



Mike Matison  
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December 12, 2023

Chevron USA Inc  
Attn: Land Department  
1111 Bagby Street  
HOUSTON, TX 77002

SENT VIA:  
Standard FedEx Overnight

**RE: Notification of Unit Termination and Lease Terminations**  
See Exhibit A  
Andrews County, TX

To Whom It May Concern,

The internal records of University Lands (“**UL**”) indicate that production and payment from the certain OIL AND GAS LEASES designated in Exhibit A, as may have been amended (the “**Subject Leases**”), ceased in May 2023. The referenced Leases were held by Magutex Queen Unit Agreement, however, that agreement terminated effective June 1, 2023. As of the date of this letter, **Chevron USA Inc** (hereinafter “**Releasor**”), nor any of its predecessors has informed UL of any operations that might perpetuate the Subject Leases in compliance with its terms and provisions. This letter serves as formal notice that, consistent with Texas Law, the Subject Leases terminated under its own terms and conditions, effective June 1, 2023

Termination of the Subject Leases does not relieve any obligation(s) to pay rentals, royalties, or any other financial obligations which have accrued, including, but not limited to, any plugging and abandonment and/or reclamation obligations. All remaining oil inventory must be sold, and royalties paid to UL within ninety (90) days of this letter. One hundred percent (100%) of any production from the Subject Lease, after its termination, belongs to UL. Once inventory is sold and stock is cleared from the monthly production reports, it is Releasor’s responsibility to notify UL ([SSawyer@utsystem.edu](mailto:SSawyer@utsystem.edu)) to remove any further production reporting requirements. Releasor and any other successors to the interest of the Lessee described in the Subject Leases are required to file a *Release of Oil and Gas Lease* within thirty (30) days of receipt of this notice in the appropriate public records of the applicable County or Counties and provide a copy of the recorded *Release of Oil and Gas Lease* to UL. The appropriate *Release of Oil & Gas Leases* form is attached for your convenience.

Releasor and any other successors to the interest of the Lessee described in the Subject Leases are responsible for plugging and abandoning all well(s), and for restoring the surface of the Subject Lease in accordance with the terms of the Subject Lease, the Board for Lease Rules<sup>1</sup> and all applicable state and federal codes, rules, laws, regulations, and procedures.

The above-referenced items are mandatory obligations under the terms of the Subject Leases that require action within the time frames specified. Thank you for your prompt attention to this matter. If you have questions regarding this matter or if we can be of further assistance, please contact me.

Sincerely,

Mike Matison  
MM/dw

CC: Michelle Maurer, Nick Alejandro, Jeff White, Daniel Gonzales, Michael Taylor, Dave Williamson, Angie Ramirez, Samantha Sawyer, Shauna Rowlett, Justin McGill, Debbie Wright

<sup>1</sup> Article 2.23, Board for Lease of University Lands, Rules and Regulations (“Each oil and gas Lease issued by the Board shall be subject to, and performance of Lessee’s obligations under the Lease shall be in conformance with, rules as adopted from time to time by the Board and Board of Regents.”).



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### Exhibit A

UT Lease	County	Block	Section	Legal	Depths	Acres
40332	Andrews	5	19	SE	All Depths	161.825
42288	Andrews	5	17	SW	All Depths	161.825
42286	Andrews	5	20	W2	All Depths	323.65
54265	Andrews	4	24	SENW	All Depths	39.994

**END OF EXHIBIT "A"**