

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**THE HEARTLAND GROUP,
VENTURES, LLC, *et al.*,**

Defendants.

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Civil Action No. 4:21-cv-01310-O-BP

ORDER

Before the Court is the Receiver's Motion for Approval of Farmout Agreement and to Extend Lease in connection with the leases in Val Verde and Crockett Counties. ECF No. 268. Given that the motion is unopposed, and after considering the pleadings, evidence submitted to the court, arguments of counsel at the hearing held on November 8, 2022, and applicable legal authorities, the Court **GRANTS** the Motion.

It is therefore **ORDERED** that the Court approves the Farmout Agreement between the Receiver and the lessors, as a sound exercise of the Receiver's business judgment, which:

- (a) Extends the primary term of the I.W. Carson leases dated December 31, 2018, to March 31, 2023, in exchange for a payment of \$25,000;
- (b) Creates the opportunity to have one or more of the existing wells begin producing;
- (c) Provides a 50% carried interest in existing wells until recovery of \$5.5 million;
- (d) Provides a mechanism to give the Receiver a potential for upside returns by participating to the extent of a 7.5% cost-bearing working interest in any wells

drilled after the carried interest is fully expended (but without an obligation to do so); and

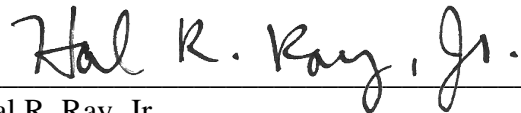
- (e) Installs a knowledgeable and competent operator who satisfies the concerns of the lessors to such a transfer

It is further **ORDERED** that the Receiver, as Farmor, is authorized to enter into the Farmout Agreement, a copy of which was attached to the Motion as Exhibit B, with SDMB Resources LLC, THXMT, LLC, and Atoka Operating, Inc., as Farmees.

It is further **ORDERED** that the Receiver is authorized to pay \$25,000 for the extension of the Carson leases.

It is further **ORDERED** that the Receiver may take any action and execute any document necessary with respect to the Farmout Agreement and the relief granted herein.

It is so **ORDERED** on November 8, 2022.



Hal R. Ray, Jr.
UNITED STATES MAGISTRATE JUDGE