



PIONEERING THE FUTURE OF AMERICAN ENERGY

(469) 557-8066

115 E. Virginia Street, Suite #203, McKinney, TX 75069

COMPANY OVERVIEW

RUSH CREEK



Rush Creek Resources is an oil and gas asset management company focused on the development of conventional oil reserves in legacy areas of Texas and Oklahoma. Rush Creek, founded in 2014, has navigated a devastated oil landscape to identify niche market opportunities and create private energy investment opportunities for today's energy landscape.

The oil crash of 2014 presented a multitude of complex problems that took critical thinking, and grunt work to navigate. Reducing the costs of lease operating expenses to turn profits at lower for longer oil prices fell a close second behind accessing capital during the crash. Simply put, operating oil assets did not magically become less expensive as oil prices plummeted, and banks would not lend. Enlisting private equity, Rush built a portfolio of assets boasting producing properties, secondary recovery projects, pdnp assets, and developmental drilling acreage. During the course of developing these assets, Rush capitalized on additional market opportunities adding key personnel and equipment to enhance the profitability of our model. Through vertical integration, Rush Creek improved its operational capacity, reduced the cost of doing business, and successfully reduced and placed controls on variable expenses that are necessary in successfully managing production. What stemmed from this evolution was a model built toward acquiring quality assets, strategically reducing operating expenses, and growth through establishing/increasing production. All the meanwhile having control over maintenance costs at basement oil

prices made navigating the crash a more reasonable challenge.

Through a commitment to growth and reinvestment in the organization, Rush has created a safe space in which to operate when it comes to maintaining and developing oil properties. In doing so Rush has maintained direct asset ownership of oil and gas wells as an attractive investment opportunity despite basement oil prices. Today, Rush Creek delivers geologically sound oil and gas development opportunities to the accredited investor community at unprecedented price points. Additionally, Rush is on an aggressive campaign to acquire proven producing oil properties through partnering with institutional investors, mezzanine financiers, and other preferred lenders that offer hybrid debt/equity repayment structures.



WHY PARTNER WITH RUSH CREEK? COMPARATIVE ADVANTAGE.



VERTICAL INTEGRATION

Through vertical integration Rush Creek has reduced and controlled its cost of doing business during an elongated period of decreased revenues brought on by low oil prices. The difference between a profitable asset and a toxic one is usually the cost of operations and maintenance. In reducing these costs and placing controls on the variable expenses that generally have the highest price point in oilfield servicing, Rush delivers savings. Our investment partners enjoy reduced completion costs for new drills, and significant savings on maintenance and work-over expenditures throughout the life of their assets.

TRACK RECORD

In partnering with Rush Creek, partners have the opportunity to participate in an array of projects that boast multiple exit strategies which have been successfully executed during low oil prices. In any financial crisis, opportunity can be found. The Rush Creek model, which focuses on value investing, delivers results.

KNOWLEDGE AND EXPERIENCE

Partnering with Rush means partnering with a team that is intimately involved in every barrel of oil produced. Our team boasts more than 100 + years of area specific expertise in areas of operations. From our rig floors to our office floors, there is an array of experience and knowledge that ensures a streamlined process from start to finish on all Rush projects. At Rush, we take pride in delivering quality work.

A lan Girardot, 32, founded Rush Creek Resources LLC in 2014. Mr. Girardot serves as both President and CEO of Rush Creek providing vision, and direction for Rush Creek business development while overseeing execution of the companies' mission. Mr. Girardot is instrumental in influencing Rush Creeks A&D and E&P portfolio, production management operations, regulatory compliance, capital management and growth strategies.

Mr. Girardot's oil and gas experience stems from a diversified career in various disciplines across the upstream oil and gas sector. Prior to establishing Rush Creek, Mr. Girardot served as the President of Veteran Exploration and Production LLC, a Dallas based oil and gas operating company whose primary focus was shallow Pennsylvanian exploration in North Eastern Oklahoma. As president, Mr. Girardot oversaw all operations from prospect generation through the completion process of all E&P assets for the organization. Mr. Girardot began his tenure with the company as a business development representative sourcing private equity capital for E&P operations. Through performance, Mr. Girardot was quickly promoted to VP of business development and a year later earned the rank of Senior Vice President managing all E&P operations for Veteran. Working closely with Veteran E&P geoscience professionals, Mr. Girardot deployed 5mm of private equity capital building a portfolio that established commercial production at an 80% success rate while boasting streamlined timely operations, and no safety mishaps from 2011 through 2014. Ultimately, this paved the way for other Senior Leadership within the organization to select Mr. Girardot to stand at the forefront of the organizations leadership as President.

Mr. Girardot founded Rush Creek Resources during the beginning of the now infamous oil crash of 2014 to answer the higher call of energy entrepreneurship. During the past few years of basement oil prices, enlisting private equity, Mr. Girardot has built a



portfolio over 3000 acres to include pdp, pdnp, and e&p assets throughout North Eastern Oklahoma and North Central Texas. Simultaneously Mr. Girardot has overseen the vertical integration process of Rush Creek to reduce and control variable costs while serving in every capacity of oil well servicing in maintaining Rush Creeks assets under management. Mr. Girardot is a former United States Marine Corp Veteran who served as an explosive ordnance weapons systems technician and Martial Arts Instructor while earning the Rank of Sergeant of Marines. Mr. Girardot is a Veteran of the Global War on Terrorism serving in Mosul Iraq before honorably discharging from the Corps. Simultaneously while serving, Mr. Girardot attended Texas Tech University where he earned a B.A. in political science before embarking on a career in the energy sector.

MATT GASTON SENIOR EXECUTIVE OFFICER



M r. Gaston, 35, originally joined the Rush family as a private equity investor looking to diversify his investment portfolio into commodity assets in 2015. Mr. Gaston, intrigued by the Rush Creek model cultivated a relationship with Mr. Girardot, and has worked directly with Mr. Girardot in virtually every capacity within Rush Creek. Mr. Gaston currently serves as Senior Executive Officer with a principle focus on business development. Working closely with Mr. Girardot, Mr. Gaston gives traction to many of the short and long-term growth

strategies being deployed at Rush Creek. Mr. Gaston's roles have been inclusive but not limited to investor relations, operations management, project procurement, and oil well servicing. Additionally, Mr. Gaston continues to work closely with Mr. Girardot to identify A&D targets that fall within the risk tolerance, investment objectives, and operational capacity of Rush Creek.

Mr. Gaston also serves a fireman with the City of Plano, tx with a rank of Driver/Engineer. Mr. Gaston started his career with the City of Richardson, TX in January of 2005 before moving to the city of Plano, TX Fire Department in 2006 where he remains today. Mr. Gaston attended the University of Texas A&M from 2001-2004. In 2004 Mr. Gaston received Fire Academy Scholarship which he accepted to follow his dream of being a fireman, following his father's footsteps. Mr. Gaston was the top graduate of his Fire Academy class, while also becoming a certified EMT. During his understudy at Texas A&M, Mr. Gaston was pursuing a degree in Petroleum Engineering.

SH CREEK

JOSH BRUTON CHIEF FINANCIAL OFFICER

RUSH CREEK





oshua M. Bruton, 33, recently joined the Rush Creek Resources executive management team in February 2018 as Chief Financial Officer. Mr. Bruton specializes in Accounting, Banking and Financial services, Investment Management, Venture Capital, and financial and operational development of new and existing companies. Mr. Bruton's primary focus at Rush Creek Resources is to administer the financial and risk management of the company, and to develop financial and operational growth strategies. Additionally, Mr. Bruton is responsible for monitoring and directing the implementation of strategic business plans while developing financial and tax strategies for the company.

Mr. Bruton's Oil & Gas experience began

in 2015 when he joined the executive management team at Veteran Oil Patners. During his tenure at Veteran Oil Partners, Mr. Bruton was responsible for the financial and operations management of the company.

Mr. Bruton's banking experience began when he joined the operations team at one of the last De Novo institutions approved prior to the financial crisis, Collin Bank. Mr. Bruton served Collin Bank in various capacities, but primarily focused on the management of the i n v e s t m e n t p o r t f o l i o , accounting/financial reporting, internal controls, liquidity and funding, and asset-liability management. In 2012, Mr. Bruton became the Chief Financial Officer of United Texas Bank in Dallas, Texas. At United Texas Bank, Mr. Bruton was responsible for overseeing all bank operations for both the bank and the bank's holding company.

Mr. Bruton graduated from Oklahoma State University with a degree in Accounting and a minor in Finance and Business Law. Throughout his career, Mr. Bruton has strived to continue his education through accredited continuing education programs and by obtaining professional certifications. Mr. Bruton has held various FINRA licenses, including Series 7 and Series 66. Mr. Bruton has also received various banking certifications and is a member of Texas Bankers Association. Independent Bankers Association of Texas (Leadership Division), and Independent Community Bankers Association. Mr. Bruton also attended Southwestern Graduate School of Banking at SMU.



JENNIFER GRIFFIN EXECUTIVE VICE PRESIDENT





ennifer Griffin, 40, recently joined the Rush Creek team in January of 2018 fulfilling the role of Executive Vice President. Ms. Griffins responsibilities within the organization encompass administrative management pertaining to regulatory compliance, investor relations, and accounting. Ms. Griffin is tasked in working closely with Rush Creeks' leadership team to ensure internal systems of controls are deployed in accordance with the companies' policies. Additionally, Ms. Griffin provides Rush Creek with regulatory compliance management and serves

as a communication hub between field operations, key personnel, and capital partners.

Ms. Griffin's oil and gas industry experience began in 2014 with Veteran Exploration and Production LLC where she worked under the supervision and guidance of then President, Alan Girardot. Upon Mr. Girardots departure from the organization, Ms. Griffin inherited the duties of regulatory compliance management, in addition to investor relations, and administrative management. During her tenure at Veteran Exploration, Ms. Griffin learned every aspect of regulatory compliance as it pertains to E&P operations in both Texas and Oklahoma.

Ms. Griffin was responsible for compliance auditing, and creating systems to monitor and maintain regulatory compliance with respect to all regulatory organizations that have jurisdictional oversight over the companies operations to include but not limited to the TXRRC, OCC, OTC, BLM, and BIA. Ms. Griffin also has 15 years of experience in accounting and administrative management outside of the oil and gas industry.



SH CREEK



Kim Drew Consulting Geologist

P.O. Box 52735 Tulsa, Ok 74152

918 939-9556 kimedrew@gmail.com



Independent Consulting Geologist : 1983-Present

Currently working with a number of small to medium sized firms. Primary work includes developing, leasing and selling oil and gas prospects all across Oklahoma from geology based vertical wells to acreage block horizontal plays.

Work also entails leasing supervision, procuring bids and securing contracts as well as well site supervising the drilling, completion and operations of all clients properties.

I have worked mainly in vertical drilling and improving secondary recovery projects but have also developed several horizontal ideas in new target formations.

Additional responsibilities include managing regulatory filings such as permitting operations, spacing and pooling expert testimony hearings and disposal well applications.

Assistant to the Director of the Technical Department Oklahoma Corporation Commission : 1983-1983

Supervised technical department staff to increase efficiency. Rewrote several sections of the rules of practice.

Staff Geologist NGPA : 1982-1983

Approved geology based filings of the Natural Gas Policy Act

Well Site Geologist , Continental Laboratories : 1981-1982

Sat on wells in western Oklahoma and Texas working the Anadarko basin to depths of 30,000 ft.

Education

Illinois State University

BS Geology 1976-1980 Normal, Illinois

References

Excellent industry professional references available upon request.





Rush Creek Resources, LLC Lost Creek 33-1 Prospect Overview



Rush Creek Resources, LLC Lost Creek #33-1 Prospect

Reg D 506(c): Accredited Investors Only

Funding Goal: \$350,000 (75% WI)

350 Units at \$1000 each unit - 1 Unit = .21428571 % WI & .16071429 % NRI Minimum Investment of \$10,000 with increasing increments of \$1,000 there after

Prospect Details:

Company	Rush Creek Resources, LLC
Operator	Rush Creek Operating, LLC
Prospect Location	Creek County, Oklahoma
Spud Date	On or Before July 3, 2018
Acreage	80 Acres
Development	40 acre spacing, possibility of 2 wells total
Well Description	3000' vertical well
Primary Geological Objectives	Skinner Sand
Secondary Geological Objectives	Prue, Red Fork, and Gilcrease
Potential Reserves	20,000- 45,000 BBLS per well
Breakeven	13000+/- Barrels of Oil Produced
	12962.96x60(price of oil)x.75(WI)x.75(NRI delivered) x.8(20% Est. Operating Expense) = \$350.000

All economic estimations and reserves are based on data provided by the Geologist. These figures are for educational purposes only to show possible returns and reserves. All investors should do their own due diligence into all data and make an informed decision on investing.

PROSPECT GEOLOGY

Kim E. Drew CONSULTING GEOLOGIST

LOST CREEK 33-1 PROSPECT

he Lost Creek Prospect is a step out play to find another Skinner sand field in a similar depositional and structural position as Emerald Oil Companies, Coyote Leap field. The primary leases consists of eighty acres described as the w/2 of the southwest 1/4 in Township 15 North, Range 9 East, Creek County, Oklahoma. This is not a wildcat or a very high risk high reward type play. The Lost Creek Prospect is basically extending good Skinner production by offsetting known fields and incorporating new completion techniques in virgin areas to drastically increase the producible reserves of Skinner oil.

The prospect is looking for a Skinner sand oil field on the eastern flank of a old Wilcox, Gilcrease and Skinner oil field. This old field has produced several hundred thousand barrels of oil to date.

This area of Creek county is in the early stages of an oil boom due to further development of the Pennsylvanian age Skinner sandstone. Since the 1920's oil companies have drilled and produced a series of Skinner sand fields that encompass most of this township and parts of several more. In the early days of exploration only very clean, very porous "Traditional sand" reservoirs were capable of producing

oil and gas in commercial quantities. The fields were very prolific with huge quantities of oil being produced. Initially the completions consisted of loading the well with a few to a few hundred quarts of nitro glycerin and exploding it. This shock wave acted to fracture the formation. These "shot" wells drained between 2 to 8 acres on average and left a lot of oil behind. This is primarily because any fractures created tended to collapse back down, limiting long term permeability and the oil's ability to flow through the sandstone. In the early 1950's hydraulic fracturing was in its infancy and this area saw a significant increase in activity as these old wells were fracture treated and new wells were drilled to take advantage of this technological revolution.

These early fracture treatments usually consisted of pumping a few hundred barrels of fluid, either oil or saltwater, with between 3,000 to 6,000 pounds of sand as a propend. This technological advancement made some of the old marginal, edge of the field wells commercially viable again by creatingfractures that improved permeability. The sand acted to hold open the newly created fractures. The small size of these jobs and the thinness of the fluids tended to make the fractures run along the most permeable areas and not create new P.O. BOX 52735 TULSA. OK 74152 (918) 742-7839 kimedrew@gmail.com

fractures in the less permeable, but still oil filled sand. These jobs increased the volume of oil produced but still left a very significant amount of oil in place.

Estimates range from 75 to 90 percent of the oil is still left behind in the formation unable to flow to the well bores and be pumped out. This is the oil we are after the 75 percent that is still awaiting our drilling.

The new twist on this old oil field was started by Emerald Oil Company.

They drilled their Griffith # 2 well. This well was located off the southern edge of a large old Skinner field in a shalier area of sand deposition, in spite of having good samples the electric log did not look promising. Based on the sample shows they set casing and fracture treated the Skinner sand with a cross link polymer fracture. The well came on at 65 barrels of oil per day. This was the first of a 15 well field that has yet to be fully developed. This field is laying along the western flank of a deeper Wilcox oil field between two old Skinner fields in an area of shaly sand deposition, not a traditional clean sand deposit. These modern fracture treatments can pump from 50,000 to over 90,000 pounds of sand propend into the formation fracturing both horizontally and vertically as well. This treatment reaches a much bigger percent of the formation and allows the

PROSPECT GEOLOGY

oil and gas trapped in place to move to the well bore.

Secrets do not remain so for long in the oil field. News of the good wells has been spreading and others are now jumping in. Competition for leases around the Emerald discovery has become intense. The trick now is to find other areas of shaly sand deposition in a similar structural position along the flanks of a deeper Wilcox structure. I think the Lost Creek Prospect is just such a find. This prospect is in an area of proven sand deposition along the flank of a deeper Wilcox field. This is exactly the situation that Emerald Oil encountered in its very successful Covote Jump Prospect.

Several Skinner sand producers in this area have produced in excess of 20,000 barrels of oil per well. The best well in the area has produced over 100,000 barrels of oil from the Skinner and Prue sands.

The Skinner sandstone is a delta front and channel deposit of the mid Pennsylvanian age. The sand is deposited across a few hundred miles in in northeast Oklahoma. The sand has very clean sections and may become laminated with thin shale beds. An analogues feature today would be the Mississippi river delta sand deposits. Across this area the Skinner sand contains oil and gas in commercial quantities where it has been trapped overlapping deeper structures or stratigraphically trapped by pinch outs or permeability barriers. In the older fields the sand is very clean and

permeable. Most, if not all of those types of fields have been found in this area. Other parts of the Skinner sand contains very thin shale layers that may be just radioactive enough to cause the modern Gamma Ray logs tolook very bad. This causes people to overlook the potential pay zone because of a very pessimistic Gamma ray log. In reality the sand is 95% clean with just very thin shale laminations. It takes a good sample catching and examining system to not over look these potential reservoirs. Where the sand develops porosity above ten percent it appears to be productive. Where porosities run from 10 to 16 percent and localized permeability improves then very good oil and gas wells result.

On the Lost Creek Prospect it appears that the Skinner sand is deposited thickly lapping against a deeper structure. (see ispoach map) As you can see from the Area map their are dozens of Skinner oil and gas wells all across sections 32 and

33. My mapping shows that these wells were producing from the traditional clean Skinner sand and they did not fully develop the shalier part of the sandstone deposit. This situation mirrors Emerald Oil's Coyote Jump field in that the sand lays against the flank of a deeper structure and it is situated very close to Skinner water flood production. In this case the water flood is the Tibbens Skinner flood that covers parts of sections 29, 30 31, and 32 just west of this prospect. The good Skinner producers to the east are the Abraham # 1 and # 2 wells in the NE SE section 32. These wells sold over 53,900

barrels of oil. It should be noted that these Abraham wells perforated only 6 to 12 feet of the sand body and still recovered over 25,000 barrels of oil per well. If we perforate and fracture treat the entire sand thickness then our production should at least double and even triple their totals. Situated between the Abraham wells and the Tibbens water flood lies 120 acres of land that should be covered by a thick oil filled Skinner sand. The entire sand covered Lost Creek Prospect should be productive. However just like Emeralds field it should contain "sweet spot" channels of sand with better porosity and permeability that will produce oil and gas in even more significant quantities. Once these permeable channels are located then several wells can be drilled to fully develop each channel and eventually the entire field. I feel that with development we can capitalize on the new data to maximize the production from each new well drilled on the Prospect. To the south of the Lost Creek Prospect in section 5 of T14N R9E there are two Skinner producers that sold 25.421 and 20.910 barrels of oil respectively from 10 feet and seven feet of sand.

Many other potential pay zones lie beneath the Skinner and Prue sands. The Red Fork, Bartlesville, Gilcrease, Cromwell and Wilcox sands are all productive in this area.

The Red Fork sand is a thin channel sand that meanders across much of northeast Oklahoma. Where found stratigraphically trapped it can be a very good producer. There is a million



RUSH CREEK

barrels Red Fork field just a few miles east of this prospect in sections one and two of 14N9E.

The Gilcrease sandstone represents an off-shore bar type deposit consisting of laminated sand, shale, and lime. It is generally a stratigraphically trapped reservoir that is found all around this area. Some of these wells can be very prolificproducers. Several good Gilcrease fields have been found on the western flanks of deeper structural highs.

The Wilcox is a prized target in this area; it produces only on structural dome type features. Current and abandoned Wilcox producers lie just to the west of the Lost Creek Prospect. My mapping to date shows a Wilcox ridge running north and south across the northeast quarter of section 6 T14N R9E.

Almost certainly additional data gathered from our shallower Skinner

wells will give us the incentive to drill deeper to test the Red Fork, Bartlesville, Gilcrease and Wilcox zones at a later date.

In conclusion, the Lost Creek Prospect contains the real possibility of finding a multi well Skinner field. All the elements present in Emerald Oil's field can be found here as well. We also have interesting deeper potential in the Red Fork, Bartlesville, Gilcrease and Wilcox sands.

Respectfully submitted,

Kim Drew

RUSH CREEK O U R

OST CREEK PROSPECT

Spud Location



PRUE SAND O SKINNER SAND

RED FORK SAND

 ∇ WILCOX SAND

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LOST CREEK PROSPECT

 $14 \qquad RUSH_{R E S O} CREEK_{R E S O} CREES$

OST CREEK

T15N R9E Creek Co, OK

AREA

C. Root



SKINNER SAND ISOPACH



T15N R9E CREEK CO OK

SKINNER SAND ISOPACH MAP



SKINNER SAND STRUCTURE MAP



SKINNER SAND STRUCTURE MAP





RUSH CREEK

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: RUSH CREEK RESOURCES LLC	CAUSE CD NO.
RELIEF SOUGHT: POOLING	201701052-T
LEGAL DESCRIPTION: W/2 SW/4 SECTION 33,	ORDER NO.
TOWNSHIP 15 NORTH, RANGE 9 EAST, CREEK COUNTY, OKLAHOMA	665521
COUNTY, OKLAHOMA	6622

FINDINGS AND ORDER

1. <u>Hearing Date and Place</u>: 8:30 a.m., 6th day of March, 2017, Eastern Regional Office, 440 South Houston, Tulsa, Oklahoma.

2. <u>Appearances</u>: Ron M. Barnes, Attorney, appeared for Applicant and Tim Abraham appeared Pro Sc.

3. <u>Notice and Jurisdiction</u>: Notice has been given as required and the Commission has jurisdiction of the subject and the persons.

4. <u>Amendment</u>: None.

5. <u>Relief Requested</u>: To pool and adjudicate the rights and equities of the owners named in Exhibit "A" attached hereto underlying the land described in the caption hereof for the common sources of supply described in the caption hereof, and to designate the Applicant or some other party as operator.

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

Common Source of Supply	Size of Unit	<u>Order No.</u>
Calvin	80-acre standup	664095
Prue	80-acre standup	664095
Skinner	80-acre standup	664095
Red Fork	80-acre standup	664095
Bartlesville	80-acre standup	664095
Gilcrease	80-acre standup	664095
Wilcox	80-acre standup	664095

Said owners named in Exhibit "A" attached hereto must make one or any combination of the following elections within <u>20</u> days from the date of this Order.



RUSH CREEK RESOURCES LLC CAUSE CD NO. 201701052-T FINAL ORDER PAGE 2

6.1 <u>Participate</u>: To participate in the development of the unit and common sources of supply by agreeing to pay such owner's proportionate part of the actual cost of the well and unit covered hereby and by paying, as set out below, to Operator such owner's proportionate part of the estimated completed for production cost thereof, or by providing the Operator with an irrevocable letter of credit for such payment satisfactory to the Operator, within <u>25</u> days from the date of this Order, as follows:

Completed as a dry hole	\$219,950
Completed for production	\$549,400

Provided, further, that in the event an owner elects to participate in said unit well by paying his proportionate part of the costs thereof and fails or refuses to pay or provide the Operator with an irrevocable letter of credit for such owner's proportionate part of the completed for production cost as set forth herein, all within the periods of time as prescribed in this Order, then such owner shall be deemed to have elected to accept the cash bonus plus royalty, as set out in paragraph 6.2 below; provided, that if an owner's interest has burdens that exceed the normal 1/8 royalty interest provided in paragraph 6.2 below, then, in that event, such owner shall be deemed to have accepted the option provided in paragraph 6.3 below. Thereupon, the payment of such cash bonus shall be made by Operator within 35 days after the last day of which such defaulting owner, under this Order, should have paid his proportionate part of such costs or should have made satisfactory arrangements for the payment thereof.

Prior to the payment of bonus consideration and/or royalty consideration to a Respondent by Applicant, said Respondent must complete and furnish to Applicant a Federal Form W-9. The form being required is for federal tax purposes. A Respondent who does not provide the Applicant with a Federal Form W-9, shall not be entitled to payment by Applicant until such time as the appropriate Federal Form W-9 has been furnished.

6.1.a. Deferred Payment of Well Costs: Provided, in the event an owner timely elects to participate, said owner may defer payment of Completed for Production Well Costs until 15 days after receipt of a Notice of Intent to Spud, which Notice of Intent to Spud shall be sent by Operator to such electing owner no earlier than 60 days prior to actual spud of the initial well; to receive this deferred payment of well costs, such owner must so elect at the time of an election to participate. Failure of an owner to timely pay completed for production well costs after receipt of a Notice of Intent to Spud, shall, at the option of Operator, either be deemed an election by such owner to accept the highest cash bonus plus royalty for which because of burdens such owner's interest qualifies provided in paragraphs 6.2 or 6.3 below or continue to allow such respondent to remain a working interest owner under this pooling with Operator afforded all methods of collection of such respondent's share of completed well costs allowed under the laws of the State of Oklahoma and the rules of the Oklahoma Corporation Commission.

6.2 Cash Consideration: <u>To accept \$125 per acre plus the normal</u> <u>1/8 royalty interest</u>, as defined in 52 O.S., Section 87.1(e)(2001), as a fair, reasonable and equitable bonus to be paid to each owner who elects not to participate in said unit well by paying



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POOLING ORDER

RUSH CREEK RESOURCES LLC CAUSE CD NO. 201701052-T FINAL ORDER PAGE 3

such owner's proportionate part of the costs thereof; such cash bonus to be paid within $\underline{35}$ days from the date of this Order and when so paid shall be satisfaction in full of all rights and interests of such owner in the well covered hereby.

6.3 Cash Consideration: To accept \$100 per acre plus a total royalty of 3/16 as a fair, reasonable, and equitable bonus to be paid unto each owner who elects not to participate in said unit by paying such owner's proportionate part of the cost thereof; such cash bonus to be paid within 35 days from the date of this Order and when so paid shall be satisfaction in full for all rights and interests of such owner in the unit covered hereby, provided, however, in the event that owner's interest is subject to a royalty, overriding royalty, or other burden on production in excess of the normal 1/8 royalty as defined herein, then such excess royalty, overriding royalty, or other burden shall be charged against the 1/16 of 8/8 overriding or excess royalty as herein set forth, and the same shall be reduced by the amount of any such excess.

7. <u>Failure to Elect</u>: In the event any owner fails to elect within the time and in the manner as set forth in paragraph 6 above, then such owner shall be deemed to have accepted the highest cash bonus for which because of burdens such owner's interest qualifies as set out in paragraphs 6.2 or 6.3 above; in the event any owner elected to do other than participate in said unit by paying his pro rata share of the costs of the unit well thereof, or fails to make an election provided above, such owner shall be deemed to have relinquished unto Operator all of such owner's right, title, interest, or claim in and to the unit, except for any normal <u>1/8</u> royalty interest, and other share in production to which such owner may be entitled by reason of any election hereunder.

> 8. Operator: Rush Creek Resources LLC 115 E. Virginia St., Ste. 203 McKinney, TX 75069

an owner of the right to drill in said drilling and spacing unit is designated Operator of the unit well and common sources of supply covered hereby and all elections required in paragraph 6 hereof should be communicated to Rush Creek Resources LLC in writing at the address above as required in this Order. All written elections must be mailed postmarked within the election period as set forth in paragraph 6; provided such election may be mailed certified mail with return receipt requested in which event such certified election must be deposited in the post office within the election period set forth in paragraph 6. That said Operator has a current plugging bond or financial statement on file with the Corporation Commission.

9. <u>Commencement of Operations</u>: That Operator shall commence operations for the drilling or other operations with respect to the unit covered hereby within <u>one year</u> from the date of this Order and shall diligently prosecute the same to completion in a reasonably prudent manner, or this Order shall be of no force and effect, except as to the payment of bonus. If any payment of bonus due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then said bonus shall be paid into an escrow account within ninety (90) days after this Order and shall not be commingled with any funds of the Applicant or Operator. Any royalty payments or other payments due to such person shall be



RUSH CREEK RESOURCES LLC CAUSE CD NO. 201701052-T FINAL ORDER PAGE 4

paid into an escrow account by the holder of such funds. Responsibility for filing reports with the Commission as required by law and Commission rule as to bonus, royalty or other payments deposited into escrow accounts shall be with the applicable holder. Such funds deposited in said escrow accounts shall be held for the exclusive use of, and sole benefit of, the person entitled thereto. It shall be the responsibility of the Operator to notify all other holders of this provision and of the Commission rules regarding the unclaimed monies under pooling orders.

10. Participation in Subsequent Operations: Only those owners electing to participate in the initial well drilled hereunder as provided above will be allowed to participate in subsequent wells drilled on the drilling and spacing unit and common source of supply covered hereby. Owners electing or deemed to have elected the cash consideration plus royalty provided in paragraphs 6.2 or 6.3 above shall receive no additional cash consideration for subsequent wells, but shall receive the royalty provided therein for subsequent wells. The term subsequent wells, but shall receive the royalty provided therein for subsequent wells. The term subsequent well for the purposes of paragraphs 10 and 11 shall not be deemed to be any well that is drilled as a replacement or substitute well for the initial unit well or any subsequent well covered hereby, by virtue of any mechanical or other problems arising directly in connection with the drilling, completing, equipping or producing of the initial unit well or any subsequent well and no party subject to this Order shall have the right to make any subsequent elections as to any such side-tracking, replacement or substitute well.

11. Election on Subsequent Operations: In the event Rush Creek Resources LLC proposes the drilling of a subsequent well it shall notify those owners who elected to participate in the initial well drilled hereunder of its intent to drill a subsequent well and said owners will have 20 days from the date of receipt of said notice to elect whether to participate in said subsequent well. The notice provided by Rush Creek Resources LLC shall include the estimated dry hole costs and estimated completed well costs of the subsequent well and owners electing to participate must pay, or make satisfactory arrangements with Rush Creek Resources LLC to secure the payment, of their proportionate share of said complete well costs within 25 days from the date of receipt of notice from Rush Creek Resources LLC. Those owners failing to elect within the period provided or those owners electing to participate but failing to pay within the period provided shall be deemed to have elected not to participate in the subsequent well and shall thereafter receive the highest cash option and lowest net revenue interest set forth in paragraph 6 above for which said owner qualifies for all subsequent wells. Anytime an owner elects or is deemed to have elected not to participate in a subsequent well, then that owner shall not be allowed to participate in future wells drilled on the drilling and spacing units covered hereby. Rush Creek Resources LLC shall commence the subsequent well within 180 days of the proposal for same or the proposal shall expire. That the Oklahoma Corporation Commission shall retain jurisdiction over the drilling and completion costs proposed by Rush Creek Resources LLC for subsequent wells. Any well proposal made under this provision shall expire after 180 days if no well has been commenced. If no well has commenced under said well proposal, all parties shall be restored to their status prior to proposing the subsequent well.



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12. <u>Operator Lien</u>: That Operator, in addition to any other rights provided herein, should have a lien, as set out in 52 O.S., Section 87.1(e)(2001), on the interest of any owner, subject to this Order, who has elected to participate in the well covered hereby by paying such owner's proportionate part of the costs thereof.

13. Special Finding: Notice has been given by publication as required by Commission Rules and Affidavits of Publication have been filed. Those owners whose names and addresses were attainable have been given actual notice by mail. An adjudicative inquiry was conducted by the Administrative Law Judge into the sufficiency of the search to ascertain the names and addresses of all owners and if a diligent effort had been made to locate all affected interest owners. Applicant has made a meaningful and diligent search of all reasonably available sources at hand to ascertain those parties that are entitled to notice and the whereabouts of those entitled to notice but who were served only by publication. The Commission finds the process to be proper and has jurisdiction over the subject matter and the parties. That a bona fide effort was made to reach an agreement with each respondent and that the Applicant has not agreed with all such respondents in such drilling and spacing unit to pool their interest and to develop the drilling and spacing unit common sources of supply as a unit; that the Applicant has proposed the drilling of a well on said unit and to develop said common sources of supply; that the Operator, hereinabove named, is an owner of the right to drill on said drilling and spacing unit and to develop and produce said common sources of supply.

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

15. Rush Creek Resources LLC is proposing to develop the separate common sources of supply in the drilling and spacing unit covered hereby in the aggregate as a group or unit. The Applicant intends to evaluate and develop, as a reasonably prudent operator under the same or similar circumstances, all of the separate common sources of supply covered hereby as each will be penetrated in the initial unit well involved herein and valuable information regarding these separate common sources of supply will be obtained through the risk assumed and the expenses incurred in connection with such initial unit well. Furthermore, the bonus values testified to are based upon consummated oil and gas leases which cover all of the separate common sources of supply herein. Therefore, as set forth in the Application filed herein, Applicant believes, and the evidence presented herein shows, that it is appropriate that this pooling order treat all of the separate common sources of supply involved here in the aggregate as a group or unit. Rush Creek Resources LLC is the owner of the right to drill a well into, to produce hydrocarbons from and to appropriate production from the separate common sources of supply in the units involved herein.



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

CORPORATION COMMISSION OF OKLAHOMA

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DANA L. MURPHY, Chairman tie

TODD HIETT, Vice Chairman

Bob Anthon BOB ANTHONY, Commissioner

DONE AND PERFORMED this _3_ day of _**, 2017**.

BY ORDER OF THE COMMISSION:

, Secretary

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REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order is the report and recommendation of the Administrative Law Judge.

APPROVED:

6 Date

KATHLEEN M. MCKEOWN ADMINISTRATIVE LAW JUDGE

6.27.1 **REVIEWER'**

Date

APPROVED AS TO FORMAND CONTENT:

RÔN M. BARNES/OBA #554 GRAYSON BARNES, OBA #31475



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EXHIBIT "A"

- Carolyn C Foster Revocable Trust, dated 3-27-13
 2334 E Horseshoe Blvd Parkhill, OK 74451
- 2. MOVED TO ADDRESS UNKNOWN
- 3. MOVED TO ADDRESS UNKNOWN
- 4. American Minerals Box 13647 Oklahoma City, OK 73113
- Glen Michael Van Orsdol and Melba L Van Orsdol, H/W JTWROS 33035 W 301st St s Bristow, OK 74010
- Letha Grace Caudle, Trustee of The Caudle Trust PO Box 177 Bristow, OK 74010
- 7. Aimee Martin PO Box 454 Circle, MT 59215
- Brent M Devine, Successor to the Beverly A Dagleish Trust 13650 Francisco Dr Hanford, CA 93230
- 9. MOVED TO ADDRESS UNKNOWN
- 10. MOVED TO ADDRESS UNKNOWN
- 11. MOVED TO ADDRESS UNKNOWN

- 12. Arroyo Land Services, LLC PO Box 54438 Oklahoma City, OK 73154
- American Energy Woodford, LLC an Oklahoma Limited Liability Corporation 301 NW 63rd Oklahoma City, OK 73116
- 14. Guest Petroleum, Inc Box 805 Edmond, OK 73083
- 15. ABC Royalty, LLC PO Box 32044 Edmond, OK 73003
- 16. MBP Royalty, LLC PO Box 32044 Edmond, OK 73003
- Philip J Johnston & Carla S Johnston, H/W JTWROS
 2213 Powderhorn Edmond, OK 73034
- Ralph Wampler
 4202 Brookview
 Norman, OK 73072

ADDRESS UNKNOWN

Faye Smith Sebring

Maud H Vickers

Robert Kilgore

Miles L Davidson

Creal E Kirkwood Living Trust Route 1 Box 776 Wagoner, OK 74467 (#2)



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EXHIBIT "A"

Delma E Kirkwood Living Trust Route 1 Box 776 Wagoner, OK 74467 (#3)

James C Carman Route 2 Box 1 Bristow, OK 74010 (#9)

Leota F Bacon Box 391 Stroud, OK 74079 (#10)

Tillie E Livesay Box 892 Bristow, OK 74010 (#11)

CURATIVE

None

CURATIVE ADDRESS UNKNOWN

Helen Tibbens Reid

Paul Kenneth Tibbens Trust

Deeb Slyman

Aud Watson

C G Tibbens

And, If Any Of The Foregoing Be Deceased, The Unknown Heirs, Executors, Administrators, Devisees, Trustees And Assigns, Immediate And Remote, Or Any Such Part