



Groundwater Rights Warranty Deed

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Effective: June 1. 2019

Grantor: Sabinal Properties, L.P.

Grantor's Mailing Address: P.O. Box 80909, Midland, Midland County. Texas. 79708

Grantee: Texas Dry Water, LLC. a Texas Limited Liability Company

Grantee's Mailing Address: 4916 Keenland Dr., Midland, Midland County, Texas. 79707

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration.

Real Property: BEING ALL OR PART OF SECTIONS 46, 47, 48, 53, 54, 55, 62, 63 AND 64, BLOCK N. G&MMB&A, RR. CO. SURVEY, WARD COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED IN THE EXHIBIT -'A' ATTACHED HERETO AND INCORPORATED FOR ALL PURPOSES.

Personal Property: All personal property rights relating to the Groundwater.

Groundwater: All or the underground water, percolating water, artesian water, and any other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of the Real Property, excluding underflow or flow in a defined subterranean channel.

Groundwater Rights: (1) The Groundwater and the right to test, explore for, drill for, develop, withdraw, capture, or otherwise beneficially use the Groundwater; (2) the right to use the surface of the Real Property for access to and to explore for, develop, treat, produce, and transport the Groundwater; (3) all permits, licenses, or other governmental authorizations relating to any of the foregoing; and (4) Together with an easement across the Real Property for the purpose of testing, drilling, extracting, capturing, collection, development, pumping, treatment, withdrawal, production, transmission, transportation, storage, supply, and beneficial use of the Groundwater and other utilization of the Groundwater Rights, including the transportation of groundwater obtained from other real property, the installation, construction, operation, use, maintenance, repair, modification, removal, replacement and upgrade of Grantee's Facilities on, from, and across the Real Property as may be necessary or desirable in connection with the exploration, monitoring and development of the Groundwater. "Facilities" means aboveground, underground, surface or subsurface pipelines, electric transmission and communication lines and conduits, communication towers, pumps, monitor wells, water wells and well sites (whether production wells or test or exploratory wells), water storage tanks, water treatment facilities, pump station facilities, pumping plant facilities, buildings, machinery, equipment, meters, tangible personal property, roads, gates, bridges,

culverts, erosion control structures, fences, cattle guards, and all other necessary, desirable, or convenient installations, appurtenances, facilities, and structures related thereto.

Reservations from Conveyance:

Grantor reserves the right to use the Groundwater in connection with its surface estate in the Real Property for the following purposes only: Grantor reserves for itself and Grantor's successors and assigns, the right to utilize Groundwater, at no cost, solely for domestic and livestock use on the Real Property. The term *domestic and livestock use* means use of the Groundwater on the Real Property solely for household uses by Grantor, Grantor's employees, and their respective families for the watering of domestic and grazing animals. The right to utilize Reserved Groundwater includes the right to drill, use, and operate domestic-type wells or windmills but does not include the right to drill, use, or operate any industrial-type or irrigation-type wells on the Real Property or to use Groundwater for the creation or maintenance of ponds. Except as may be specifically reserved to an oil and gas lessee or a mineral owner of record, no Reserved Groundwater may be used for the operation of crop irrigation, feed yard purposes, dairy operations, confined animal feeding operations, mining operations, water flooding, secondary recovery, hydraulic fracturing, drilling, completion, recompletion, reworking, remediation, revegetation, industrial or commercial purposes. The aggregate number of wells for the production of Reserved Groundwater existing at any time on the Real Property may not exceed, on the average, one well per 160 acres, or capable of producing ten (10) gallons per minute. If at any time Grantor fails to pump all the Reserved Groundwater to which Grantor is entitled, Grantee will have the right to pump all Groundwater not pumped by the Grantor without additional consideration or compensation.

Exceptions to Conveyance and Warranty:

Deed of Trust, dated 8/4/2016, from Sabinal Properties, LP to Lone Star Bank of West Texas, Trustee, and filed of record in Volume 1089, Page 663 of the Official Public Records of Ward County, Texas (collectively, "Lien"), securing a note (the "Note") in the amount of \$550,000 payable to Lone Star State Bank (the "Deed of Trust").

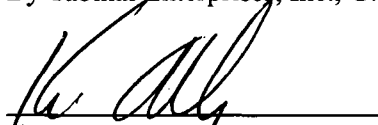
Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Groundwater Rights, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Groundwater Rights to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

For value received, Lone Star State Bank the current holder of the Note and Lien hereby consents to this Groundwater Rights Warranty Deed. Grantor and Grantee hereby ratify, affirm, reaffirm, acknowledge, confirm and agree that the Note, Lien, Deed of Trust and all other loan documents executed in relation thereto represent valid and enforceable obligations of Grantor. Furthermore, without releasing Grantor from any obligations thereunder, Grantee assumes of all Grantor's obligations under the Deed of Trust, including, without limitation, the keeping and performance of all conditions and covenants

contained in following Deed of Trust. Grantee does not assume payment of the Note. The consent by Lender to this deed in no way acts as a release or relinquishment of the liens, security interests and rights (the "Liens") created or evidenced by the Lien or Deed of Trust. The Liens are hereby ratified and confirmed by Grantor and Grantee in all respects and are extended to secure (i) the principal amount of the Note, (ii) all interest, charges and other sums payable with respect thereto, and (iii) the performance of all other obligations under the Deed of Trust and the Real Property secured therein.

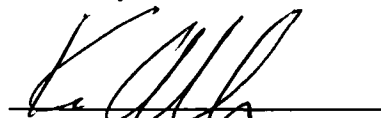
When the context requires, singular nouns and pronouns include the plural.

Grantor:
Sabinal Properties, L.P., a TX L.P.
By Sabinal Enterprises, Inc., G.P.



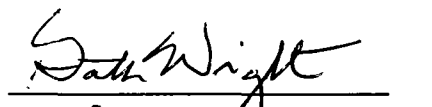
Kevin L. Allen, President
Sabinal Enterprises, Inc.

Grantee:
Texas Dry Water, LLC, a Texas limited liability company



By: Kevin L. Allen, President

Consent by Lender:
Lonestar State Bank



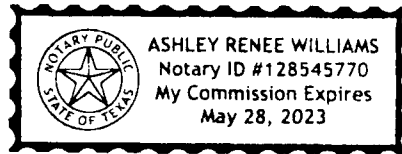
By: GARTH WRIGHT
Its: EVP

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 8th day of March 2022, by Kevin L Allen, President of Sabinal Enterprises, Inc on behalf of said entities.

Print or Stamp Notary Name, Number and Expiration Date:

Ashley Renee Williams
Notary Public in and for the
State of Texas

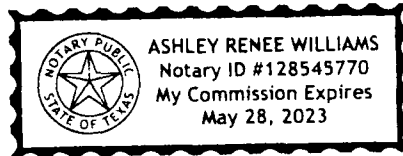


STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 8th day of March 2022 by Kevin L Allen, President of Texas Dry Water, LLC on behalf of said entities.

Print or Stamp Notary Name, Number and Expiration Date:

Ashley Renee Williams
Notary Public in and for the
State of Texas



STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 8th day of March 2022, by Garth Wright, as EVP on behalf of said entities.

Print or Stamp Notary Name, Number and Expiration Date:

Ashley Renee Williams
Notary Public in and for the
State of Texas

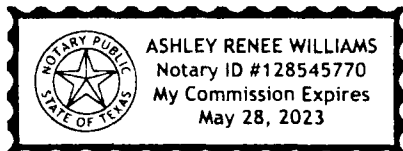


Exhibit ATract 1

A 1.86 acre tract of land located in Section 64, Block N, G. & M.M.B. & A. Survey, Ward County, Texas, and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap marked "WOE INC." set in the Easterly right-of-way line of State Highway 18 and the West line of an 8.93 acre tract of land (a.k.a. Anthony Tract 1), at the Northwest corner of a proposed roadway easement (120 feet in width), for the Southwest corner of this survey, from which a 1 1/2" iron pipe found at the Southeast corner of said Section 64 bears S.16°25'55"E. 901.2 feet and N.73°34'05"E. 2032.9 feet; (Bearings are compared to the Texas Coordinate System of 1983, Central Zone. Distances and area are surface.)

THENCE N.5°00'45"E., along said Easterly right-of-way line of State Highway 18 and said West line of said 8.93 acre tract, 184.8 feet to a 3/8" iron rod with cap marked "WOE INC." set at the most Westerly-Southwest corner of a 40.00 acre tract of land, for the Northwest corner of this survey, from which a 1/2" iron rod with cap marked "RPLS 4983" found at the Northwest corner of said 8.93 acre tract bears N.5°00'45"E. 200.0 feet;

THENCE S.85°14'10"E. 436.1 feet to a 3/8" iron rod with cap marked "WOE INC." set in the East line of said 8.93 acre tract, at an interior corner of said 40.00 acre tract, for the Northeast corner of this survey;

THECNE S.5°01'05"W., along said East line of 8.93 acre tract, 186.3 feet to a 3/8" iron rod with cap marked "WOE INC." set in the North line of said proposed roadway easement, at the most Southerly-Southwest corner of said 40.00 acre tract, for the Southeast corner of this survey;

THENCE N.85°01'45"W., along said North line of proposed roadway easement, 436.0 feet to the PLACE OF BEGINNING.

Tract 2

A 3173.80 acre tract of land being all of Sections 46 and 47, a part of Sections 48, 53, 54, 55, 62 and 63, Block N, G. & M.M.B. & A. Surveys, Ward County, Texas, and is more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap marked "RPLS 4983" found in the Northerly right-of-way line of State F.M. Highway 1233, at the Southeast corner of a 50 acre tract of land described in Volume 429, page 672, Deed Records, for the most Southerly-Southwest corner of this survey, from which a steel shaft found at the common South corner of said Sections 55 and 62 bears S.17°24'40"E. 103.8 feet; (Bearings are compared to the Texas Coordinate System of 1983, Central Zone. Distances and area are surface.)

THENCE N.17°24'40"W., at 4178.7 feet pass a 1/2" iron rod with cap marked "TRUMAN GASKIN 630" found at the Northeast corner of a 50 acre tract of land described in Volume 441, page 111, Deed Records, and the Southeast corner of a previously surveyed 250.43 acre tract of land, at 5201.0 feet pass the common line of said Sections 62 and 63, at 7760.2 feet pass the Northeast corner of said 250.43 acre tract and the Southeast corner of a previously surveyed 15.77 acre tract of land, in all 8340.5 feet to a 3/8" iron rod with cap marked "WOE INC." found at the Northeast corner of said 15.77 acre tract, for a corner of this survey;

THENCE S.75°03'50"W. 1197.7 feet to a 3/8" iron rod with cap marked "WOE INC." found at the Northwest corner of said 15.77 acre tract, for a corner of this survey;

THENCE S.26°27'05"E. 628.1 feet to a 3/8" iron rod with cap marked "WOE INC." found in the North line of said 250.43 acre tract, at the Southwest corner of said 15.77 acre tract, for a corner of this survey;

THENCE S.73°11'50"W. 1255.0 feet to a 1/2" iron rod with cap marked "RPLS 4983" found at the Northwest corner of said 250.43 acre tract and the Southeast corner of a 13.25 acre tract of land, for a corner of this survey;

THENCE N.5°00'45"E. 697.5 feet to a 1/2" iron rod with cap marked "RPLS 4983" found at the Northeast corner of said 13.25 acre tract, for a corner of this survey;

THENCE S.75°03'50"W. 860.8 feet to a 1/2" iron rod with cap marked "RPLS 4983" found in the Easterly right-of-way line of State Highway 18, at the Northwest corner of said 13.25 acre tract, for the most Westerly-Southwest corner of this survey;

THENCE N.5°00'45"E., along said Easterly right-of-way line of State Highway 18, a distance of 63.8 feet to a 1/2" iron rod with cap marked "RPLS 4983" found at the Southwest corner of a 16.54 acre tract of land, for the most Westerly-Northwest corner of this survey;

THENCE N.75°03'50"E. 860.8 feet to a 1/2" iron rod with cap marked "RPLS 4983" found at the Southeast corner of said 16.54 acre tract, for a corner of this survey;

THENCE N.5°00'45"E. 904.2 feet to a 1/2" iron rod with cap marked "RPLS 4983" found at the Northeast corner of said 16.54 acre tract and the Southeast corner of a 4 acre tract of land described in Volume 474, page 19, Deed Records, for a corner of this survey;

THENCE N.6°24'50"E. 193.3 feet to a 1/2" iron rod with cap marked "TRUMAN GASKIN 630" found in the South line of a 73.791 acre tract of land described in Volume 315, page 688, Deed Records, at the Northeast corner of said 4 acre tract, for a corner of this survey;

THENCE N.73°40'20"E., at 1900.7 feet pass the common line of said Sections 54 and 63, in all 4597.4 feet to a 5/8" sucker rod found at the Southeast corner of said 73.791 acre tract, for a corner of this survey;

THENCE N.16°21'20"W. 600.1 feet to a 5/8" sucker rod found in the South line of a previously surveyed 83.07 acre tract of land, at the Northeast corner of said 73.791 acre tract, for a corner of this survey;

THENCE N.73°40'00"E. 517.5 feet to a 3/8" iron rod with cap marked "WOE INC." found at the Southeast corner of said 83.07 acre tract, for a corner of this survey;

THENCE N.16°25'55"W., along the East line of said 83.07 acre tract, 1426.4 feet to a 3/8" iron rod with cap marked "WOE INC." found at the beginning of a curve, continuing in a Northeasterly direction, along the arc of a circular curve to the left, having a radius of 875.0 feet and an arc length of 1114.0 feet to a 3/8" iron rod with cap marked "WOE INC." found at the end of said curve, continuing N.16°19'25"W. 1696.0 feet to a 3/8" iron rod with cap marked "WOE INC." found in the Easterly projection of the Southerly right-of-way line of platted Steeple O Road, at the Northeast corner of said 83.07 acre tract, for the most Northerly-Northwest corner of this survey;

3301 Co. Rd. 7550

Lubbock, TX 79423

Tel: 806-368-7920

TBPLS FIRM NO. 10066200

THENCE N.76°33'30"E., along said Easterly projection of the Southerly right-of-way line of Steeple O

Road, at 1487.9 feet pass the common line of said Sections 48 and 53, in all 6776.8 feet to a 3/8" iron

rod with cap marked "WOE INC." set in the East line of said Section 48, for the Northeast corner of this survey;
THENCE S.16°43'30"E. 3228.3 feet to a ½" iron rod with cap marked "RPLS 4456" found at the common East corner of said Sections 47 and 48, for a corner of this survey;
THENCE S.16°29'30"E., at 5328.1 feet pass a ½" iron rod with cap marked "RPLS 4456" found at the common East corner of said Section 46 and 47, in all 10,656.1 feet to a ½" iron rod with cap marked "RPLS 4456" found at the Southeast corner of said Section 46, for the Southeast corner of this survey;
THENCE S.74°09'25"W., at 5296.3 feet pass a ½" iron rod with cap marked "RPLS 4456" found at the common South corner of said Sections 46 and 55, in all 9769.3 feet to a ½" iron rod with cap marked "RPLS 4456" found for a corner of this survey;
THENCE N.16°32'05"W. 103.6 feet to a ½" iron rod with cap marked "RPLS 4456" found for a corner of this survey;
THENCE S.74°44'30"W. 513.2 feet to a TxDOT Type I monument found at the Point of Curve in the Northerly right-of-way line of State F.M. Highway 1233, for a corner of this survey;
THENCE. S.73°35'05"W., along said Northerly right-of-line of State F.M. Highway 1233, at 506.5 feet pass the common line of said Sections 55 and 62, in all 508.3 feet to the PLACE OF BEGINNING.
Section 46 having 646.92 acres, Section 47 having 649.87 acres, Section 48 having 404.92 acres, Section 53 having 135.90 acres, Section 54 having 585.56 acres, Section 55 having 661.32 acres, Section 62 having 6.44 acres and Section 63 having 82.87 acres.

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Denise Valles
Denise Valles, County Clerk