTO DAVIES, JA 33.34% PDTO ESTATE OF 25.0% PDTO ESTATE OF 25.0%			
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%			
M00911 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SEC 7 LSE DATE: 1972 Mar 04 PNG TO BASE BELLY_RIVER EFF DATE: 1972 Mar 04 EXCL NG IN EXP DATE: 1982 Mar 03 BASAL_BELLY_RIVER_SANDST INT TYPE: WI MNRL INT: 50.0 EXT CODE: UNITIZED		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO DENBIGH, W 100.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00577 A ROFR Unknown C00762 A ROFR Unknown PS0007 A ROFR Unknown	100/14-07-020-25-W4/00 100/14-07-020-25-W4/02 100/07-07-020-25-W4/02
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%			

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			PDTO WAGNESS, D 33.3334% PDTO GREEN, R J 33.3333% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 73.125% PDTO PIONEER OI 100.0%		RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00188 A CAPL 1990 No ROFR Applies C00577 A ROFR Unknown C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M00896 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M NE 8 LSE DATE: 1972 Mar 03 NG IN EFF DATE: 1972 Mar 03 BASAL_BELLY_RIVER_SANDST EXP DATE: 1982 Mar 02 (UNITIZED) INT TYPE: WI (ARROWWOOD GAS UNIT NO. 1) MNRL INT: 100.0 EXT CODE: UNITIZED		CUR INT: POOLED HOUSTON OI 73.125% COASTAL RE 0.75% TAQA NORTH 1.125% ELMDALE RE 25.0% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO BOAG, CARO 33.3333% PDTO WAGNESS, D 33.3334% PDTO GREEN, R J 33.3333%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 73.125% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00188 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RENT INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ROYALTY INT		C00188 A	
			NONCONV GOR		CAPL 1990	
			ALL 5.0%		No ROFR Applies	
			BASED ON 73.125%		C00762 A	
			PDTO PIONEER OI 100.0%		ROFR Unknown	
					PS0007 A	
					ROFR Unknown	
					U00001 AY	
M00939 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M W 8 LSE DATE: 1975 Jun 12 PNG TO BASE BELLY_RIVER EFF DATE: 1975 Jun 12 EXCL NG IN EXP DATE: 1980 Jun 11 BASAL_BELLY_RIVER_SANDST INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED		CUR INT: POOLED HOUSTON OI 73.125% COASTAL RE 0.75% TAQA NORTH 1.125% ELMDALE RE 25.0%	NONCONV LOR ALL 15.0% BASED ON 100.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00188 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/12-08-020-25-W4/00 100/12-08-020-25-W4/02
			ROYALTY INT	NONCONV GOR	RELATED CONTRACTS	
			NONCONV LOR	ALL 5.0%	C00188 A	
			ALL 15.0%	BASED ON 73.125%	CAPL 1990	
			BASED ON 100.0%	PDBY HOUSTON OI 100.0%	No ROFR Applies	
			PDTO LEIBEL, LI 22.23%		C00577 A	
			PDTO POLLEY, SH 16.67%		ROFR Unknown	
			PDTO WESTERSUND 14.81%		C00762 A	
			PDTO LEGG, TARA 16.67%		ROFR Unknown	
			PDTO WESTERSUND 14.81%		PS0007 A	
			PDTO WESTERSUND 14.81%		ROFR Unknown	
			ROYALTY INT			
			NONCONV GOR			
			ALL 5.0%			
			BASED ON 73.125%			
			PDTO PIONEER OI 100.0%			
M00939 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M W 8 LSE DATE: 1975 Jun 12 NG IN EFF DATE: 1975 Jun 12 BASAL_BELLY_RIVER_SANDST		CUR INT: POOLED HOUSTON OI 73.125% COASTAL RE 0.75%	NONCONV LOR ALL 15.0% BASED ON 100.0%	CUR INT OPER CONT C00188 A CAPL 1990	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells	
	EXP DATE: 1980 Jun 11 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	(UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	TAQA NORTH 1.125% ELMDALE RE 25.0% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR ALL 15.0% BASED ON 100.0% PDTO LEIBEL, LI 22.23% PDTO POLLEY, SH 16.67% PDTO WESTERSUND 14.81% PDTO LEGG, TARA 16.67% PDTO WESTERSUND 14.81% PDTO WESTERSUND 14.81%		PDBY HOUSTON OI 100.0% NONCONV GOR ALL 5.0% BASED ON 73.125% PDBY HOUSTON OI 100.0%	No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00188 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 AX	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 73.125% PDTO PIONEER OI 100.0%				
M00982 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SE 8 LSE DATE: 2006 Feb 24 EFF DATE: 2006 Feb 24 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: POOLED HOUSTON OI 73.125% COASTAL RE 0.75% TAQA NORTH 1.125% ELMDALE RE 25.0% ROYALTY INT NONCONV LOR	NONCONV LOR BASED ON 100.0% PDBY ELMDALE RE 100.0% NONCONV GOR ALL 5.0% BASED ON 73.125% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00188 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00188 A	100/12-08-020-25-W4/00 100/12-08-020-25-W4/02	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			BASED ON 100.0% PDTO ELMDALE RE 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 73.125% PDTO PIONEER OI 100.0%		CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M00982 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SE 8 LSE DATE: 2006 Feb 24 NG IN EFF DATE: 2006 Feb 24 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: POOLED HOUSTON OI 73.125% COASTAL RE 0.75% TAQA NORTH 1.125% ELMDALE RE 25.0% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR BASED ON 100.0% PDTO ELMDALE RE 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 73.125% PDTO PIONEER OI 100.0%	NONCONV LOR BASED ON 100.0% PDBY ELMDALE RE 100.0% NONCONV GOR ALL 5.0% BASED ON 73.125% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00188 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00188 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 CG	
M00918 A	LSE TYPE: CR PNG LEA TWP 20 RGE 25 W4M SEC 16, S 28 CR: 29763	PNG TO BASE BELLY_RIVER	CUR INT: WI HOUSTON OI 92.5%	SLIDING SCALE ALL S/S 0	CUR INT OPER CONT C00141 A	100/09-28-020-25-W4/00

HOUSTON OIL & GAS LTD. Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 29 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	EXCL NG IN BASAL_BELLY_RIVER_SANDST	COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%			
M00918 B	LSE TYPE: CR PNG LEA CR: 29763 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 29 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 16, S 28 NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 AZ U00001 BI	100/15-16-020-25-W4/00 100/15-16-020-25-W4/02 100/10-28-020-25-W4/00
			ROYALTY INT NONCONV GOR			

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ALL 5.0%			
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			
M00912 A	LSE TYPE: FH PNG LEA: TWP 020 RGE 25 W4M SEC 17 LSE DATE: 1972 Apr 21 EFF DATE: 1972 Apr 21 EXP DATE: 1977 Apr 20 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO COMPUSHR-H 100.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00577 A ROFR Unknown C00762 A ROFR Unknown PS0007 A ROFR Unknown	102/10-17-020-25-W4/00 102/10-17-020-25-W4/02
			ROYALTY INT			
			NONCONV GOR			
			ALL 5.0%			
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			
M00912 B	LSE TYPE: FH PNG LEA: TWP 020 RGE 25 W4M SEC 17 LSE DATE: 1972 Apr 21 EFF DATE: 1972 Apr 21 EXP DATE: 1977 Apr 20 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies	100/10-17-020-25-W4/00

HOUSTON OIL & GAS LTD.
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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ALL 12.5% BASED ON 100.0% PDTO COMPUSHR-H 100.0%		C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BA	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%			
M00897 A	LSE TYPE: CR PNG LEA CR: 29764 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 18, 20, SW 32 PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00577 A ROFR Unknown C00762 A ROFR Unknown PS0007 A ROFR Unknown	100/05-32-020-25-W4/00 100/05-32-020-25-W4/02 100/13-20-020-25-W4/00 100/13-20-020-25-W4/02 102/11-18-020-25-W4/00
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%			
M00897 B	LSE TYPE: CR PNG LEA CR: 29764 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 18, 20, SW 32 NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001	100/10-32-020-25-W4/00

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report - seol

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			TEG OIL&GA 0.43374%	ALL 5.0%	OPER: HOUSTON OI	
			TAQA NORTH 2.516008%	BASED ON 92.5%		
			1019867 AL 1.80328%	PDBY HOUSTON OI 100.0%	RELATED CONTRACTS	
			ROYALTY INT		C00141 J	
			SLIDING SCALE		CAPL 1971	
			ALL S/S 0		No ROFR Applies	
			BASED ON 100.0%		C00762 A	
			PDTO ABENERGY 100.0%		ROFR Unknown	
					PS0007 A	
					ROFR Unknown	
			ROYALTY INT		U00001 BB	
			NONCONV GOR		U00001 BG	
			ALL 5.0%		U00001 BO	
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			
M00897 C	LSE TYPE: CR PNG LEA CR: 29764 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 29 PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5%	SLIDING SCALE ALL S/S 1/150 (MIN 5.0 MAX 15.0) GAS 15.0% BASED ON 25.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00178 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00157 A General 0000 No ROFR Applies C00178 A CAPL 1990 No ROFR Applies C00577 A ROFR Unknown C00762 A	100/01-29-020-25-W4/00
			ROYALTY INT			
			SLIDING SCALE			
			ALL S/S 1/150 (MIN 5.0 MAX 15.0)	SLIDING SCALE		
			GAS 15.0%	ALL S/S 0		
			BASED ON 25.0%	BASED ON 100.0%		
			PDTO COASTAL RE 100.0%	PDBY HOUSTON OI 92.5%		
			COASTAL RE	PDBY COASTAL RE 3.0%		
			TAQA NORTH	PDBY TAQA NORTH 4.5%		
			ROYALTY INT			
			SLIDING SCALE			
			ALL S/S 0	NONCONV GOR		
			BASED ON 100.0%	ALL 5.0%		
			PDTO ABENERGY 100.0%	BASED ON 92.5%		
				PDBY HOUSTON OI 100.0%		

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ROYALTY INT		ROFR Unknown	
			NONCONV GOR		PS0007 A	
			ALL 5.0%		ROFR Unknown	
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%		ROYALTY LINKS C00157 A General 0000 No ROFR Applies	
M00897 D	LSE TYPE: CR PNG LEA TWP 20 RGE 25 W4M SEC 29 CR: 29764 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT SLIDING SCALE ALL S/S 1/150 (MIN 5.0 MAX 15.0) GAS 15.0% BASED ON 25.0% PDTO CP CAN ENE 100.0% CNRL	SLIDING SCALE ALL S/S 1/150 (MIN 5.0 MAX 15.0) GAS 15.0% BASED ON 25.0% PDBY HOUSTON OI 100.0% SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies C00157 A General 0000 No ROFR Applies C00178 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BK	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ROYALTY INT		ROYALTY LINKS	
			NONCONV GOR		C00157 A	
			ALL 5.0%		General 0000	
			BASED ON 92.5%		No ROFR Applies	
			PDTO PIONEER OI 100.0%			
M00921 A	LSE TYPE: CR PNG LEA CR: 6413 LSE DATE: 1965 Oct 01 EFF DATE: 1965 Aug 09 EXP DATE: 1975 Aug 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M N 28 TWP 20 RGE 25 W4M N 32, SE 32 TWP 21 RGE 25 W4M SE 4 PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV GOR ALL 7.5% BASED ON 100.0% PDTO SIGNALTA R 100.0%	NONCONV GOR ALL 7.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00197 A General 0000 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	100/05-32-020-25-W4/00 100/05-32-020-25-W4/02 100/09-28-020-25-W4/00 100/13-04-021-25-W4/00 100/13-04-021-25-W4/02 100/06-04-021-25-W4/02
			ROYALTY INT		ROYALTY LINKS	
			NONCONV GOR		C00197 A	
			ALL 5.0%		General 0000	
			BASED ON 92.5%		No ROFR Applies	
			PDTO PIONEER OI 100.0%			
M00921 B	LSE TYPE: CR PNG LEA CR: 6413 LSE DATE: 1965 Oct 01 EFF DATE: 1965 Aug 09 EXP DATE: 1975 Aug 09 INT TYPE: WI	TWP 20 RGE 25 W4M N 28 TWP 20 RGE 25 W4M N 32, SE 32 TWP 21 RGE 25 W4M SE 4 NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT	NONCONV GOR ALL 7.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI	100/06-04-021-25-W4/00 100/10-28-020-25-W4/00 100/10-32-020-25-W4/00

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	MNRL INT: 100.0 EXT CODE: 15	(ARROWWOOD GAS UNIT NO. 1)	HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV GOR ALL 7.5% BASED ON 100.0% PDTO SIGNALTA R 100.0% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%		REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies C00197 General 0000 No ROFR Applies C00197 A General 0000 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BJ U00001 BP U00001 BY ROYALTY LINKS C00197 A General 0000 No ROFR Applies	
M00902 A	LSE TYPE: CR PNG LEA CR: 31788 LSE DATE: 1973 Jul 12 EFF DATE: 1973 Jul 12 EXP DATE: 1983 Jul 12 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 30 PNG TO BASE BELLY_RIVER EXCL NG IN BASAL_BELLY_RIVER_SANDST	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT SLIDING SCALE ALL S/S 0	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A	100/16-30-020-25-W4/02

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			BASED ON 100.0% PDTO ABENERGY 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%	ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M00902 B	LSE TYPE: CR PNG LEA CR: 31788 LSE DATE: 1973 Jul 12 EFF DATE: 1973 Jul 12 EXP DATE: 1983 Jul 12 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M SEC 30 NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BL	100/16-30-020-25-W4/00
M00903 A	LSE TYPE: FH PNG LEA LSE DATE: 1970 Aug 24	TWP 20 RGE 25 W4M NE 31 NG TO BASE BELLY_RIVER	CUR INT: PPOOL1 HOUSTON OI 92.5%	NONCONV LOR ALL 12.5%	CUR INT OPER CONT C00186 A	100/08-31-020-25-W4/00

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EFF DATE: 1970 Aug 24 EXP DATE: 1980 Aug 23 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	EXCL NG IN BASAL_BELLY_RIVER_SANDST	COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: POOLED HOUSTON OI 69.375% COASTAL RE 2.25% TAQA NORTH 28.375% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO MCGILLIS, 100.0%	BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CAPL 1990 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT C00186 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RENT INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00186 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	100/13-31-020-25-W4/00-
M00903 B	LSE TYPE: FH PNG LEA: LSE DATE: 1970 Aug 24 EFF DATE: 1970 Aug 24 EXP DATE: 1980 Aug 23 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: POOLED HOUSTON OI 69.375% COASTAL RE 2.25% TAQA NORTH 28.375% REF INT: UNIT HOUSTON OI 93.56963%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5%	CUR INT OPER CONT C00186 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			BASED ON 100.0% PDTO MERCHANT O 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 69.375% PDTO PIONEER OI 100.0%		C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00186 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M00913 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M W 31 LSE DATE: 1970 Aug 25 PET TO BASE BELLY_RIVER EFF DATE: 1970 Aug 25 EXP DATE: 1980 Aug 24 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO MERCHANT O 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 K CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M00913 C	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M W 31		CUR INT: POOLED	NONCONV LOR	CUR INT OPER CONT	400/13-31-020-25-W4/00-

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	LSE DATE: 1970 Aug 25 EFF DATE: 1970 Aug 25 EXP DATE: 1980 Aug 24 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	HOUSTON OI 69.375% COASTAL RE 2.25% TAQA NORTH 28.375%	ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5%	C00186 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	
			REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328%	NONCONV GOR ALL 5.0% BASED ON 69.375% PDBY HOUSTON OI 100.0%	REF INT OPER CONT U00001 OPER: HOUSTON OI RENT INT OPER CONT C00186 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO MERCHANT O 100.0%		RELATED CONTRACTS C00141 A CAPL 1971 No ROFR Applies C00186 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BM	
M00984 A	LSE TYPE: FH PNG LEA: LSE DATE: 2000 Feb 25 EFF DATE: 2000 Feb 25 EXP DATE: 2005 Feb 24 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP	TWP 20 RGE 25 W4M SE 31 NG TO BASE BELLY_RIVER	CUR INT: POOLED HOUSTON OI 69.375% COASTAL RE 2.25% TAQA NORTH 28.375%	NONCONV LOR BASED ON 100.0% PDBY HOUSTON OI 69.375% PDBY COASTAL RE 2.25% PDBY TAQA NORTH 28.375%	CUR INT OPER CONT C00186 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/08-31-020-25-W4/00 100/13-31-020-25-W4/00
			REF INT: PPOOL2 TAQA NORTH 100.0%	NONCONV GOR	REF INT OPER CONT	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			ROYALTY INT	ALL 5.0%	C00186 A	
			NONCONV LOR	BASED ON 69.375%	CAPL 1990	
			BASED ON 100.0%	PDBY HOUSTON OI 100.0%	No ROFR Applies	
			PDTO DONOVAN, M 33.34%		OPER: HOUSTON OI	
			PDTO DONOVAN, I 33.33%		RELATED CONTRACTS	
			PDTO DONOVAN, P 33.33%		C00186 A	
			ROYALTY INT		CAPL 1990	
			NONCONV LOR		No ROFR Applies	
			ALL 5.0%		C00762 A	
			BASED ON 69.375%		ROFR Unknown	
			PDTO PIONEER OI 100.0%		PS0007 A	
					ROFR Unknown	
M00914 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M E 33 LSE DATE: 1972 Mar 06 PNG TO BASE BELLY_RIVER EFF DATE: 1972 Mar 06 EXCL NG TO BASE EXP DATE: 1982 Mar 05 BASAL_BELLY_RIVER_SANDST INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT		RELATED CONTRACTS	
			NONCONV LOR	NONCONV GOR	C00141 A	
			ALL 12.5%	ALL 5.0%	CAPL 1971	
			BASED ON 100.0%	BASED ON 92.5%	No ROFR Applies	
			PDTO WILDERMAN, 12.5%	PDBY HOUSTON OI 100.0%	C00762 A	
			PDTO WILDERMAN, 12.5%		ROFR Unknown	
			PDTO RAMIREZ, S 25.0%		PS0007 A	
			PDTO 7U BROWN R 50.0%		ROFR Unknown	
			ROYALTY INT			
			NONCONV LOR			
			ALL 5.0%			
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			
M00914 B	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M E 33		CUR INT: WI	NONCONV LOR	CUR INT OPER CONT	

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			PDTO WILDERMAN, 12.5% PDTO WILDERMAN, 12.5% PDTO RAMIREZ, S 25.0% PDTO 7U BROWN R 50.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%	BASED ON 92.5% PDBY HOUSTON OI 100.0%	No ROFR Applies C00194 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M01019 A	LSE TYPE: FH NG LEASI TWP 20 RGE 25 W4M SW 33 LSE DATE: 1969 Apr 17 EFF DATE: 1969 Apr 17 EXP DATE: 1979 Apr 16 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 100.0% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO 1103596 AL 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 100.0% PDTO PIONEER OI 100.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 100.0% NONCONV GOR ALL 5.0% BASED ON 100.0% PDBY HOUSTON OI 100.0%	REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BQ	
M01019 B	LSE TYPE: FH NG LEASI TWP 20 RGE 25 W4M SW 33 LSE DATE: 1969 Apr 17	NG TO TOP	CUR INT: POOLED HOUSTON OI 92.5%	NONCONV GOR ALL 15.0%	CUR INT OPER CONT C00194 A	100/11-33-020-25-W4/02

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	EFF DATE: 1969 Apr 17 EXP DATE: 1979 Apr 16 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	BASAL_BELLY_RIVER_SANDST	COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT NONCONV GOR ALL 15.0% BASED ON 100.0% PDTO EXXONMOBIL 100.0% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0% PDTO 1103596 AL 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 92.5% PDTO PIONEER OI 100.0%	BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00151 A General 0000 No ROFR Applies C00194 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown ROYALTY LINKS C00151 A General 0000 No ROFR Applies	100/11-33-020-25-W4/00
M01020 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M NW 33 LSE DATE: 1969 Apr 19 NG IN EFF DATE: 1969 Apr 19 EXP DATE: 1979 Apr 18 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED	BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 100.0% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328% ROYALTY INT NONCONV LOR ALL 12.5% BASED ON 100.0%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 100.0%	REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 CB	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
					No ROFR Applies	
M00922 A	LSE TYPE: CR PNG LEA CR: 0487040030 LSE DATE: 1987 Apr 10 EFF DATE: 1987 Apr 02 EXP DATE: 1992 Apr 02 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 20 RGE 25 W4M NE 34 NG IN UPPER_BASAL_BELLY_RIVER	CUR INT: POOLED HOUSTON OI 75.0% COASTAL RE 10.0% TAQA NORTH 15.0% ROYALTY INT NONCONV GOR ALL 7.5% BASED ON 100.0% PDTO SIGNALTA R 100.0% ROYALTY INT SLIDING SCALE ALL S/S BASED ON 100.0% PDTO ABENERGY 100.0% ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 75.0% PDTO PIONEER OI 100.0%	NONCONV GOR ALL 7.5% BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% SLIDING SCALE ALL S/S BASED ON 100.0% PDBY COASTAL RE 40.0% PDBY TAQA NORTH 60.0% NONCONV GOR ALL 5.0% BASED ON 75.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00171 A CAPL 1981 No ROFR Applies OPER: HOUSTON OI RENT INT OPER CONT C00171 A CAPL 1981 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00171 A CAPL 1981 No ROFR Applies C00197 A General 0000 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown ROYALTY LINKS C00197 A General 0000 No ROFR Applies	100/06-34-020-25-W4/00
M00923 A	LSE TYPE: CR PNG LEA CR: 6413A LSE DATE: 1990 Feb 16 EFF DATE: 1965 Aug 09	TWP 20 RGE 25 W4M S 34, NW 34 PNG TO BASE BELLY_RIVER EXCL NG IN BELLY_RIVER_UPPER	CUR INT: WI HOUSTON OI 100.0% ROYALTY INT	NONCONV GOR ALL 7.5% BASED ON 100.0% PDBY HOUSTON OI 100.0%	RELATED CONTRACTS C00197 B General 0000	

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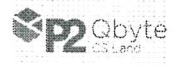
Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EXP DATE: 1975 Aug 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15		NONCONV GOR ALL 7.5% BASED ON 100.0% PDTO SIGNALTA R 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 100.0%	No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
			ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	NONCONV GOR ALL 5.0% BASED ON 100.0% PDBY HOUSTON OI 100.0%	ROYALTY LINKS C00197 B General 0000 No ROFR Applies	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 100.0% PDTO PIONEER OI 100.0%			
M00923 B	LSE TYPE: CR PNG LEA: TWP 20 RGE 25 W4M S 34, NW 34 CR: 6413A LSE DATE: 1990 Feb 16 EFF DATE: 1965 Aug 09 EXP DATE: 1975 Aug 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	NG IN UPPER_BASAL_BELLY_RIVER	CUR INT: POOLED HOUSTON OI 75.0% COASTAL RE 10.0% TAQA NORTH 15.0%	NONCONV GOR ALL 7.5% BASED ON 100.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00171 A CAPL 1981 No ROFR Applies OPER: HOUSTON OI	100/06-34-020-25-W4/00
			ROYALTY INT NONCONV GOR ALL 7.5% BASED ON 100.0% PDTO SIGNALTA R 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 100.0%	RENT INT OPER CONT C00171 A CAPL 1981 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDTO ABENERGY 100.0%	NONCONV GOR ALL 5.0% BASED ON 75.0% PDBY HOUSTON OI 100.0%	RELATED CONTRACTS C00171 A CAPL 1981 No ROFR Applies C00197 B General 0000	
			ROYALTY INT			

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			NONCONV GOR		No ROFR Applies	
			ALL 5.0%		C00762 A	
			BASED ON 75.0%		ROFR Unknown	
			PD TO PIONEER OI 100.0%		PS0007 A	
					ROFR Unknown	
					ROYALTY LINKS	
					C00197 B	
					General 0000	
					No ROFR Applies	
M00986 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M NW 35 LSE DATE: 2003 Apr 14 PNG TO BASE MEDICINE_HAT_SD EFF DATE: 2003 Apr 14 (INCLUDING CBM RIGHTS) EXP DATE: 2006 Apr 13 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		CUR INT: POOLED HOUSTON OI 50.0% TAQA NORTH 25.0% GRANT THOR 25.0%	NONCONV LOR ALL 16.667% BASED ON 100.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/13-35-020-25-W4/00 100/13-35-020-25-W4/02
			ROYALTY INT NONCONV LOR ALL 16.667% BASED ON 100.0% PD TO KENNIBAR 100.0%	NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	RENT INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT		RELATED CONTRACTS	
			NONCONV GOR		C00176 A	
			ALL 5.0%		CAPL 1990	
			BASED ON 50.0%		No ROFR Applies	
			PD TO PIONEER OI 100.0%		C00762 A	
					ROFR Unknown	
					PS0007 A	
					ROFR Unknown	
M00991 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M NE 35 LSE DATE: 2003 Apr 14 PNG TO BASE MEDICINE_HAT_SD EFF DATE: 2003 Apr 14 (INCLUDING CBM RIGHTS)		CUR INT: POOLED HOUSTON OI 50.0% TAQA NORTH 25.0%	NONCONV LOR ALL 16.667% BASED ON 100.0%	CUR INT OPER CONT C00176 A CAPL 1990	100/13-35-020-25-W4/00 100/13-35-020-25-W4/02



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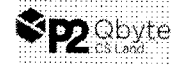
Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EXP DATE: 2006 Apr 13 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		GRANT THOR 25.0%	PDBY HOUSTON OI 100.0%	No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT NONCONV LOR ALL 16.667% BASED ON 100.0% PDTO KENNIBAR 100.0%	NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	RENT INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 50.0% PDTO PIONEER OI 100.0%		RELATED CONTRACTS C00176 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
M01002 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SW 35 LSE DATE: 2003 Jan 30 PNG TO BASE MEDICINE_HAT EFF DATE: 2003 Jan 30 EXP DATE: 2007 Jan 29 INT TYPE: WI MNRL INT: 25.0 EXT CODE: HBP		CUR INT: POOLED HOUSTON OI 50.0% TAQA NORTH 25.0% GRANT THOR 25.0%	NONCONV LOR ALL 15.0% BASED ON 100.0% PDBY TAQA NORTH 100.0%	CUR INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/13-35-020-25-W4/00 100/13-35-020-25-W4/02
			ROYALTY INT NONCONV LOR ALL 15.0% BASED ON 100.0% PDTO DIANE GERO 100.0%	NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	RENT INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 50.0% PDTO PIONEER OI 100.0%		RELATED CONTRACTS C00176 A CAPL 1990 No ROFR Applies C00762 A	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EXP DATE: 2007 Jan 29 INT TYPE: WI MNRL INT: 25.0 EXT CODE: HBP		GRANT THOR 25.0%	PDBY TAQA NORTH 100.0%	No ROFR Applies OPER: HOUSTON OI RENT INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00176 A CAPL 1990 No ROFR Applies PS0007 A ROFR Unknown	
M01037 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 25 W4M SE 35 LSE DATE: 2003 Feb 15 PNG TO BASE MEDICINE_HAT EFF DATE: 2003 Feb 15 EXP DATE: 2007 Feb 14 INT TYPE: WI MNRL INT: 25.0 EXT CODE: HBP		CUR INT: POOLED HOUSTON OI 50.0% TAQA NORTH 25.0% GRANT THOR 25.0%	NONCONV LOR ALL 15.0% BASED ON 100.0% PDBY TAQA NORTH 100.0%	CUR INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RENT INT OPER CONT C00176 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00176 A CAPL 1990 No ROFR Applies PS0007 A ROFR Unknown	100/13-35-020-25-W4/00 100/13-35-020-25-W4/02



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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00987 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 26 W4M NE 13 LSE DATE: 2000 Dec 31 PNG TO BASE EFF DATE: 2000 Dec 31 BASAL_BELLY_RIVER_SANDST EXP DATE: 2002 Dec 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		CUR INT: WI HOUSTON OI 50.0% CANLIN RES 50.0%	NONCONV GOR ALL 15.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00153 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/13-13-020-26-W4/02 100/13-13-020-26-W4/00 100/01-13-020-26-W4/00
			ROYALTY INT NONCONV GOR ALL 15.0% BASED ON 50.0% PDTO CANLIN RES 100.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% PDBY CANLIN RES 50.0%	RELATED CONTRACTS C00153 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
			PDTO THURBER, M 33.333% PDTO SNIDER, JU 33.333% PDTO THURBER, D 33.334%	PDBY HOUSTON OI 100.0%	ROYALTY LINKS C00153 A CAPL 1990 No ROFR Applies	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 50.0% PDTO PIONEER OI 100.0%			
M00988 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 26 W4M SE 13 LSE DATE: 2000 Dec 31 PNG TO BASE EFF DATE: 2000 Dec 31 BASAL_BELLY_RIVER_SANDST EXP DATE: 2002 Dec 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		CUR INT: WI HOUSTON OI 50.0% CANLIN RES 50.0%	NONCONV GOR ALL 15.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00153 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/13-13-020-26-W4/02 100/13-13-020-26-W4/00 100/01-13-020-26-W4/00
			ROYALTY INT NONCONV GOR ALL 15.0% BASED ON 50.0% PDTO CANLIN RES 100.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% PDBY CANLIN RES 50.0%	RELATED CONTRACTS C00153 A CAPL 1990 No ROFR Applies C00762 A	
			ROYALTY INT			

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			NONCONV LOR ALL 18.0% BASED ON 100.0% PDTO THURBER, M 33.333% PDTO SNIDER, JU 33.333% PDTO THURBER, D 33.334%	NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	ROFR Unknown PS0007 A ROFR Unknown ROYALTY LINKS C00153 A CAPL 1990 No ROFR Applies	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 50.0% PDTO PIONEER OI 100.0%			
M00989 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 26 W4M SW 13 LSE DATE: 2000 Dec 31 PNG TO BASE EFF DATE: 2000 Dec 31 BASAL_BELLY_RIVER_SANDST EXP DATE: 2002 Dec 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		CUR INT: WI HOUSTON OI 50.0% CANLIN RES 50.0%	NONCONV GOR ALL 15.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00153 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI	100/13-13-020-26-W4/02 100/13-13-020-26-W4/00 100/01-13-020-26-W4/00
			ROYALTY INT NONCONV GOR ALL 15.0% BASED ON 50.0% PDTO CANLIN RES 100.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% PDBY CANLIN RES 50.0%	RELATED CONTRACTS C00153 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown	
			ROYALTY INT NONCONV LOR ALL 18.0% BASED ON 100.0% PDTO THURBER, M 33.333% PDTO SNIDER, JU 33.333% PDTO THURBER, D 33.334%	NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	ROYALTY LINKS C00153 A CAPL 1990 No ROFR Applies	
			ROYALTY INT NONCONV GOR ALL 5.0% BASED ON 50.0%			

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			PDTO PIONEER OI 100.0%			
M00990 A	LSE TYPE: FH PNG LEA: TWP 20 RGE 26 W4M NW 13 LSE DATE: 2000 Dec 31 PNG TO BASE EFF DATE: 2000 Dec 31 BASAL_BELLY_RIVER_SANDST EXP DATE: 2002 Dec 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP		CUR INT: WI HOUSTON OI 50.0% CANLIN RES 50.0% ROYALTY INT NONCONV GOR ALL 15.0% BASED ON 50.0% PDTO CANLIN RES 100.0% ROYALTY INT NONCONV LOR ALL 18.0% BASED ON 100.0% PDTO THURBER, M 33.333% PDTO SNIDER, JU 33.333% PDTO THURBER, D 33.334%	NONCONV GOR ALL 15.0% BASED ON 50.0% PDBY HOUSTON OI 100.0% NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% PDBY CANLIN RES 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00153 A CAPL 1990 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00153 A CAPL 1990 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown ROYALTY LINKS C00153 A CAPL 1990 No ROFR Applies	100/13-13-020-26-W4/02 100/13-13-020-26-W4/00 100/01-13-020-26-W4/00
			ROYALTY INT			
			NONCONV GOR			
			ALL 5.0%			
			BASED ON 50.0%			
			PDTO PIONEER OI 100.0%			
M00906 A	LSE TYPE: CR PNG LEA TWP 21 RGE 25 W4M N 4, SW 4 CR: 29766 PNG TO BASE BELLY_RIVER LSE DATE: 1972 Dec 28 EXCL NG IN EFF DATE: 1972 Oct 30 BASAL_BELLY_RIVER_SANDST EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15		CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% ROYALTY INT SLIDING SCALE ALL S/S 0 BASED ON 100.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0%	CUR INT OPER CONT C00141 A CAPL 1971 No ROFR Applies OPER: HOUSTON OI RELATED CONTRACTS C00141 A CAPL 1971	100/13-04-021-25-W4/00 100/13-04-021-25-W4/02 100/06-04-021-25-W4/02

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
			PDTO ABENERGY 100.0%	BASED ON 92.5%	No ROFR Applies	
			ROYALTY INT	PDBY HOUSTON OI 100.0%	C00762 A	
			NONCONV GOR		ROFR Unknown	
			ALL 5.0%		PS0007 A	
			BASED ON 92.5%		ROFR Unknown	
			PDTO PIONEER OI 100.0%			
M00906 B	LSE TYPE: CR PNG LEA TWP 21 RGE 25 W4M N 4, SW 4 CR: 29766 LSE DATE: 1972 Dec 28 EFF DATE: 1972 Oct 30 EXP DATE: 1982 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	NG IN BASAL_BELLY_RIVER_SANDST (UNITIZED) (ARROWWOOD GAS UNIT NO. 1)	CUR INT: WI HOUSTON OI 92.5% COASTAL RE 3.0% TAQA NORTH 4.5% REF INT: UNIT HOUSTON OI 93.56963% COASTAL RE 1.677342% TEG OIL&GA 0.43374% TAQA NORTH 2.516008% 1019867 AL 1.80328%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 92.5% PDBY COASTAL RE 3.0% PDBY TAQA NORTH 4.5% NONCONV GOR ALL 5.0% BASED ON 92.5% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00141 J CAPL 1971 No ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00001 OPER: HOUSTON OI RELATED CONTRACTS C00141 J CAPL 1971 No ROFR Applies C00762 A ROFR Unknown PS0007 A ROFR Unknown U00001 BZ	100/06-04-021-25-W4/00
			ROYALTY INT			
			SLIDING SCALE			
			ALL S/S 0			
			BASED ON 100.0%			
			PDTO ABENERGY 100.0%			
			ROYALTY INT			
			NONCONV GOR			
			ALL 5.0%			
			BASED ON 92.5%			
			PDTO PIONEER OI 100.0%			

Wells

<u>License Number</u>	<u>UWI</u>
0260693	100/01-29-020-25W4/0
0054369	100/06-04-021-25W4/0
0133837	100/06-34-020-25W4/0
0071838	100/07-07-020-25W4/0
0268691	100/08-31-020-25W4/0
0243989	100/09-28-020-25W4/0
0049508	100/10-12-020-26W4/0
0044460	100/10-17-020-25W4/0
0053190	100/10-32-020-25W4/0
0335237	100/11-33-020-25W4/0
0259330	100/12-08-020-25W4/0
0275797	100/13-13-020-26W4/0
0259326	100/13-20-020-25W4/0
0291892	100/13-35-020-25W4/0
0261448	100/15-16-020-25W4/0
0280517	100/16-30-020-25W4/0

PipelinesLicense Number

676 , segment 2
 42231, segment 1
 24093, segment 1
 36595, segments 1,2,10,11,12,13,14,17,18,22,23,24,26
 10197, segments 7,8,10,11,12,14,21
 20299, segment 2

Facilities

<u>License Number</u>	<u>Location</u>	<u>Description</u>
F21805	1-7-20-25 W4	Gas Plant
F26445	7-20-20-25 W4	Compressor

SCHEDULE “C”**Claims**

“Claim” means (with capitalized terms having the definitions given to them in the Sale Agreement) any claim, demand, lawsuit, proceeding or arbitration, or any investigation by a Governmental Authority, pertaining to the Assets, in each case whether asserted, threatened, pending or existing.

SCHEDULE “D”**Permitted Encumbrances**

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all encumbrances, overriding royalties and other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule “A”;
- (ii) any Preferential Purchase Rights or any similar restriction applicable to any of the Assets;
- (iii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties (including reassessments) to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor’s interest in any of the Title Documents;
- (iv) the right reserved to or vested in any grantor, Governmental Authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
- (v) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (vi) and any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
- (vii) taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;
- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 30 days’ notice (without an early termination penalty or other like cost);
- (ix) any obligation of Houston to hold any right or interest in and to any of the Assets in trust for Third Parties;
- (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
- (xi) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Houston’s share of

the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;

- (xii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
- (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
- (xv) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
- (xvi) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets.

SCHEDULE "E"

Crown Leases

Crown PNG Lease Nos.:

- 31256
- 29763
- 29764
- 6413
- 31788
- 0487040030
- 6413A
- 29766