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DESIGNATION OF UNIT

PAUL SMITH UNIT

COMMONWEALTH OF PENNSYLVANIA §§
COUNTY OF BUTLER §§

Instr: 201205070012930 05/07/2012
Pages: 4 F: \$92.50 1:57PM
Michele Mustillo T20120019531
Butler County Recorder MLXTO ENER

KNOW ALL MEN BY THESE PRESENTS:

1. **Designation of Unit.** The undersigned on behalf of Phillips Exploration Inc. and Phillips Production Company (the "Owner") is the owner of the valid and subsisting oil, gas and mineral leases as described on Exhibit A attached hereto and made a part hereof (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the provisions of the Leases and based upon the judgment of Owner that it is necessary and advisable to pool and combine the Leases and the lands and depths described on Exhibit A, and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes the Leases and the lands and depths described on Exhibit A and all associated leasehold rights, overriding royalty, royalty interests and any other interest to the extent Owner has the authority to pool, for the purpose of drilling for, development, and production of gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit, being 287.319 acres of land, more or less, ("Unit") includes the Leases, or portions thereof, and the interval(s), if any, as described on Exhibit A. If no depth limitations are set forth in Exhibit A, the Unit shall cover all depths.

3. **Production from the Unit.** This Designation of Unit covers all operations and production from the land and depths described on the attached Exhibit A, which is produced from any well drilled to the unitized interval underlying the Unit area to the effect that operations on and production from any tract within the Unit shall be considered operations on and production from all tracts within the Unit. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

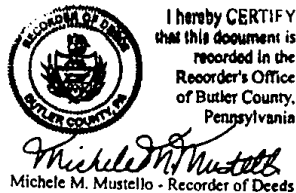
5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the validity of same as to the parties who do execute this instrument. The Unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

6. **Effective Date.** The Unit shall be effective as of the date it is filed for record in the official public records of the county and state aforesaid, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the Leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases

This Designation of Unit shall be binding on the Owner and all other owners of the interests pooled hereby and their respective representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 1st day of MAY, 2012.

OWNER:



XTO ENERGY INC. FKA Phillips Exploration Inc
and Phillips Production Co.

Edwin S. Ryan, Jr.

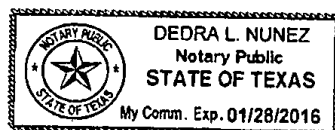
BY: Edwin S. Ryan, Jr.

Senior Vice President – Land Administration

STATE OF TEXAS §
§
COUNTY OF TARRANT §

On this 1st day of May, 2012, before me, a Notary Public, the undersigned officer, personally appeared Edwin S. Ryan, Jr., and acknowledged himself to be the Senior Vice President – Land Administration of XTO Energy Inc., a Delaware corporation, and that he as such Senior Vice President – Land Administration, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Dedra L. Nunez

Notary Public, State of Texas

Return to:
XTO Energy Inc.
810 Houston Street
Fort Worth, TX 76102-6298
ATTN: Land Department KB

EXHIBIT "A"
TO THAT CERTAIN
DESIGNATION OF UNIT
PAUL SMITH UNIT
Jefferson Twp

1. Oil and Gas Lease dated March 22, 2007, between Frank W. Leslie, as Lessor, and Phillips Production Company, as Lessee, which is recorded at Instrument Number 200707090017680, in the Records of Butler County, Pennsylvania.
2. Oil and Gas Lease dated August 19, 2009, between Paul R. Smith and Lisa Smith (husband and wife), as Lessor, and Phillips Exploration, Inc., as Lessee, which is recorded at Instrument Number 200910080023863, in the Records of Butler County, Pennsylvania.
3. Oil and Gas Lease dated June 8, 2011, between Paul R. Smith and Lisa Smith (husband and wife), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019439, in the Records of Butler County, Pennsylvania.
4. Oil and Gas Lease dated May 8, 2007, between Edward J. Wetzel and Ruth C. Wetzel (husband and wife), as Lessor, and Phillips Production Company, as Lessee, which is recorded at Instrument Number 200707300019709, in the Records of Butler County, Pennsylvania.
5. Oil and Gas Lease dated October 7, 2008, between Ryan K. Leslie and Brandy Leslie (husband and wife), as Lessor, and Phillips Production Company, as Lessee, which is recorded at Instrument Number 200812080026799, in the Records of Butler County, Pennsylvania.
6. Oil and Gas Lease dated June 4, 2011, between Charles T. Brandt and Kimberly A. Brandt (husband and wife), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019444, in the Records of Butler County, Pennsylvania.
7. Oil and Gas Lease dated October 31, 2008, between Brandi Leslie (single), as Lessor, and Phillips Production Company, as Lessee, which is recorded at Instrument Number 200901070000271, in the Records of Butler County, Pennsylvania.
8. Oil and Gas Lease dated June 8, 2011, between Charles A. Ferrick and Kathleen B. Ferrick fka Kathleen B. Fennell (husband and wife), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019463, in the Records of Butler County, Pennsylvania.
9. Oil and Gas Lease dated June 13, 2011, between Gerald E. Cypher and Violet Cypher, as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019452, in the Records of Butler County, Pennsylvania.
10. Oil and Gas Lease dated June 13, 2011, between Gerald E. Cypher and Willavene Cypher (husband and wife), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019453, in the Records of Butler County, Pennsylvania.
11. Oil and Gas Lease dated June 4, 2011, between Ryan K. Leslie and Brandy L. Leslie, as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019442, in the Records of Butler County, Pennsylvania.
12. Oil and Gas Lease dated June 4, 2011, between Erik E. Mickey, as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019443, in the Records of Butler County, Pennsylvania.

13. Oil and Gas Lease dated June 4, 2011, between Vernon P. Moser and Joann L. Moser (husband and wife), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 201108160019441, in the Records of Butler County, Pennsylvania.
14. Paid Up Oil and Gas Lease dated July 25, 2011, between M. Beverly Nowakowski (single), as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 20110050024168, in the Records of Butler County, Pennsylvania.
15. Oil and Gas Lease dated June 30, 2011, between David N. Gregoire and Deborah J. Gregoire, as Lessor, and Phillips Exploration Inc., as Lessee, a Memorandum of which is recorded at Instrument Number 20110916002148, in the Records of Butler County, Pennsylvania.

Together with all amendments, ratifications, corrections, and/or modifications of the Oil and Gas Leases described herein, and INSOFAR as said Oil and Gas Leases cover all depths.

End of Exhibit "A"

Mail to: XTO Energy, Inc.
502 Keystone Drive
Warrendale, PA 15086