

**DESIGNATION OF UNIT  
GILL NORTH UNIT**

**COMMONWEALTH OF PENNSYLVANIA    §§  
COUNTY OF BUTLER                    §§**

**KNOW ALL MEN BY THESE PRESENTS:**

**1.    Designation of Unit.**    XTO Energy Inc., Phillips Exploration, Inc., a wholly owned subsidiary of XTO Energy Inc., and successor by merger to Phillips Production Company, and PC EXPLORATION LIMITED PARTNERSHIP-2007 (the "Partnership") are the owners of the valid and subsisting oil, gas and mineral leases as described on Exhibit A attached hereto and made a part thereof (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 an unrecorded Agency Agreement dated June 2, 2011 between Phillips Exploration, Inc. and XTO Energy Inc., XTO Energy Inc. (individually and as agent for Phillips Exploration, Inc. referred to herein as the "Owner") has full authority to make and execute this Designation of Unit on behalf of Phillips Exploration, Inc. Pursuant to the provisions of the leases and based upon the judgment of Owner and the Partnership that it is necessary and advisable to pool and combine the Leases and the lands and depths described on Exhibit A (save and except the Phyllis A. Wylie No. 1 Well described below), and with the consent of the lessors of the Leases where required, the Owner and the Partnership hereby pool, consolidate, combine and unitize 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 and the Partnership have 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 ("Unit") includes the Leases, or portions thereof, and the interval(s), if any, as described on Exhibit A, and depicted on the plat attached hereto as Exhibit B. If no depth limitations are set forth in Exhibit A, the Unit shall cover all depths. The Owner and the Partnership intend to designate and pool all leases owned by Owner and the Partnership covering the lands depicted on Exhibit B regardless of whether the Leases are listed on Exhibit A or are improperly described on Exhibit A.

**3.    Production from the Unit.** This Designation of Unit covers all operations and production from the land and depths described on the attached Exhibits A and B, which is produced from any well drilled to the unitized interval underlying the Unit area (save and except the existing Phyllis A. Wylie No. 1 Well) 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. **Notwithstanding anything in this Designation of Unit to the contrary**, the existing wellbore of the Phyllis A. Wylie No. 1 Well (API # 37-019-21465) situated on Tract 19 depicted on Exhibit B attached hereto (the "Phyllis A. Wylie No. 1 Well") and production therefrom shall not be pooled herein, and pooling shall not change the ownership of the production from the Phyllis A. Wylie No. 1 Well so that (A) all production from the Phyllis A. Wylie No. 1 Well shall be allocated to the owners of production on the lands on which the Phyllis A. Wylie No. 1 Well is located, and (B) persons who are not owners of production in the lands on which the Phyllis A. Wylie No. 1 Well is located shall not be entitled to share in production from the Phyllis A. Wylie No. 1 Well.

4. **Amendment.** The Owner and the Partnership reserve 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 24<sup>th</sup> day of June, 2013.

**OWNERS:**

**XTO ENERGY INC., individually, and as agent for and on behalf of its wholly owned subsidiary Phillips Exploration, Inc., successor by merger to Phillips Production Company, and as Managing General Partner of PC EXPLORATION LIMITED PARTNERSHIP- 2007, on behalf of the Partnership**

Edwin S. Ryan, Jr.

BY: Edwin S. Ryan, Jr.

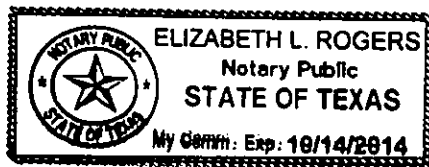
Senior Vice President – Land Administration

PA *(initials)*


STATE OF TEXAS     §  
                                     §  
COUNTY OF TARRANT §

On this 24th day of June, 2013, 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.



Elizabeth L. Rogers  
Notary Public, State of Texas

 I hereby CERTIFY that this document is recorded in the Recorder's Office of Butler County, Pennsylvania  
Michele M. Mustello  
Michele M. Mustello - Recorder of Deeds

Mail to: Attn: Shawn Snyder  
Folse Land Services, LLC  
6777 Camp Bowie Blvd Ste 125  
Fort Worth, TX, 76116

**EXHIBIT "A"**  
**TO THAT CERTAIN DESIGNATION OF UNIT**  
**GILL NORTH UNIT**

1. Oil and Gas Lease dated December 15, 2011, between Ronald E. Smith and Josephine M. Smith, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201203090006636, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract #18)
2. Oil and Gas Lease dated January 10, 2007, between Phyllis A. Wylie, as Lessor, and Phillips Production Company, a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 200704160009072, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 19)
3. Oil and Gas Lease dated March 9, 2011, between James D. Wylie and Lisa M. Wylie, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201106130014013, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 20)
4. Oil and Gas Lease dated March 9, 2011 between Thomas B. Wylie, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201106130014007, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract #21)
5. Oil and Gas Lease dated May 30, 2008, between Lisa O'Hagan, a single person, as Lessor, and Vista Resources, Inc., as Lessee, which is recorded at Instrument Number 200807170016216, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 23)
6. Oil and Gas Lease dated September 27, 2011, between Wilma Critchlow, a widow, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201112090030610, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 25)
7. Oil and Gas Lease dated October 29, 2008, between Gary M. Gill and Brooke A. Gill, husband and wife, as Lessor, and PC Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 200812080026807, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract #27)
8. Oil and Gas Lease dated October 29, 2008, between Gary Gill and Nancy Gill, as Lessor, and PC Exploration, Inc., a Pennsylvania Corporation, as Lessee, which is recorded at Instrument Number 200812080026806, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 34)
9. Oil and Gas Lease dated October 29, 2008, between Gary M. Gill and Brooke A. Gill, husband and wife, as Lessor, and PC Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 200812080026807, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 35)
10. Oil and Gas Lease dated May 3, 2011, between Wilbert Enslen and Barbara J. Enslen, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201106130014004, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract #36)
11. Oil and Gas Lease dated September 27, 2011, between Wilma Critchlow, a widow, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201112090030610, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 37)

12. Oil and Gas Lease dated January 29, 2010, between Eric J. Benoit, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201004060007007, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 38)
13. Oil and Gas Lease dated November 17, 2009, between Thomas E. Benoit and Lois K. Benoit, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201001140000953, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 39)
14. Oil and Gas Lease dated September 3, 2009, between Robert F. Radwan and Charlene B. Radwan, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 200910080023873, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 40)
15. Oil and Gas Lease dated January 29, 2010, between Eric J. Benoit, as Lessor, and Phillips Exploration, Inc., a Pennsylvania corporation, as Lessee, which is recorded at Instrument Number 201004060007007, in the Office of the Recorder of Deeds of Butler County, Pennsylvania. (Tract # 41)

**Together with all amendments, ratifications, corrections, and/or modifications of the Oil and Gas Leases described herein, and INsofar as said Leases cover all rights, depths and formations from the surface of the earth down to 300 feet below the stratigraphic equivalent of the base of the Marcellus Shale Formation.**

**END OF EXHIBIT "A"**

EXHIBIT "B"

