



UNIVERSITY LANDS

FUNDING THE UNIVERSITY OF TEXAS AND TEXAS A&M UNIVERSITY SYSTEMS SINCE 1839

www.utlands.utsystem.edu

Richard Brantley
Executive Director
P.O. Box 553
Midland, Texas 79702-0553

Tel: (432) 684-4404
Fax: (432) 682-7456

May 16, 2017

Attention: Carl Drews
Greystone Petroleum LLC
7575 San Felipe, Ste 325
Houston, TX 77063

RE: UT Lease #107956: S/2SE/4 of Section 25, Block 10, University Land Survey,
Andrews County, Texas

Dear Mr. Drews,

Receipt is acknowledged of a completed Shut-In Certificate and your check number 2229 in the amount of \$1,200.00 representing the shut-in royalty payment for the University AZ #1 and University AZ #5 wells.

Approval has been granted to your shut-in request and this lease remains in full force and effect from June 1, 2017, through midnight May 31, 2018. If these wells remain shut-in, and this lease is not held by other production, you may submit a third shut-in request and royalty payment prior to the expiration of this second shut-in, otherwise, the lease will automatically terminate. This submission is not automatically accepted if a second shut-in request is made.

Should you have any questions or need additional information, please contact Lisa Belue at (432) 686-5479 or via email at LBelue@utsystem.edu.

Sincerely,

Brian F. Owen
Land Director

BFO/lb

cc: University Lands: Lisa Belue, Buck Underwood, Cindy Brooks, Claudia Molina,
Drew McEachern, Joe Petersen, Kaci Chambers, Justin McGill

Greystone Petroleum, LLC

7575 San Felipe, Suite 325

Houston, Texas 77063

Phone 713-203-9880

May 3, 2017

University Lands
704 W. Dengar Ave.
Midland, Texas 79705-5319
Attn: James Holtzclaw

FEDERAL EXPRESS

Re: Shut In Certificate-University AZ # 1 and University AZ # 5 Wells
University Lands Lease # 107956: S/2 SE/4 of Section 25, Block 10,
Andrews County, Texas

Dear James:

Please find enclosed our Shut in Certificate and check number 2229 for \$1200.00 representing the shut in royalty payment for the University AZ # 1 and University AZ # 5 wells located on University Lands Lease # 107956. The gas from these wells was previously sold to DCP but these wells are uneconomic to produce under the revised DCP contract pricing terms.

We are pursuing other markets for production from the AZ Lease and our other properties in the area in lieu of DCP, which will involve capital funds and contractual work, and ask for approval to this request to allow time to accomplish same.

Thank you for your cooperation and assistance on this matter.

Very truly yours,

Greystone Petroleum, LLC



Carl F. Drews
Vice President-Land

**Board for Lease of University Lands
Shut-In Certificate**

LEASE NO.	PART of SECTION	SECTION	BLOCK	ACRES	COUNTY
107956	S/2 SE/4	25	10	80.575	ANDREWS

Operator Name: Greystone Petroleum, LLC Attention: CARL F. DREWS
Mailing Address: 7575 SAN Felipe, Ste 325 Delivery Address: 7575 SAN Felipe, Ste 325
City, State, Zip: HOUSTON, TX 77063 City, State, Zip: HOUSTON, TX 77063
Phone Number: 713-203-9880 E-Mail Address: Carl.drews@greystone.biz

The undersigned, a working interest owner of the above-described lease, hereby tenders the sum of \$ 1200⁰⁰ as a shut-in royalty payment as described in said lease.

Well Name	Well No.	RRC No.	Field Name	Well Classification
University AZ	1	264357	EMMA, N. (YATES)	Oil _____ Gas <input checked="" type="checkbox"/>
University AZ	5	270064	EMMA, N. (YATES)	Oil _____ Gas <input checked="" type="checkbox"/>

I represent and certify that the following statements are true and correct:

This well is capable of producing oil and gas in paying quantities.

This well was shut-in on (Date) 6/1/16 Initial CPD

OIL: There were (Number) _____ potential Bbls/day, and _____ MCF/day of casinghead gas

GAS: There were (Number) 100 potential MCF/day of gas well gas

Distance to nearest pipeline: Adjacent to DCP line Nearest purchaser: DCP Price per MCF or Bbl. offered: See Below


Do suitable production facilities for this well exist? Yes No
If "No", state why and identify any existing production facilities: See below

* DCP removed meter after wells were shut in but separator and tanks for each well are still located on lease.

Does a suitable market exist? Yes No

If "No", state why: DCP changed its method of gas price determination resulting in AZ wells becoming uneconomic to produce under DCP's new contract terms. We are presently pursuing other pipeline options in the field that would cover the AZ Lease as well as our other production in the area in anticipation of obtaining better contract terms with larger delivery volumes. We request this shut-in period to avoid selling to DCP and to allow time to consummate a gas contract with another pipeline.

Attached is the corresponding (G-1/W-2) completion report for this well.

Signature 

CARL F. DREWS
Name - Please type or print

Greystone Petroleum, LLC
For (Company Name) - Please type or print

Vice President - LAND
Title

4/28/17
Date

7575 SAN Felipe, Ste 325
Address

HOUSTON, TX 77063