

DAVID H. ARRINGTON OIL COMPANY, LLC

500 West Wall, Suite 300

Midland, Texas 79701

432 -682-6685

November 19, 2024

Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Re: Response to RFP #25-10 – Request for Oil and Gas Lease Proposal (“RFP”)

To whom it may concern,

The following is the response of David H. Arrington Oil Company, LLC (“**DHAOC**”) to the RFP.

To summarize our response, DHAOC respectfully submits a bid to lease the tracts described in the RFP to the following terms described below:

Tract 1 – Dowling Elementary

- Bonus of \$3,500 per acre – 15.96 net acres x \$3,500 per acre = **\$55,860** total bonus;
- Royalty rate of 25%; and
- Term of three years.

Tract 2 – 10.87 acres

- Our records show that ECISD does not own any mineral interest in this tract, but if it is determined that ECISD does own any mineral interest we would offer the same terms as tract 1.

Tract 3 – 12.05 acres

- Our records show that ECISD only has executive rights to execute a lease but does not have any rights to the bonus or royalty that come from the lease. Therefore, the proposed bid on this tract includes a **\$20,000** administrative fee to ECISD for the execution of a lease on this tract.

Tract 4 – Blackshear Elementary

- Bonus of \$3,500 per acre – 20.29 net acres x \$3,500 per acre = **\$71,015** total bonus;
- Royalty rate of 25%; and
- Term of three years.

Tract 5 – Administrative Offices

- Bonus of \$3,500 per acre – 1.25 net acres x \$3,500 per acre = **\$4,375** total bonus;
- Royalty rate of 25%; and
- Term of three years.

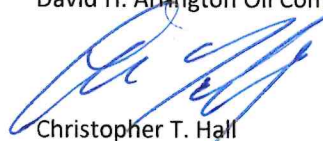
Total Bonus offer for all tracts: \$151,250

Enclosed you will find the following items as requested by the RFP:

1. Confidential Map showing DHAOC current acreage position around bid acreage;
2. Commercial References;
3. Name, address, and contact information for DHAOC;
4. Oil, Gas, and Mineral leases with other Governmental entities in Texas;
5. Documentation to show your legal rights to do business in the State of Texas;
6. Biographies of principals of DHAOC;
7. Summary of drilling and production experience; and
8. Summary of State of Texas violations.

Should you have any questions or need clarification please contact the undersigned at (432) 262-7303 or by email at chris.hall@arringtonoil.com.

Very truly yours,
David H. Arrington Oil Company, LLC



Christopher T. Hall
Senior Landman