

TO: RAILROAD COMMISSION OF TEXAS
Attention: Oil & Gas Division
Administrative Compliance Section
P-5 Financial Assurance Unit
P.O. Box 12967
Austin, TX 78711-2967

P-5LC
rev. 9/2021

IRREVOCABLE LETTER OF CREDIT

This Irrevocable Letter of Credit (Letter of Credit) is issued in connection with Texas Natural Resources Code §§ 91.103, 91.104 and 91.142, which require that any person performing operations within the jurisdiction of the Commission execute and file with the Commission financial security in an amount specified by Texas Natural Resources Code §§ 91.104, 91.1041 and 91.1042. The amount of financial security required is based on the number of wells indicated on the Oil and Gas Proration Schedule(s) associated with the Operator, hereby incorporated by reference.

This Letter of Credit is issued specifically at the request of the Operator to guarantee that funds in the amount required by the Texas Natural Resources Code will be available until the Operator has plugged and abandoned all of its wells, and controlled, abated, and cleaned up any pollution associated with the Operator's oil and gas activities covered by the Letter of Credit, or until a new form of financial security is submitted and approved by the Commission to replace and/or supplement this Letter of Credit.

We, Issuer, hereby establish our Irrevocable Letter of Credit No. 1054 in favor of the Railroad Commission of Texas (Commission), Austin, Texas for the account of Titus County (operator's name exactly as shown on Form P-5 (Organization Report), hereinafter "Operator"), Operator No. 860885, for the aggregate amount of Twenty Five Thousand and No/100 Dollars (\$25,000.00) available by your drafts at sight on the bank at the address specified below when drawn in accordance with the following terms and accompanied by the documents listed below:

- A. The Operator and the issuer of this Letter of Credit acknowledge and agree that, due to amendments to the Texas Natural Resources Code, amendments to Commission rules, and/or changes to the operator's Commission-regulated operations, including without limitation the acquisition of additional wells, Operator may be required during the effective term of this Letter of Credit to provide additional financial security beyond the face amount of this Letter of Credit before its Form P-5 (Organization Report) will be accepted and approved.
- B. This Letter of Credit is specifically issued at the request of the Operator as guaranty that this fund will be available during the time that the Operator is performing Commission-regulated operations. We are not a party to, nor bound by, the terms of any agreement between the Commission and the Operator out of which this Blanket Letter of Credit may arise.
- C. Drafts drawn under this Letter of Credit must be accompanied by the original Letter of Credit (including any amendments) and an affidavit from the Railroad Commission of Texas or an authorized representative, stating that:
 1. a well or other oil and gas operation or activity subject to this Letter of Credit is likely to pollute or is polluting any ground or surface water or is allowing uncontrolled escape of formation fluids from the strata in which they were originally located; or
 2. a well or other oil and gas operation or activity subject to this Letter of Credit is not being maintained in compliance with Commission rules or state law relating to plugging, inactive wells, or the prevention or control of pollution; or
 3. the Operator has failed to maintain an active Form P-5 (Organization Report), or current operator status, as reflected on the Commission's P-5 records:

AND

4. the draft is in the estimated costs of:
 - a. plugging all land wells (an amount which is estimated by multiplying the total depth of each well by the average actual per-foot plugging costs for wells plugged by the Commission in the preceding state fiscal year for the Commission Oil and Gas Division district in which each well is located) (if for any reason a district average is not available, then the state-wide average for the preceding fiscal year shall be used); and
 - b. plugging all bay and/or offshore wells (which is the amount required in 16 Tex. Admin. Code § 3.78(g)(1)(A) or (B) plus the additional amount that is required *per well* by the Commission in 16 Tex. Admin. Code § 3.78(g)(2)-(5); and
 - c. closing any other operation or activity, or controlling, abating, or cleaning up pollution.

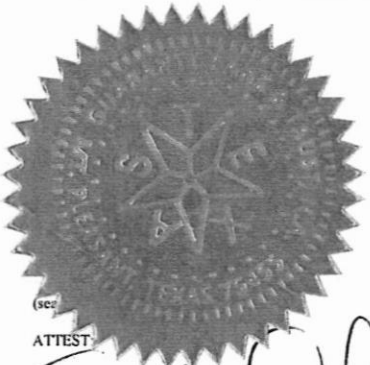
(over)

We, Issuer, will be entitled to rely upon the statements contained in the affidavit and will have no obligation to independently verify any statements contained therein.

Each draft hereunder must be endorsed on the reverse side of this Blanket Letter of Credit, and this Blanket Letter of Credit must be attached to the last draft when the credit has been exhausted. Drafts may be presented at the office of this bank no later than 5:00 p.m. (local time) on May 30, 2025 (date must be 90 days after the Operator's P-5 expiration date), and bear the clause "Drawn under the Guaranty Bank & Trust, N.A. (Bank name), Bank Letter of Credit No. 1054, dated January 31, 2024."

We hereby engage with the bona fide holders of this draft and/or documents presented under and in compliance with the terms of this Blanket Letter of Credit that such draft and/or documents will be duly honored upon presentation to us.

Our obligations hereunder shall not be subject to any claim or defense by reason of the invalidity, illegality, or unenforceability of any of the agreements upon which this Blanket Letter of Credit is based. This Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits" (2007 Revision) fixed by the International Chamber of Commerce (Publication #600) when not in conflict with the express terms hereof or with the provisions of Title 1, Chapter 5 of the Texas Business and Commerce Code.



(see)

ATTEST

Sandra Sham

Assistant Cashier or Cashier

01/31/24

Date month day year

Bank Name: Guaranty Bank & Trust, N.A.

By: 

(Name): Martin Bell

(Corporate Title): Executive Vice President (903) 434-4222
Tel: Area Code Number

Address of Bank:

100 W. Arkansas Street

Mt. Pleasant, Texas 75455

**ORGANIZATION REPORT
OFFICER LISTING**

P-50

(File as attachment to FORM P-5 Organization Report)

Page 1 of 1

1. Current operator name exactly as shown on P-5 Organization Report <p style="text-align: center;">TITUS COUNTY</p>	PURSUANT TO Oil & Gas Statewide Rule 1(a)(4)(C), information must be provided "for each officer, director, general partner, owner of more than 25% ownership interest, or trustee (hereinafter controlling entity) of the organization."
2. RRC Operator No. (if assigned) <p style="text-align: center;">860885</p>	

Instructions:

Attach as many sheets as are needed to identify all required officers.

Full legal Name: The entity's or individual's full legal name. Please do not use initials.

ID Number: If the filing organization is a Sole Proprietorship (i.e., an individual), you must provide the owner's social security number. Otherwise, you may provide (at your choice) the officer's social security number, driver's license number, or Texas State Identification number. (Note: The Railroad Commission considers such ID numbers to be confidential information.)

Addresses: You must provide an address for each officer that is different from the address for the organization UNLESS: 1) you have shown a Texas Resident Agent on your Organization Report, and that agent has an address different from that of the organization; or 2) the organization is being operated out of the officer's home.

If an entity is identified as an officer on this form, you must also identify each officer of that entity.

Full Legal Name: <p style="text-align: center;">PARCHMAN, JEFFERY CHARLES</p>	Title: <p style="text-align: center;">COMMISSIONER</p>
Street Address <input type="checkbox"/> Check here if operating out of this officer's home. <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>	Mailing Address (if different from Street Address) <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>
<input checked="" type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN): TX Number: TX DL ON FILE	
Full Legal Name: <p style="text-align: center;">MITCHELL, JOE D JR</p>	Title: <p style="text-align: center;">COMMISSIONER</p>
Street Address <input type="checkbox"/> Check here if operating out of this officer's home. <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>	Mailing Address (if different from Street Address) <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>
<input checked="" type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN): TX Number: TX DL ON FILE	
Full Legal Name: <p style="text-align: center;">APPLEWHITE, DANA</p>	Title: <p style="text-align: center;">COMMISSIONER</p>
Street Address <input type="checkbox"/> Check here if operating out of this officer's home. <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>	Mailing Address (if different from Street Address) <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>
<input checked="" type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN): TX Number: TX DL ON FILE	
Full Legal Name: <p style="text-align: center;">PARKER, JIMMY</p>	Title: <p style="text-align: center;">COMMISSIONER</p>
Street Address <input type="checkbox"/> Check here if operating out of this officer's home. <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>	Mailing Address (if different from Street Address) <p style="text-align: center;">100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455</p>
<input checked="" type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN): TX Number: TX DL ON FILE	

3. OFFICERS

READ INSTRUCTIONS ON BACK

ORGANIZATION
REPORT

1. Purpose of Filing	<input type="checkbox"/> New Filing	<input checked="" type="checkbox"/> Annual Refiling	FILE BY: 02/01/2024	2. RRC Operator
	<input type="checkbox"/> Change of Officers/Resident Agent	<input type="checkbox"/> Address Correction	EXPIRES: 02/28/2025	No. (if assigned) 860885

Name of entity: (if the name of the organization has changed, see instructions on back)
TITUS COUNTY

Mailing Address 100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455-	Street Address 100 WEST 1ST STREET STE 200 MT PLEASANT TX 75455-
Organization Phone Number: (903) 577-6791	Emergency (after hours) Phone Number: (903) 466-6666

4. Plan of Organization (select one)

<input type="checkbox"/> A. Corporation	<input type="checkbox"/> B. Limited Partnership	<input type="checkbox"/> C. Sole Proprietorship	<input type="checkbox"/> D. Partnership	<input type="checkbox"/> E. Trust
<input type="checkbox"/> F. Joint Venture	<input type="checkbox"/> G. Estate	<input type="checkbox"/> H. Ltd Liability Co. (LLC)	<input checked="" type="checkbox"/> I. Other (specify) Other	

Name of Texas Resident Agent:

Street Address	Mailing Address

A Texas Resident Agent is required for any foreign or nonresident organization pursuant to Statewide Rule 1(a)(4)(D).

6. Attachments:

- P-50 - Officer Listings: Information for each controlling entity of the organization as required by Statewide Rule 1(a)(4)(C).
- P-5A - Agent Listings: (Optional) - Designation of non-employee agents authorized to sign certain Forms P-4 and P-5 pursuant to Statewide Rule 1(a)(4)(E).
- Filing Fee: Required for all "New Filing" and "Annual Refiling" submissions. See instructions on back.
- Financial Assurance: If the operator is required to maintain financial assurance, the Organization Report will not be approved until it is in place.

7. Reorganization: Check here if this is reorganization of an existing registrant. If checked, provide the current name and RRC P-5 Number:

8. Comments: (optional)

Organization reports for operators of inactive wells: The Commission may not approve the P-5 Organization Report for an operator of one or more inactive wells unless the operator has complied with Commission rules and Texas statutes concerning the approval of plugging extensions for such inactive wells, including disconnection of electrical service and any required surface equipment removal.

Organization reports for operators with outstanding enforcement orders/judgments: The Commission may not approve the P-5 Organization Report for an operator if that operator is the subject of a final and unappealable order related to a violation of a Commission rule, order, license, permit, or certificate relating to safety or the prevention or control of pollution. Organization Reports for organizations with officers who are subject to such outstanding orders through their involvement with other organizations similarly may not be approved.

If the organization has used, or reported use of, a well for which the Certificate of Compliance has been canceled, the Commission may refuse to approve an Organization Report until the operator has paid any required reconnect fees and the Certificate of Compliance has been reissued for the well

An organization must file an amended Organization Report within 15 days after a change in any information required to be reported in the Organization Report.

Signature: <u><i>Kent Cooper</i></u> Filer's Name (Printed): <u>Kent Cooper</u>	Title: <u>County Judge</u> Filer's Telephone Number: <u>(903) 577-6791</u>
Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION) _____ Date _____	
Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.	

FOR RRC USE ONLY
Approved By _____
Remarks _____