



CAUTION

Documents in this file have been
added in Table of Contents order
and scanned.

Please help keep documents in
content order and let the
ScanLab know when new
documents are added to this file.

				STATE LEASE	MF105571	
#	LeaseDate	Acres	Status	CONTROL	BASEFILE	COUNTY
A	Jul 06 2005	133.33	ACTIVE	07-109611	151812 -	REEVES /195
B	Jul 13 2005	106.67	ACTIVE			
C	Sep 28 2005	40.00	ACTIVE	SURVEY	: T & P RY CO	
D	Sep 28 2005	20.00	ACTIVE	BLOCK	: 54	
				TOWNSHIP	: 04S	
				SECTION/TRACT	: 18	
				PART	: NE/4 & SW/4	
				ACRES	: 320.00	
				DEPTH LIMITS	: NO	

Rentals:

Lease

Admin:

Mineral

Maps:

DATE

LEASING

MAPS

GIS

EXPIRED

LESSEE : PERRY & PERRY, INC.
LEASE DATE : Jul 06 2005
PRIMARY TERM : 3 yrs
BONUS (\$) : 0.00
RENTAL (\$) : 0.00
ROYALTY : 0.10000000
VAR ROYALTY :

(C)

CONTENTS OF FILE NO. MF 105571

- | | |
|----------------------|----------|
| 1. Email | 8/23/05 |
| 2. BAA Review | 8/26/05 |
| 3. Letter + Bonus | 9/26/05 |
| 4. Leases (5) | 9/26/05 |
| 5. Letter | 9/30/05 |
| 6. Letters + Bonuses | 11/14/05 |
| 7. Letter + Bonus | 12/19/05 |
| 8. GLO letter | 6/29/06 |

Scanned on 8/26/08 AG

- | | |
|--------------------|---------|
| 9. Rental payment | 8/28/08 |
| 10. Rental payment | 8/28/08 |
| 11. Rental payment | 8/28/08 |

Scanned 2/26/13 JA

Drew Reid - Reeves County Leases

From: "Chris Smith" <chris@perryx2.com>
To: "Drew Reid" <drew.reid@glo.state.tx.us>
Date: 8/23/2005 11:22 AM
Subject: Reeves County Leases

Drew:

Attached are two (2) executed Leases by owners in 320 acres, being the NE/4 and SW/4 of Section 18, Block 54, T-4, T&P Ry. Co. Survey, Reeves County, Texas.

J&M Raymond Ltd. and Vaughan McElvain Energy Inc. are the owners of a 50% interest in this acreage and have agreed to lease at \$200.00 per acre, reserving a 1/5 royalty, for a 3 year primary term.

The owners of the other 50% interest in this 320 have committed to the same terms but I do not have their leases yet; the above owners are asking about their \$, so I am sending their OGL's to you for approval.

If you approve, please reply hereto and I will request funds.

Thank you,

Chris Smith
Perry & Perry, Inc.
432-682-7861

*Contact - 296
Trans. - 4857
Div - 07-1096 || NE/4 and SW/4*

1.
File No. DF 709571
Enail
Date Filed: 8/23/05
Jerry E. Patterson, Commissioner
By [Signature]

RAL REVIEW SHEET

Transaction # 4857

Geologist: R. Widmayer

Lessor: Vaughn McElvain Energy, Inc.

Lease Date: 7/6/2005

U: ☐

Lessee: Perry & Perry, Inc.

Acres: 320

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	320.00 07-109611 ✓	151812	NE/4 AN	18	54	04S	T & P RY CO	5785

TERMS OFFERED

Primary Term:

Bonus/Acre:

Rental/Acre:

Royalty:

TERMS RECOMMENDED

Primary Term:

Bonus/Acre:

Rental/Acre:

Royalty:

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance Last Lease

Comments:

Approved: RAB 8-26-05

Friday, August 26, 2005

REINQUISHMENT ACT LEASE APPLICATION

Teas General Land Office

Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner
Larry Laine, Chief Clerk
Bill Warnick, General Counsel
Louis Renaud, Deputy Commissioner

DATE: 26-Aug-05

FROM: Robert Hatter, Director of Mineral Leasing
Peter Boone, Chief Geologist

Applicant: Perry & Perry, Inc. County: REEVES
Prim. Term: 3 years Bonus/Acre \$200.00
Royalty: 1/5 Rental/Acre \$2.00

Consideration

Recommended: PATB Date: 8.26.05

Not Recommended: _____

Comments: Also: J&M Raymond, Ltd. With 106.66667 acres. Two more leases being mailed later.

☒ Lease Form

Recommended: PATB Date: 9/08/05

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 9/21/05

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel Date: 9/23/05

Recommended: WFW

Not Recommended: _____

Larry Laine, Chief Clerk Date: 9/23/05

Approved: [Signature]

Not Approved: _____

Jerry Patterson, Commissioner Date: 26 Sep 05

Approved: [Signature]

Not Approved: _____

2.

File No. MF 705571

John L. Patterson

Date Filed: 8/26/05

Jerry E. Patterson, Commissioner

By [Signature]

September 21, 2005

Mr. Drew Reid
Texas General Land Office
P. O. Box 12873
Austin, TX 78711-2873

Re: **Mirror Prospect – Oil and Gas Lease**
Section 18, Block 54, T-4,
T&P Ry. Co. Survey
Reeves County, Texas

Dear Drew:

Here are Oil & Gas Leases you and I have discussed over the last several months, wherein we have different undivided surface owners in each checkerboard 320 acres. The leases described below cover 400 net acres out of the 640 gross. I finally have recorded copies from Reeves County Clerk's Office. Attached are certified copies of the following Leases:

State of Texas, acting by and through its Agent, **Vaughn McElvain Energy, Inc.** dated July 6, 2005, recorded in Book 711, page 123, Reeves County, Texas, covering the NE/4 and SW/4 of said Section 18. Lease terms agreed to by the surface owner being \$202.00 per acre bonus consideration, 1/5 royalty, for a 3 year primary term. Consideration to the State of Texas is \$13,466.66.

State of Texas, acting by and through its Agent, **J. M. Raymond, Ltd.** dated July 13, 2005, recorded in Book 711, page 114, Reeves County, Texas, covering the NE/4 and SW/4 of said Section 18. Lease terms agreed to by the surface owner being \$202.00 per acre bonus consideration, 1/5 royalty, for a 3 year primary term. Consideration to the State of Texas is \$10,773.33.

State of Texas, acting by and through its Agent, **Petco Limited**, dated August 15, 2005, recorded in Book 712, page 12, Reeves County, Texas, covering the NW/4 and SE/4 of said Section 18. Lease terms agreed to by the surface owner being \$177.00 per acre bonus consideration, 1/4 royalty, for a 3 year primary term. Consideration to the State of Texas is \$14,080.00.

Enclosed are Perry & Perry Escrow check No. 4845 in the amount of \$38319.99 as bonus consideration and check No. 4846 in the amount of \$375.00 for your lease processing fee.

Please provide notice of approval on this Lease at your earliest convenience.

If you have any questions or need any additional information, please do not hesitate to call me at 432-682-7861. Thank you!

Sincerely,



L. Christopher Smith, CPL

50-92-8

3.

File No.

MF 705571

Letter

9/36/00

Date Filed:

Jerry E. Patterson, Commissioner

By

PERRY & PERRY / ESCROW

TEXAS GENERAL LAND OFFICE

4845

Section 18, Block 54, T-4, T&P Survey

9/21/2005

38,319.99

Petco Limited
J & M Raymond, Ltd.
Vaughn-McElwain Energy, Inc.

06003987

After: Drew
Reid

121

WNB-Cash

X

38,319.99

FILE# 3974

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 8th day of July, 2005, between the State of Texas, acting by and through its agent, Vaughan McElvain Energy, Inc. of Box 970, Kennett Square, PA 19348 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and Perry & Perry, Inc. of P.O. Box 3667, Midland, Texas 79702 (Give Permanent Address) hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

NE/4 and SW/4 of Section 18, Block 54, T-4, T. & P. Ry. Co. Survey

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Thirteen Thousand Three Hundred Thirty Three and 33/100 Dollars (\$13,333.33)

To the owner of the soil: Thirteen Thousand Three Hundred Thirty Three and 33/100 Dollars (\$13,333.33)

Total bonus consideration: Twenty Six Thousand Six Hundred Sixty Six and 66/100 Dollars (\$26,666.66)

The total bonus consideration paid represents a bonus of Two Hundred Dollars and 00/100 Dollars (\$200.00) per acre, on 133.33333 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of three (3) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the Paid Up Lease

Bank, at _____ or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil: (Paid Up Lease) One Hundred Six Dollars and 67/100

Dollars (\$133.33)

To the State of Texas: (Paid Up Lease) One Hundred Six Dollars and 67/100

Dollars (\$133.33)

Total Delay Rental: (Paid Up Lease) One Hundred Sixty Dollars and 00/100

Dollars (\$266.66)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:

(A) **OIL.** Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/5 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) **NON PROCESSED GAS.** Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 1/5 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) **PROCESSED GAS.** Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 1/5 part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) **OTHER PRODUCTS.** Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 1/5 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

LESSEE

BY: L. Christopher Smith

Title: L. Christopher Smith/ President

Date: 8/23/05

Notarial Seal
Stephanie L. Cook, Notary Public
East Marlboro Twp., Chester County
My Commission Expires Nov. 25, 2006
Member, Pennsylvania Association Of Notaries

STATE OF TEXAS Vaughan - McElvain Energy, Inc
BY: Brenda V. Boucker, VP
Individually and as agent for the State of Texas
Date: 8/4/2005

STATE OF TEXAS Pennsylvania
BY: Stephanie L. Cook Notary for Brenda V. Boucker
Individually and as agent for the State of Texas
Date: August 4 2005

STATE OF TEXAS

BY: _____
Individually and as agent for the State of Texas
Date: _____

STATE OF TEXAS

BY: _____
Individually and as agent for the State of Texas
Date: _____



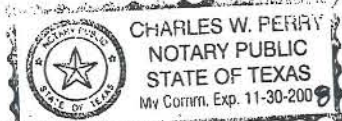
True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS
COUNTY OF MIDLAND

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared L. Christopher Smith
known to me to be the person whose name is subscribed to the foregoing instruments as President
of Perry & Perry, Inc. and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 23 day of AUGUST, 2005.



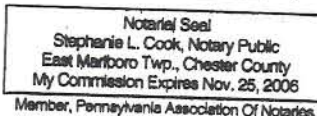
Charles W. Perry
Notary Public in and for State of Texas

STATE OF Pennsylvania
COUNTY OF Chester

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Brenda V. Boucher
known to me to be the person whose name is subscribed to the foregoing instruments as Vice President
of Vaughan - McElwain Energy, Inc and acknowledged to me that he
executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 04 day of August, 2005.



Stephanie L. Cook
Notary Public in and for Pennsylvania

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the
purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

FILE NO. 3974

FILED FOR RECORD ON THE 7TH DAY OF SEPTEMBER A.D. 2005 2:38 P. M.

DULY RECORDED ON THE 8TH DAY OF SEPTEMBER A.D. 2005 11:00 A. M.

BY: Donie Griss, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ANY PROVISION HEREIN WHICH ATTEMPTS THE SALE, RENTAL,
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL
LAW

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 711, PAGE 123 THRU 131.



I hereby certified on **SEPT. 14, 2005**

**DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS**

BY

Norma Chavez
NORMA CHAVEZ

DEPUTY

FILE# 3973

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Paid up

The State of Texas



Austin, Texas

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 13th day of July, 2005, between the State of Texas, acting by and through its agent, J & M Raymond, Ltd.

of P.O. Box 291445, Kerrville, Texas 78029

(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and Perry & Perry, Inc.

of P.O. Box 3667, Midland, Texas 79702

(Give Permanent Address)

hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

NE/4 and SW/4 of Section 18, Block 54, T-4, T. & P. Ry. Co. Survey

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Ten Thousand Six Hundred Sixty Six and 67/100

Dollars (\$10,666.67)

To the owner of the soil: Ten Thousand Six Hundred Sixty Six and 67/100 Six Thousand Dollars and 00/100

Dollars (\$10,666.67)

Total bonus consideration: Twenty-One Thousand Three Hundred Thirty-Three Dollars and 34/100

Dollars (\$21,333.34)

The total bonus consideration paid represents a bonus of Two Hundred Dollars and 00/100

Dollars (\$200.00) per acre, on 106.66667 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of three (3) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

LESSEE

BY: L. Christopher Smith

Title: L. Christopher Smith/ President

Date: August 23, 2005

STATE OF TEXAS

BY: James M. Raymond
J&M RAYMOND, LTD
RAYMOND & SONS, LLC, GENERAL PARTNER
JAMES M RAYMOND, PRESIDENT

Individually and as agent for the State of Texas

Date: JULY 13, 2005

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____

STATE OF TEXAS

BY: _____

Individually and as agent for the State of Texas

Date: _____



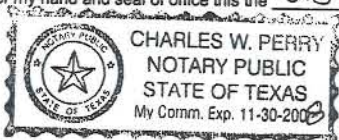
True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS
COUNTY OF MIDLAND

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared L. Christopher Smith known to me to be the person whose name is subscribed to the foregoing instruments as President of Perry & Perry, Inc. and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 23 day of AUGUST, 2005.



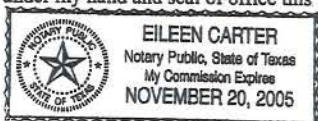
Charles W. Perry
Notary Public in and for State of Texas

STATE OF TEXAS
COUNTY OF KERR

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared JAMES M RAYMOND known to me to be the person whose name is subscribed to the foregoing instruments as PRESIDENT of RAYMOND & SONS I LLC. GENERAL PARTNER, J&M RAYMOND, LTD and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Partnership.

Given under my hand and seal of office this the 13th day of July, 2005.



Eileen Carter
Notary Public in and for State of Texas

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____

STATE OF _____
COUNTY OF _____

(INDIVIDUAL ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 20____.

Notary Public in and for _____



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

FILE NO. 3973

FILED FOR RECORD ON THE 7TH DAY OF SEPTEMBER A.D. 2005 2:38 P. M.

DULY RECORDED ON THE 8TH DAY OF SEPTEMBER A.D. 2005 11:00 A. M.

BY: Josie Flores, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ANY PROVISION HEREIN WHICH ATTEMPTS THE SALE, RENTAL, OR USE OF THE DESIGNED ELL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 711, PAGE 114 THRU 122.



I hereby certified on SEPT. 14, 2005

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Norma Chavez DEPUTY
NORMA CHAVEZ

FILE#5051

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

OIL AND GAS LEASE

Paid up Pos 2nd + 3rd yr

THIS AGREEMENT is made and entered into this 28th day of September, 2005, between the State of Texas, acting by and through its agent, Dorothy Jane Williams, dealing in her sole and separate property, care of 5757 Cypress Avenue, #111 said agent herein referred to as the owner of the soil (whether one or more), and CHALFANT PROPERTIES, INC., of PO BOX 3123, Midland, Texas 79702 hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas, acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in REEVES County, State of Texas, to-wit:

Block 54, Township 4, T&P RR Co Survey
Section 18: NE/4 & SW/4

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Six Thousand Forty and 00/100
Dollars (\$ 6,040.00)

To the owner of the soil: Six Thousand Forty and 00/100
Dollars (\$ 6,040.00)

Total bonus consideration: Twelve Thousand Eighty and 00/100
Dollars (\$ 12,080.00)

The total bonus consideration paid represents a bonus of Three Hundred Two Dollars (\$302.00) per acre, on 40.0 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities* from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well be commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the ** THIS IS A PAID-UP LEASE: SEE PARAGRAPH 40 ** Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil:
Dollars (\$ _____)
To the State of Texas:
Dollars (\$ _____)
Total Rental:
Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (I) A VIOLATION OF THE FOREGOING PROHIBITION OR (II) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

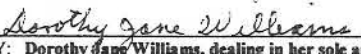
37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

40. Rentals in the amount of \$80.00 for years two and three of this lease have been prepaid. One half (1/2) of this amount has been paid to the Lessor and one half (1/2) has been paid to the State of Texas. Rental for the fourth year in the amount of \$8,040.00 has not been paid and if the fourth year rental is not paid then this lease will expire. One half (1/2) of the fourth year rental will be paid to the Lessor and one half (1/2) will be paid to the State of Texas. Rental for the fifth year is included in the fourth year rental and if the fourth year rental is paid then no additional rentals are due under this lease.


 LESSEE Chalfant Properties, Inc.
 BY: William A. Chalfant
 TITLE: President
 DATE: 10/10/05

STATE OF TEXAS

 BY: Dorothy Jane Williams, dealing in her sole and separate property
 TITLE: Individually and as agent for the State of Texas
 Date: 10/4/05

STATE OF TEXAS

 TITLE: Individually and as agent for the State of Texas
 Date: _____



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF California
COUNTY OF Placer

(INDIVIDUAL
ACKNOWLEDGMENT)

Before me, the undersigned authority, on this day personally appeared Dorothy Jane Williams, dealing in her sole and separate property, ~~known~~^{known} to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 4th day of October, 2005.



Notary Public in and for

My Commission expires: November 11th 2007



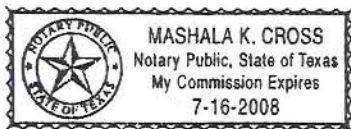
True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS

COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared **William A. Chalfant**, known to me to be the person whose name is subscribed to the foregoing instrument, as **President of Chalfant Properties, Inc.** and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the 10th day of OCTOBER, 2005.



Mashala K. Cross
Notary Public in and for the State of Texas

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

FILE NO. 5051

FILED FOR RECORD ON THE 2ND DAY OF NOVEMBER A.D. 2005 4:56 P.M.

DULY RECORDED ON THE 4TH DAY OF NOVEMBER A.D. 2005 10:00 A.M.

BY: [Signature], DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in Vol. **716**
PAGE **172** THRU **180** **OFFICIAL PUBLIC RECORDS**

I hereby certified on **NOVEMBER 8, 2005**



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY *[Signature]* **DEPUTY**

FILE# 5438

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

Paid up for 2nd & 3rd year
OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 28th day of September, 2005, between the State of Texas, acting by and through its agent, Dean Eric Skinner, dealing in his sole and separate property, care of N 1118 Morman Drive, Lacrosse, WI 54601 said agent herein referred to as the owner of the soil (whether one or more), and CHALFANT PROPERTIES, INC., of PO BOX 3123, Midland, Texas 79702 hereinafter called Lessee.

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas, acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in REEVES County, State of Texas, to-wit:

Block 54, Township 4, T&P RR Co Survey
Section 18: NE/4 & SW/4

containing 320.0 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Three Thousand Twenty and 00/100
Dollars (\$ 3,020.00)

To the owner of the soil: Three Thousand Twenty and 00/100
Dollars (\$ 3,020.00)

Total bonus consideration: Six Thousand Forty and 00/100
Dollars (\$ 6,040.00)

The total bonus consideration paid represents a bonus of Three Hundred Two Dollars (\$302.00) per acre, on 20.0 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of Five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities* from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well be commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the ** THIS IS A PAID-UP LEASE: SEE PARAGRAPH 40 ** Bank, at _____, or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil:
Dollars (\$ _____)
To the State of Texas:
Dollars (\$ _____)
Total Rental:
Dollars (\$ _____)

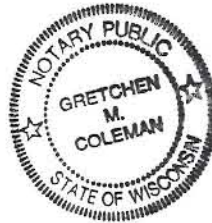
In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF Wisconsin

COUNTY OF La Crosse



(INDIVIDUAL
ACKNOWLEDGMENT)

Before me, the undersigned authority, on this day personally appeared Dean Eric Skinner, dealing in his sole and separate property, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 3 day of October, 2005.

Notary Public in and for

My Commission expires: 2-10-2006



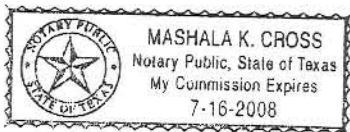
True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS

COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared **William A. Chalfant**, known to me to be the person whose name is subscribed to the foregoing instrument, as **President of Chalfant Properties, Inc.** and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the 25th day of OCTOBER, 2005.



Mashala K. Cross
Notary Public in and for the State of Texas

FILE NO. 5438

FILED FOR RECORD ON THE 5TH DAY OF DECEMBER A.D. 2005 9:40 A. M.DULY RECORDED ON THE 7TH DAY OF DECEMBER A.D. 2005 9:00 A. M.BY: [Signature], DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

ANY PROVISION HEREIN WHICH ATTEMPTS TO LIMIT THE SALE, RENTAL, OR USE BY THE UNDERSIGNED TO A PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND VOID UNDER FEDERAL LAW



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 718, PAGE 109, THRU 117, **DEED RECORD**

I hereby certified on **DECEMBER 9, 2005**



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Josie Flores DEPUTY
JOSIE FLORES

STATE OF Wisconsin

COUNTY OF La Crosse

Elizabeth A. Hane

(INDIVIDUAL
ACKNOWLEDGMENT)



Before me, the undersigned authority, on this day personally appeared Timothy A. Skinner, dealing in his sole and separate property, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 3rd day of October, 2005.

Notary Public in and for

My Commission expires: Sept. 10, 2006



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

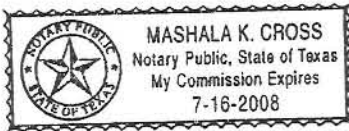
STATE OF TEXAS

COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared **William A. Chalfant**, known to me to be the person whose name is subscribed to the foregoing instrument, as **President of Chalfant Properties, Inc.** and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the 10th day of OCTOBER, 2005.

Mashala K. Cross
Notary Public in and for the State of Texas



ANY PROVISION HEREIN WHICH ATTEMPTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

FILE NO. 5050FILED FOR RECORD ON THE 2ND DAY OF NOVEMBER A.D. 2005 4:56 P.M.DULY RECORDED ON THE 4TH DAY OF NOVEMBER A.D. 2005 10:00 A.M.BY: [Signature], DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



True and Correct
copy of
Original filed in
Reeves County
Clerks Office

2.

05051020

File No. MF 10557
6) Lease
Date Filed: 9/26/05
Jerry E. Patterson, Commissioner
By [Signature]

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL 716, PAGE 163, THRU 171. **OFFICIAL PUBLIC RECORDS**

I hereby certified on NOVEMBER 8, 2005



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature] DEPUTY

WILLIAM A. CHALFANT, CPL

Ofc: (432) 684-9819
Fax: (432) 682-2601
E-mail: bill@chalfantproperties.com

CHALFANT PROPERTIES, INC.

Oil & Gas Leasing and Properties

1502 NORTH BIG SPRING

P. O. BOX 3123

MIDLAND, TEXAS 79702-3123

September 28, 2005

Mr. Drew Reid
TEXAS GENERAL LAND OFFICE
1700 North Congress Ave
Austin, TX 78701

RE: NE/4 and SW/4 of Section 18
Block 54, T-4 T&P RR Co Survey
Reeves County, TX

Dear Mr. Reid:

I have reached an agreement with three surface owners under the above-captioned land. I have attached a copy of the Oil and Gas Leases for these owners.

The terms are \$302.00 per acre (including paid up rentals for the first two years) for a five year paid up lease with 1/5th royalty. Year 4 to be paid at \$201.00 per acre (including paid up rentals for the 5th year)

I would like for the land office to approve the leases as to form and consideration. Please email your reply of approval to: mashala@chalfantproperties.com

Sincerely,



William A. Chalfant, CPL

WAC/mkc
enclosures

Trans - 4929
Jim - 07-109611

RECEIVED
OCT 3 2005

5.

File No. 77-705571
Latter
Date Filed: 9/30/03
Jerry E. Patterson, Commissioner
By [Signature]

WILLIAM A. CHALFANT, CPL

Ofc: (432) 684-9819
Fax: (432) 682-2601
E-mail: bill@chalfantproperties.com

CHALFANT PROPERTIES, INC.

Oil & Gas Leasing and Properties

1502 NORTH BIG SPRING

P. O. BOX 3123

MIDLAND, TEXAS 79702-3123

November 10, 2005

Mr. Drew Reid
TEXAS GENERAL LAND OFFICE
1700 North Congress Ave.
Austin, TX 78701

RE: Section 18: NE/4 and SW/4
Block 54, Township 4 T&P RR Co Survey
Reeves County, Texas

Dear Mr. Reid:

Enclosed please find a certified copy of Oil and Gas Lease from the following:

1. Oil and Gas Lease dated September 28, 2005, from **The State of Texas, acting by and through its agent, Dorothy Jane Williams, dealing in her sole and separate property,** covering her interest in 40.0 net mineral acres. The State of Texas to receive lease bonus payment of \$6,040.00.

Also enclosed is a check in the amount of **\$6,165.00**, including lease bonus payment and a State filing fee of \$125.00.

Should you have any questions, please do not hesitate to call.

Sincerely,



William A. Chalfant, CPL
WAC/sss
Enclosures

06012024

X 6,165⁰⁰

121

CHALFANT PROPERTIES, INC. LEASE BONUS CLEARING ACCOUNT (432) 684-9819 P.O. BOX 3123 MIDLAND, TX 79702		WEST TEXAS NATIONAL BANK MIDLAND, TX 79701 88-467/1123	7267
PAY TO THE ORDER OF	TEXAS GENERAL LAND OFFICE Six Thousand One Hundred Sixty-Five and 00/100*****	Date 11/10/2005 \$ **6,165.00	DOLLARS Security features included. Details on back.
TEXAS GENERAL LAND OFFICE 1700 NORTH CONGRESS AVE. AUSTIN, TX 78701			
Memo	Lease Bonus & State Filing Fee: Sec 18, Blk 54, T4, T&P 		 MP
		7 2 6 7	

