

A-EXPIRED
B-GOOD until 8/15/2011

✓ **TERMINATION**

DATE 08/15/2011

LEASING ALOKA / ALAMO

MAPS _____

GIS mc

Rentals:

Lease

Admin:

Mineral

Maps:

STATE LEASE

MF106234

CONTROL	BASEFILE	COUNTY
07-109880 07-109899	152831 117931	REEVES /195
SURVEY	: T & P RY CO	
BLOCK	: 54	
TOWNSHIP	: 05S	
SECTION/TRACT:	2	
PART	: SE 1/4 NW/4 + SW1/4	126.6
ACRES	: 320.00 gross acres/	net acres
DEPTH LIMITS	: NO	

LESSEE : CHALFANT PROPERTIES, INC.
LEASE DATE : Oct 31 2005
PRIMARY TERM : 5 yrs.
BONUS (\$) : 3020.00
RENTAL (\$) : 1.00
ROYALTY : 0.12500000
VAR ROYALTY :

ATTENTION FILE USERS!
This file has been placed in table
of contents order.
RETURN TO VAULT WITH
DOCUMENTS IN ORDER!

CONTENTS OF FILE NO. M-

106234

1. BAH Review 10/7/05
2. Letter + Bonus + fees 3/21/06
3. Lease 3/21/06
4. GLO letter 8/25/06
5. Rental payment 9/9/08
6. #1842, WI, Assignment 3/2/11
7. Termination letter 01/15/2013

Scanned sm 1/6/15

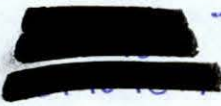
RAL REVIEW SHEET

A lease

Transaction # 5414
 Lessor: Long, Ricki Lewis
 Lessee: Chalfant Properties, Inc.

Geologist:
 Lease Date: 10/31/2006 ☐ **UE**
 Acres: 160

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES		152031 117931	SE/4 NW/4	2	54	05S	T & P RY CO	5897

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: See trans. 4930 for prior approval. Paid up rentals. Year 4 paid at \$201.00/acre including paid rentals 5th year.

Approved: _____

Friday, September 15, 2006

10/7/05

RAL REVIEW SHEET

Transaction # 4980
 Lessor: Kelton, Katherine Janell
 Lessee: Chalfant Properties, Inc.

Geologist: R. Widmayer

Lease Date: 9/21/2005

UE ☐

Acres: 160

10/7/05

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES 1100 +	07-109880	152831	SE/4	2	54	05S	T & P RY CO	5897

TERMS OFFERED

Primary Term: 5 years
 Bonus/Acre: \$300.00
 Rental/Acre: \$1.00
 Royalty: 1/5

TERMS RECOMMENDED

Primary Term: 5 years
 Bonus/Acre: \$300.00
 Rental/Acre: \$1.00
 Royalty: 1/5

300.00

1/4

COMPARISONS

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

Comments: Paidup rentals. Year 4 paid at \$201.00/acre including paid rentals 5th year. Also: Joanne McLeod 13.333 acres, Montie Frank Kelton 13.333 acres, Rose Ann Hatchett with 13.333 acres, Robert F. & Kathy M. Kelton with 26.667, Janelda C. Bourke with 13.333.

Approved: PACB 10.7.05

1.
File No. MF106334

SAH Review

Date Filed: 10/7/05

Jerry E. Patterson, Commissioner

By [Signature]

ALPINE ENERGY, LP EDMOND, OK 73013

COMM05: COMMISSIONER OF THE TEXAS GENERAL

ACCOUNT NUMBER: [REDACTED]

M-106234

002456

CHECK NUMBER: 002456

CHECK DATE: 10/17/08

INVOICE/REFERENCE	TYPE	DATE	COMMENT	GROSS AMOUNT	DISCOUNT	AMOUNT
AT0215	INV	08/27/08	LEASE BONUS	21,333.33	.00	21,333.

09003495

Lg 1,333.33

121

ATTN: DREW REID

CHECK TOTALS:

002456

21,333.33

.00

21,333.

ALPINE ENERGY, LP EDMOND, OK 73013

09003496

002457

GOMM05: COMMISSIONER OF THE TEXAS GENERAL

CHECK NUMBER: 002457

ACCOUNT NUMBER: [REDACTED]

CHECK DATE: 10/17/08

INVOICE/REFERENCE	TYPE	DATE	COMMENT	GROSS AMOUNT	DISCOUNT	AMOUNT
AT0215A	INV	08/27/08	ADMIN	125.00	.00	125.

"3301051"
"3301078"

121
+125.00

CHECK TOTALS:

002457

125.00

.00

125.

CHALFANT PROPERTIES, INC.

Oil & Gas Leasing and Properties

1502 NORTH BIG SPRING

P. O. BOX 3123

MIDLAND, TEXAS 79702-3123

March 15, 2006

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

RE: NW/4 of Section 2, Block 54, Twp 5
T&P RR Co Survey
Reeves County, Texas

Dear Mr. Reid:

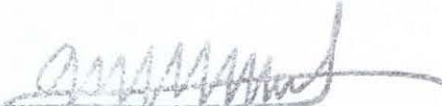
Enclosed please find a certified copy of Oil and Gas Lease from the following:

1. Oil and Gas Lease dated October 31, 2005, from **The State of Texas, acting by and through its agent, Ricki Lewis Long, dealing in his sole and separate property,** covering his interest in 20.0 net mineral acres in Section 2, Block 54, Twp 5 T&P RR Co Survey. The State of Texas to receive lease bonus payment of \$3,020.00.

Also enclosed is a check in the amount of **\$3,145.00**, 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/mkc
enclosures

06032239

RECEIVED
06 MAR 21 PM 2:23
ENERGY RESOURCES

att: Drew Reid
121

CHALFANT PROPERTIES, INC. LEASE BONUS CLEARING ACCOUNT (432) 684-9819 P.O. BOX 3123 MIDLAND, TX 79702		WEST TEXAS NATIONAL BANK MIDLAND, TX 79705 [REDACTED]	7608
PAY TO THE ORDER OF	TEXAS GENERAL LAND OFFICE Three Thousand One Hundred Forty-Five and 00/100*****	Date 3/15/2006 \$**3,145.00	DOLLARS Security features included. Details on back
TEXAS GENERAL LAND OFFICE 1700 NORTH CONGRESS AVE. AUSTIN, TX 78701			
Memo	Lease Bonus & State Filing Fee: NW4 Sec 2, Blk 54, T5, [REDACTED]		
		7608	

2.

File No. MF 106234

Letter, burs, & fees

Date Filed: 3/24/06

Jerry F. Patterson, Commissioner

By [Signature]

000000

FILE #894

A
 General Land Office
 Relinquishment Act Lease Form
 Revised, September 1997

Raid up 2nd + 3rd yr
 OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this **31st day of October, 2005**, between the State of Texas, acting by and through its agent, **Ricki Lewis Long, dealing in his sole and separate property**, care of **Steve Long 5214 68th Street, Suite 100, Lubbock, TX 79424** 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 5, T&P RR Co Survey

Section 2: NW/4

SE/4 NW/4 IS CORRECT D.R.

containing **160.0** 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.



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 copy of
 Original filed in
 Reeves County
 Clerks Office

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 1/4th 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 1/4th 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 1/4th 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 1/4th 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.

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition



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Clerks Office

and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year, such interest will begin accruing when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

10 (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

11 DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term, and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain in this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12 DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13 CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14 SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. 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. To be effective, each initial shut-in oil or gas royalty



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must be paid on or before (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions, whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. **COMPENSATORY ROYALTIES.** If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code §2.173, however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. **RETAINED ACREAGE.** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) **VERTICAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code §2.151-§2.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) **HORIZONTAL.** In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) **IDENTIFICATION AND FILING.** The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. **OFFSET WELLS.** Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. **FORCE MAJEURE.** If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants, additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.



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19. **WARRANTY CLAUSE.** The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) **PROPORTIONATE REDUCTION CLAUSE.** If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) **REDUCTION OF PAYMENTS.** If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, of if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. **USE OF WATER.** Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil, provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. **AUTHORIZED DAMAGES.** Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. **PIPELINE DEPTH.** When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. **WELL LOCATION LIMIT.** No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the written consent of the owner of the soil.

25. **POLLUTION.** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. **REMOVAL OF EQUIPMENT.** Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing, which are not timely removed by Lessee under the terms of this paragraph.

27. (A) **ASSIGNMENTS.** Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (of a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) **ASSIGNMENT LIMITATION.** Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil.



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(6) a fiduciary for the owner of the soil, including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil, or

(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption

28. **RELEASES** Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. **FILING OF ASSIGNMENTS AND RELEASES** If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. **DISCLOSURE CLAUSE** All provisions pertaining to the lease of the above-described land have been included in this instrument including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. **FIDUCIARY DUTY** The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

32. **FORFEITURE** If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. **LIEN** In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises; all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title I, Chapter 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. **POOLING** Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.153. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. **INDEMNITY** Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws, those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.



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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 \$40.00 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 \$6,020.00 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: _____

STATE OF TEXAS

Ricki Lewis Long
BY: Ricki Lewis Long, dealing in his sole and separate property

TITLE: Individually and as agent for the State of Texas

Date: November 7, 2005

STATE OF TEXAS

TITLE: Individually and as agent for the State of Texas

Date: _____



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STATE OF Texas

(INDIVIDUAL
ACKNOWLEDGMENT)

COUNTY OF Lubbock

Before me, the undersigned authority, on this day personally appeared Ricki Lewis Long, 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 7 day of November, 2005.



Notary Public in and for

Sandra S. Miller

My Commission expires:

7/17/06



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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 31st day of October, 2005.



Judith F. Hambrick
Notary Public in and for the State of Texas

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

FILE NO. 894FILED FOR RECORD ON THE 21ST DAY OF FEBRUARY A.D. 2006 12:13 P. M.DULY RECORDED ON THE 22nd DAY OF FEBRUARY A.D. 2006 9:00 A. M.BY: [Signature], DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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Clerks Office

32

2006 FEB 24

File No. MF 706234
Reese
Date Filed: 3/24/06
Jerry E. Patterson, Commissioner
By [Signature]

2006 FEB 24

**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. 724
PAGE 569 THRU 577

OFFICIAL PUBLIC RECORDS

I hereby certified on **FEBRUARY 24, 2006**



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature] DEPUTY

B
FILE# 4092General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas



Austin, Texas

OIL AND GAS LEASE
Paid up 2nd + 3rd yrLH
Revised
468-2

THIS AGREEMENT is made and entered into this 15th day of August, 2008, between the State of Texas, acting by and through its agent, Petco Limited of P.O. Box 911, Breckenridge, TX 76424 said agent herein referred to as the owner of the soil (whether one or more), and Alpine Energy, LP, a Texas limited partnership of 3409 S. Broadway, Suite 600, Edmond, Oklahoma 73013 hereinafter called Lessee.
(Give Permanent Address)

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:

320.00 acres of land, more or less, being the NW/4 and the SW/4 of Section 2, Block 54, Township 5, T&P Railroad Survey, A-3566, Reeves County, Texas,

containing 320.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Twenty-One Thousand Three Hundred Thirty Three and 33/100
Dollars (\$21,333.33)

To the owner of the soil: Twenty-One Thousand Three Hundred Thirty Three and 33/100
Dollars (\$21,333.33)

Total bonus consideration: Forty-Two Thousand Six Hundred Sixty Six and 66/100
Dollars (\$42,666.66)

The total bonus consideration paid represents a bonus of Four hundred
Dollars (\$400.00) per acre, on 106.666666 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.

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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 PER PARAGRAPH 41

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: N/A
Dollars (\$N/A)
To the State of Texas: N/A
Dollars (\$N/A)
Total Delay Rental: N/A
Dollars (\$N/A)

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 one-fourth (1/4) 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 one-fourth (1/4) 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 one-fourth (1/4) 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 one-fourth (1/4) 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.

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6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. If Lessee pays his royalty on or before thirty (30) days after the royalty payment was due, then Lessee owes a penalty of 5% on the royalty or \$25.00, whichever is greater. A royalty payment which is over thirty (30) days late shall accrue a penalty of 10% of the royalty due or \$25.00 whichever is greater. In addition to a penalty, royalties shall accrue interest at a rate of 12% per year; such interest will begin to accrue when the royalty is sixty (60) days overdue. Affidavits and supporting documents which are not filed when due shall incur a penalty in an amount set by the General Land Office administrative rule which is effective on the date when the affidavits or supporting documents were due. The Lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking

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operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. 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. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

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(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the written consent of the owner of the soil.

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25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. REMOVAL OF EQUIPMENT. Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil;
- (6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
- (7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the

LH



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Original filed in
Reeves County
Clerks Office



Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. **EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.**

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all 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 (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) 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.

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Original filed in
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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.

ADDENDUM PROVISIONS - ¶ #40 thru #41

40. **CONTINUOUS DEVELOPMENT.** After the expiration of the primary term, and notwithstanding paragraphs 16 (A) and 16 (B) above and any other provision in this lease to the contrary, no portion of this lease will terminate if Lessee continues to drill a well (or wells) anywhere on the leased premises with no more than 180 days between the release of the drilling rig on one well and the commencement of actual drilling operations on a subsequent well (hereinafter referred to as "continuous drilling"). Upon the cessation of continuous drilling this lease shall terminate in accordance with the other relevant provisions herein. If, however, Lessee has filed with the Texas Railroad Commission, no later than 60 days prior to the expiration of the said 180-day period, all requisite applications to drill the next well in the continuous drilling program, and Lessee is unable to proceed with drilling pending authorization by the Texas Railroad Commission, then Lessee shall be allowed such additional time as may be reasonably necessary to obtain the authorization and thereafter spud the subsequent well.

41. **DELAY RENTALS.** As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2nd) and third (3rd) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4th) and fifth (5th) years of the primary term provided for herein by tendering a payment of four-hundred dollars (\$400.00) per net acre prior to August 15, 2011, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR

STATE OF TEXAS

By: **PETCO LIMITED**

Individually and as Agent for the State of Texas

By: *Paul H. Reese*
General Partner

By: Breck Operating Corp., General Partner

By: *A. H. Combs*
President

APPROVED
AS TO FORM

AS TO CONTENT
LH
AS TO INTEREST

ADMINISTRATION
Ad

LESSEE

Alpine Energy, LP, a Texas limited partnership

By: *David J. Kurtz*
David J. Kurtz

Title: Manager of Alpine GP, LLC, an
Oklahoma limited liability company, which
is the General Partner of Alpine Energy, LP



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copy of
Original filed in
Reeves County
Clerks Office

000001

STATE OF TEXAS

COUNTY OF STEPHENS

This instrument was acknowledged before me on this the 20th day of August, 2008, by **FRED F. DUESER, General Partner of Petco Limited, a Texas Limited Partnership, on behalf of said partnership and as Agent for the State of Texas.**

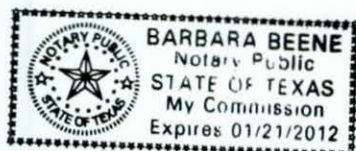


Barbara Beene
Notary Public in and for the State of Texas

STATE OF TEXAS

COUNTY OF STEPHENS

This instrument was acknowledged before me on this the 20th day of August, 2008, by **JOHN H. CONNALLY, President of Breck Operating Corp., a Texas Corporation acting in its capacity as General Partner of Petco Limited, a Texas Limited Partnership, on behalf of said partnership and as Agent for the State of Texas.**



Barbara Beene
Notary Public in and for the State of Texas

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

This instrument was acknowledged before me on this the 19th day of September, 2008, by **David J. Kurtz, as Manager of Alpine GP, LLC, an Oklahoma limited liability company, which is the General Partner of Alpine Energy, LP.**



Deborah Kimbrell
Notary Public in and for the State of Oklahoma

FILE# 4092

FILED FOR RECORD ON THE 26TH DAY OF SEPTEMBER A.D. 2008 10:30 AM.

DULY RECORDED ON THE 1ST DAY OF OCTOBER A.D. 2008 9:00A. M.

BY: Denise D. Haldy DEPUTYDIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

00:03:07

38480090

3.
File No MF-106231 County
Lease 13
Date Filed: 3/21/06
Jerry Patterson E., Commissioner
By _____

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. 804, PAGE 180 THRU 188.



I hereby certified on 10/03/2008

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Denise G. Valdez DEPUTY

DENISE G. VALDEZ

10-03-08

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 25, 2006

Attn: William A. Chalfant, CPL
Chalfant Properties, Inc.
1502 North Big Spring
Midland, Texas 79702-3123

Re: RELINQUISHMENT ACT LEASE No. M-106234
20.0 net acres out of Section 2, Blk. 54, Tsp. 5,
T&P RR Co. Survey, Reeves County, Texas

Dear Mr. Chalfant:

The certified copy of the Relinquishment Act lease covering the above referenced tracts has been approved and filed in our records under Mineral File number M-106234. Please refer to this number in all future correspondence concerning the lease.

Your remittance of \$3,145.00, has been applied as the state's portion of the cash bonus \$3,020.00, along with a processing and filing fee in the amount of \$125.00. Please let me know if you should have any questions.

Sincerely,

Drew Reid by ms

Drew Reid
Minerals Leasing
Energy Resources
(512) 475-1534

MS/DR

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

2.

File No.

45706234

Date Filed:

210 letter
92506

Jerry E. Patterson, Commissioner

By



LEASE OBLIGATION DEPOSIT RECEIPT

WE HAVE THIS DAY SEPTEMBER 5, 2008

TENDERED TO

COMMISSIONER OF THE GENERAL LAND

THE SUM OF **\$3,010.00** DOLLARS FOR THE CREDIT OF PARTY OR PARTIES NAMED BELOW
 IN AMOUNT STATED PURSUANT TO THE TERMS OF THE LEASE IDENTIFIED HEREIN, FOR THE PERIOD FROM
10/31/2008 TO 10/31/2010 COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

Survey: T&P RR Block/Suffix: 54 Township: 5 Section: 2 Short Desc: NW/4 OF SEC 2, BLK 54, TNSP 5, T&P RR CO SVY

PAYMENT OPTION TO EXTEND

LEASE NUMBER TX2330052-001

LEASE DATE: 10/31/2005

PROSPECT: DIXIE LAND

RECORDED: BOOK 724

PAGE 569

ENTRY NUMBER: 894

COUNTY/PARISH REEVES

FOR CREDIT OF:

STATE TX
AMOUNT

017397

COMMISSIONER OF THE GENERAL LAND
 OFFICE OF THE STATE OF TEXAS
 STEPHEN F. AUSTIN BUILDING
 1700 NORTH CONGRESS, SUITE 600
 AUSTIN, TX 78701

Acct:
 1/2 \$6020.00 FOR ADD'L 2 YRS

3,010.00

COPY FOR
 YOUR RECORDS

IMPORTANT

The attached check is for the person(s) named above. Please date, sign and return the attached receipts on the day you receive it. If directed to a bank, please deposit the amount to the credit of the person(s) named above and date, sign and return the receipt on the day you receive it. If correspondence required, please make reference to lease number.

Date Received

Sign Here

By

9/9/08
 COPY FOR
 YOUR RECORDS

Subtotal	3,010.00
BANK SERVICE CHARGE \$	0.00
Grand Total	3,010.00
Check No.	36724

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PANTOGRAPH

CHESAPEAKE OPERATING, INC.

DELAY RENTAL ACCOUNT

P.O. BOX 18496

OKLAHOMA CITY, OK 73154

405/848-8000

BANK OF OKLAHOMA, N.A.
OKLAHOMA CITY, OK

36724

DATE

09/05/2008

AMOUNT

\$3,010.00

*****3,010 * DOLLARS * 00 * CENTS

PAY
 TO
 THE
 ORDER
 OF

COMMISSIONER OF THE GENERAL LAND
 OFFICE OF THE STATE OF TEXAS
 STEPHEN F. AUSTIN BUILDING
 1700 NORTH CONGRESS, SUITE 600
 AUSTIN, TX 78701

CHESAPEAKE OPERATING, INC.

Jennifer D. Grigsby

THIS DOCUMENT HAS THERMOGRAPHIC INK WITH ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW



04000000

5.

File No. MT 106234

Dental payment

Date Filed: 9/9/08

Jerry E. Patterson, Commissioner

By JE

04000000



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 2, 2011

Veronica Dominguez
Jones Energy, Ltd.
807 Las Cimas Parkway, Suite 350
Austin, TX 78746

RE: GLO Assignment ID # 7842

Dear Ms. Dominguez,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

Assignment, Bill of Sale and Conveyance, executed February 26th, 2010, from Alpine Energy, LP, as Assignor, to J/M Crusader Acquisition Sub, LLC. Reeves Co. Vol. 838, P. 832.

Filing fees of \$1,600.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

see 2nd page

WI

Exhibit "A"

GLO ID	County	Lease
7842	Reeves	MF106234B ✓
7842	Reeves	MF106610A
7842	Reeves	MF106610B ✓
7842	Reeves	MF106610C ✓
7842	Reeves	MF106610D
7842	Reeves	MF108303F ✓
7842	Reeves	MF108642 ✓
7842	Reeves	MF109078A H.D. ✓
7842	Reeves	MF109078B H.D. ✓
7842	Reeves	MF109083 ✓
7842	Reeves	MF109085A
7842	Reeves	MF109085B H.D. ✓
7842	Reeves	MF109085C H.D. ✓
7842	Reeves	MF109085D H.D. ✓
7842	Reeves	MF109088A
7842	Reeves	MF109088B ✓
7842	Reeves	MF109088C
7842	Reeves	MF109088C
7842	Reeves	MF109109A ✓
7842	Reeves	MF109109B ✓
7842	Reeves	MF109120A
7842	Reeves	MF109120B
7842	Reeves	MF109120C ✓
7842	Reeves	MF109120D ✓
7842	Reeves	MF109120E
7842	Reeves	MF109120F
7842	Reeves	MF109121 ✓
7842	Reeves	MF109173 I
7842	Reeves	MF109173A
7842	Reeves	MF109173B ✓
7842	Reeves	MF109173C ✓
7842	Reeves	MF109173D
7842	Reeves	MF109173G
7842	Reeves	MF109173H

Wednesday, March 02, 2011

Exhibit "A"

GLO ID	County	Lease
7842	Reeves	MF109173J ✓
7842	Reeves	MF109174A
7842	Reeves	MF109174B
7842	Reeves	MF109174C ✓
7842	Reeves	MF109174D
7842	Reeves	MF109174E
7842	Reeves	MF109174F
7842	Reeves	MF109296 I ✓
7842	Reeves	MF109296A
7842	Reeves	MF109296B
7842	Reeves	MF109296C
7842	Reeves	MF109296D
7842	Reeves	MF109296E
7842	Reeves	MF109296F
7842	Reeves	MF109296G ✓
7842	Reeves	MF109296H
7842	Reeves	MF109296J
7842	Reeves	MF109296K
7842	Reeves	MF109296L
7842	Reeves	MF109296M
7842	Reeves	MF109296N
7842	Reeves	MF109296-1 (b) ✓
7842	Reeves	MF109296-2 (b)
7842	Reeves	MF109296P 3-(P)
7842	Reeves	MF109297 ✓
7842	Reeves	MF109298B ✓
7842	Reeves	MF109298C
7842	Reeves	MF109302A ✓
7842	Reeves	MF109302B ✓
7842	Reeves	+ MF109303E ✓ 108303E

Wednesday, March 02, 2011

JONES

(512) 328-2953
FAX 328-5394

February 22, 2011

The Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701-1495
Attn: Beverly Boyd

RE: Payment for Notice of Assignment

Please find enclosed a check#002678 in the amount of \$1600.00. This covers the cost of the Notice of Assignment for the enclosed Assignment between ALPINE ENERGY, LP, as Assignor and J/M Crusader Acquisition Sub LLC, as Assignee, dated December 31, 2009, Volume 838, Page 832, Reeves County, Texas. There are 64 leases in the assignment and I am sending the \$25.00 fee for each lease covered.

We will send an original recorded copy of the Assignment at a later date. I spoke with you regarding sending in the original copy at a later date and you said this would be okay. Thank you so much for your help with this!

Best regards,



Veronica L. Dominguez
Manager of Lease Administration

64 Leases
1,600.00

JONES ENERGY LTD.
807 LAS CIMAS PARKWAY
SUITE 350
AUSTIN, TEXAS 78746



JONES ENERGY, LTD.

807 LAS CIMAS PARKWAY, SUITE 350
AUSTIN, TX 78746

Page 1 of 1

VENDOR	CHECK DATE	CHECK NUMBER	NET AMOUNT
1174 Texas General Land Office	Feb 25, 2011	002678	\$**1,600.00*

Reference	Inv date	Invoice No.	Invoice Amt	Prior	Pmt	Discount	Amount Paid
1102-AP-16	02/16/11	021611ATHEN SPROSPECT	1600.00		0.00		1600.00

11706543

AFTER RECORDED, RETURN TO:
J/M Crusader Acquisition Sub LLC
807 Las Cimas Parkway, Suite 350
Austin, TX 78746

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance ("Assignment") dated effective as of December 31, 2009, at 7:00 a.m. Central Standard Time (the "Effective Time") is made by **ALPINE ENERGY, LP**, a Texas limited partnership, 3600 N.W. 138th, Suite 102, Oklahoma City, Oklahoma, 73134, (herein referred to as "Assignor"), to **J/M Crusader Acquisition Sub LLC**, 807 Las Cimas Parkway, Suite 350, Austin, Texas, 78746, (herein referred to as "Assignee").

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER** unto Assignee, **ALL** of Assignor's interest, including but not limited to, any contractual rights and interests in and to the following (the "Properties"):

- (1) All of Assignor's undivided right, title and interest (including but not limited to, all leasehold rights and interests, working interests, net revenue interests, net profits interest, farmout or farmin rights, royalty or other non-working or carried interests, operating rights and other mineral rights of every kind or nature) and the lands covered thereby in and to the oil and gas leases and lands described in Exhibit "A", attached hereto and made a part hereof, as extended or amended (hereinafter referred to as the "Leases"), covering lands in **Reeves County, Texas**.
- (2) All of Assignor's undivided right, title and interest in and to all presently existing unitization and pooling agreements and statutorily, judicially or administratively created drilling, spacing and/or production units, whether recorded or unrecorded, which relate to the Leases, and all of Assignor's interest in and to the Properties covered or units created thereby which are attributable to the Leases;
- (3) All of Assignor's undivided right, title and interest in and to all presently existing and valid oil, casinghead gas and gas sales, operating, farmout, pooling, purchase, exchange and processing contracts and agreements, partnership and joint venture agreements and any other contracts, agreements and instruments which pertain to the Leases or any Properties pooled or unitized therewith;
- (4) All of Assignor's undivided right, title and interest in and to all presently existing gas gathering and production area services agreements, base contracts for sale and purchase of natural gas, gas dedication agreements and authorization agreements which pertain to the Leases or any Properties pooled or unitized therewith, (collectively, the "Agreements"). The Agreements include, but are not limited to the following:
 - a. Gas Gathering and Production Area Services Agreement, Waha Production Area, between Enterprise GC, L.P. and Burlington Resources Oil & Gas Company, LP and Burlington Resources Trading, Inc., dated effective November 1, 2005.
 - b. Base Contract for Sale and Purchase of Natural Gas, between Enterprise Products Operating LLC and Alpine Energy, LP dated October 15, 2008.
 - c. Gas Dedication Agreement between Enterprise GC, L.P. and Alpine Energy, LP dated October 1, 2008.
 - d. Gas Dedication Agreement between Enterprise GC, L.P. and Burlington Resources, Inc. dated June 1, 2005.

AT-6



2/26/10

e. Gas Dedication Agreement between Enterprise GC, L.P. and Burlington Resources Oil & Gas Company LP and Burlington Resources Trading Inc. dated December 1, 2005.

f. Authorization Agreement between Enterprise GC, L.P. and Alpine Energy dated December 31, 2008.

- (5) All of Assignor's undivided interest in and to all oil and gas and associated hydrocarbons produced from the Leases or any Properties pooled or unitized therewith from and after the Effective Time;
- (6) All of Assignor's undivided right, title and interest in and to all surface use agreements, easements, permits, licenses, servitudes, rights of way, pipelines, power lines, telephone and telegraph lines, communications facilities and all other rights and appurtenances situated on or used in connection with the Leases or any Properties pooled or unitized therewith;
- (7) All of Assignor's undivided right, title and interest in and to all tangible personal property, equipment, fixtures and improvements including, but not by way of limitation, all oil and gas wells, injection wells, salt water, disposal facilities, well heads, casing, tubing, pumps, motors, gauges, valves, heaters, treaters, gathering lines, flow lines, gas lines, gas processing and compression facilities (specifically including the existing processing and compression facility), water lines, vessels, tanks, boilers, separators, fixtures, platforms, machinery, tools, treating equipment, compressors and other equipment, pipelines, powerlines, telephone and telegraph lines, transportation and communication facilities, and other appurtenances situated upon the lands covered by the Leases conveyed herein or any land or lands pooled or unitized therewith or used or obtained in connection with the production, treating, storing or transportation of oil, gas and other hydrocarbons or minerals therefrom, whether or not described in Exhibit "A", attached hereto.
- (8) Assignee assumes and agrees to pay, perform, fulfill and discharge all claims, costs, expenses, liabilities and obligations (collectively, "obligations and liabilities") accruing or relating to the Assets, regardless of whether such obligations and liabilities arose prior to or on the Effective Time, or arise thereafter, and indemnify Assignor accordingly. The obligations and liabilities include, but are not limited to the following: those that pertain to the environment, surface and subsurface, and the obligation to plug and abandon all Wells and reclaim all Well sites.

This Assignment is executed without warranty of title, either express or implied. The terms hereof shall extend and be binding upon the parties hereto, their successors and assigns.

This instrument is executed this 26th day of February, 2010, effective for all purposes as of the Effective Time.

Alpine Energy, LP, a Texas limited partnership, by
Alpine GP, LLC, an Oklahoma limited liability
company, General Partner

By: _____

David J. Kurtz, Manager

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on this 26th day of February, 2010 by David J. Kurtz, Manager of Alpine GP, LLC, an Oklahoma limited liability company, General Partner of Alpine Energy, LP, a Texas limited partnership.



Jo Ann Camacho
Jo Ann Camacho, Notary Public

My Commission Expires: May 20, 2013

11033

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 1 of 17

Date : 10/17/07
Lease # : AT0201
Lessor : B. M. JOBE AND WIFE, LEXA DEAN JOBE, AS AGENT
FOR THE STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 777 Page: 806 Instrument:
Description: SEE BELOW
1,920.0 ACRES MORE OR LESS, BEING ALL OF SECTION 2, ALL OF
SECTION 12, THE S/2 OF SECTION 18 AND THE N/2 OF SECTION 22,
BLOCK 55, TOWNSHIP 5, T&PRR CO SURVEY, REEVES COUNTY, TEXAS

1086420K
rental Pd

Date : 12/22/2007
Lease # : AT0202
Lessor : LEZLIE SUE WATKINS TIPTON &
STATE OF TEXAS MF-109085
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 464 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

Terminated no rental

Date : 12/30/2007
Lease # : AT0203
Lessor : ANGELA D. WATKINS PARTEN &
STATE OF TEXAS MF-109085
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 455 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

D - Terminated no rental

Date : 01/10/2008
Lease # : AT0204
Lessor : FOY EUGENE ANDERSON ETAL &
STATE OF TEXAS MF-109085
Lessee : ALPINE ENERGY, LP
Recorded: Book: 789 Page: 54 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

B - Terminated not rental

Date : 02/10/2008
Lease # : AT0205
Lessor : JEFFREY WINFIELD GRASTY
STATE OF TEXAS MF-109085
Lessee : ALPINE ENERGY, LP
Recorded: Book: 789 Page: 45 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

good till 2/10/11

Date : 03/24/2008
Lease # : AT0206
Lessor : BUSH-GRIFFIN LIVING TRUST
STATE OF TEXAS MF-109174
Lessee : ALPINE ENERGY, LP
Recorded: Book: 792 Page: 679 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

A ✓

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EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 2 of 17

Date : 03/24/2008
Lease # : AT0207
Lessor : DAVID JESS ST. CLAIR
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 62 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

109174C ✓

Date : 03/24/2008
Lease # : AT0208
Lessor : JON CHRISTOPHER ST. CLAIR
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 53 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

109174B ✓

Date : 03/24/2008
Lease # : AT0209
Lessor : JUSTIN DALLAS ST. CLAIR
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 799 Page: 469 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

109174E ✓

Date : 03/24/2008
Lease # : AT0211
Lessor : ABBY MARIE GELTEMEYER
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 796 Page: 804 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

109174D ✓

Date : 03/24/2008
Lease # : AT0213
Lessor : CARRIE GELTEMEYER DAVIS
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 801 Page: 11 Instrument:
Description: SEE BELOW
321.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 OF SECTION
2, BLOCK 58, PSL, A-3799, REEVES COUNTY, TEXAS

109174F ✓

Date : 08/15/2008
Lease # : AT0215
Lessor : PETCO LIMITED, AGENT
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 180 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE NW/4 AND SW/4
OF SECTION 2, BLOCK 54, TOWNSHIP 5, T&P RR SURVEY A-3566,
REEVES COUNTY, TEXAS

106234B ✓
good till 9/15/11

11000

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 3 of 17

13
Date : 12/22/2007
Lease # : AT0401
Lessor : DOUGLAS A. MILLER IND & EXEC &
STATE OF TEXAS MF-109078 *B terminated 12/22/10*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 446 Instrument:
Description: SEE BELOW
ALL OF SECTION 4, BLOCK 58, PSL, A-4529, AND ALL OF SECTION
9, BLOCK 58, PSL, A-5039, REEVES COUNTY, TEXAS

14
Date : 02/21/2008
Lease # : AT0402
Lessor : W. W. OATMAN & STATE OF TEXAS *109078A ok - until pd*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 518 Instrument:
Description: SEE BELOW
ALL OF SECTION 4, BLOCK 58, PSL, A-4529, AND ALL OF SECTION
9, BLOCK 58, PSL, A-5039, REEVES COUNTY, TEXAS

15
Date : 02/21/2008
Lease # : AT0501
Lessor : SANDRA WALKER AKA CASSANDRA
STATE OF TEXAS MF-109120 *D until dec 2/2/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 790 Page: 551 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL,
A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58,
PSL, A-5535 REEVES COUNTY, TEXAS

16
Date : 03/12/2008
Lease # : AT0502
Lessor : BLAKE OIL & GAS CORPORATION
STATE OF TEXAS MF-109121 *Expires 3/12/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 790 Page: 561 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL,
A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58,
PSL, A-5535
TRACT 4: W/2 NE/4 OF SECTION 19, BLOCK 58, PSL,
A-3659
TRACT 5: SOUTH 80 ACRES OF SECTION
36, BLOCK 58, PSL, A-5338
TRACT 6: E/2 NW/4
SW/4 OF SECTION 10, BLOCK 58, PSL, A-4062
REEVES COUNTY, TEXAS

11000

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

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1
Date : 02/21/2008
Lease # : AT0503
Lessor : CATHEY JANE HORTON
STATE OF TEXAS MF-109120 A *until due*
Lessee : ALPINE ENERGY, LP *2/21/11*
Recorded: Book: 792 Page: 669 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL, A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58, PSL, A-5535
TRACT 4: SW/4 NE/4 OF SECTION 5, BLOCK 58, PSL, A-5803
TRACT 5: SE/4 NE/4 OF SECTION 5, BLOCK 58, PSL, A-5801
REEVES COUNTY, TEXAS

4
Date : 02/21/2008
Lease # : AT0504
Lessor : NANCY RUTH HORTON
STATE OF TEXAS MF-109120 B *until due 2/21/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 791 Page: 31 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL, A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58, PSL, A-5535
TRACT 4: SW/4 NE/4 OF SECTION 5, BLOCK 58, PSL, A-5803
TRACT 5: SE/4 NE/4 OF SECTION 5, BLOCK 58, PSL, A-5801
REEVES COUNTY, TEXAS

19
Date : 03/27/2008
Lease # : AT0505
Lessor : SIBYL NOVIS LAYFIELD, ET AL *until due 3/27/11*
STATE OF TEXAS MF-109120 C
Lessee : ALPINE ENERGY, LP
Recorded: Book: 792 Page: 352 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL, A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58, PSL, A-5535 REEVES COUNTY, TEXAS

20
Date : 04/30/2008
Lease # : AT0506
Lessor : ROBERT E TYLER IND, TREE TYLER 109120 F
REV TRST, STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 587 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL, A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58, PSL, A-5535 REEVES COUNTY, TEXAS

11003

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 5 of 17

21 Date : 06/05/2008
Lease # : AT0513
Lessor : THE BAPTIST FOUNDATION OF OKLAHOMA, AGENT FOR 109120E
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 01 Instrument:
Description: SEE BELOW
TRACT 1: N/2 NE/4 AND SE/4 OF SECTION 5, BLOCK 58, PSL,
A-5290;
TRACT 2: SW/4 OF SECTION 5, BLOCK 58, PSL, A-5536;
TRACT 3: E/2 N/2 NW/4 AND S/2 NW/4 OF SECTION 5, BLOCK 58,
PSL, A-5535 REEVES COUNTY, TEXAS

22 Date : 02/27/2008
Lease # : AT0801
Lessor : THE GREG & NANCY FAMILY LP AND
STATE OF TEXAS MF-109173 A - EXPIRES 2/27/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 792 Page: 363 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

23 Date : 04/11/2008
Lease # : AT0802
Lessor : A. FRANK KUBICA, TRUSTEE & B - EXPIRES 4-11-11
STATE OF TEXAS MF-109173
Lessee : ALPINE ENERGY, LP
Recorded: Book: 792 Page: 381 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

24 Date : 05/08/2008
Lease # : AT0803
Lessor : TED COLLINS, JR., AGENT 109173C
STATE OF TEXAS EXPIRES 5/8/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 44 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

25 Date : 05/15/2008
Lease # : AT0804
Lessor : HAMBLIN LIVING TRUST, AGENT H 109173
STATE OF TEXAS EXPIRES 6/12/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 798 Page: 515 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

26 Date : 06/12/2008
Lease # : AT0805
Lessor : AUSTEN S. CAMPBELL, AGENT 108202E
STATE OF TEXAS EXPIRES 6/12/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 11 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

11000

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 6 of 17

Date : 06/12/2008
Lease # : AT0806
Lessor : OSADO PROPERTIES LTD, AGENT 109173D
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 20 Instrument: EXPIRES 6/12/11
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

Date : 06/12/2008
Lease # : AT0807
Lessor : HOLTEN G. CAMPBELL, AGENT 108303F
STATE OF TEXAS EXPIRES 6/12/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 29 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

Date : 06/12/2008 109173I
Lease # : AT0808
Lessor : CHARISA J. ALMAGER, AGENT EXPIRES 6-12-11
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 798 Page: 479 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

Date : 06/20/2008
Lease # : AT0809
Lessor : GWENDOLYN B. GELTEMEYER, AGENT 109173J
STATE OF TEXAS EXPIRES 6/20/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 801 Page: 1 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

Date : 06/20/2008
Lease # : AT0810
Lessor : SHARON B. ST. CLAIR, AGENT 109173K
STATE OF TEXAS EXPIRES 6/20/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 798 Page: 506 Instrument:
Description: SEE BELOW
320.0 ACRES OF LAND, MORE OR LESS, BEING THE WEST 320 ACRES
OF SECTION 8, BLOCK 58, PSL, A-3933, REEVES COUNTY, TEXAS

Date : 05/01/2008
Lease # : AT1001
Lessor : SUZANNE TRIPP VALLA, SHARON
TRIPP GOODWIN & TOBY TRIPP
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 80 Instrument:
Description: SEE BELOW
520.0 ACRES OF LAND, MORE OR LESS, BEING THE N/2; SE/4; AND
NE/4 SW/4 OF SECTION 10, BLOCK 58, PSL, A-5490, REEVES
COUNTY, TEXAS

11033

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 7 of 17

Date : 12/20/2004
Lease # : AT1006
Lessor : BARBARA JOY ARMSTRONG
Lessee : SHAW INTERESTS, INC.
Recorded: RATIFICATION: Book: 799 Page: 505
Description: SEE BELOW
N/2, SE/4 AND NE/4 SW/4 OF SECTION 10, BLOCK 58, PUBLIC
SCHOOL LAND SURVEY, REEVES COUNTY, TEXAS

Date : 05/10/2005
Lease # : AT1009
Lessor : DANIEL JOE WHITE
Lessee : SHAW INTERESTS, INC.
Recorded: RATIFICATION: Book: 799 Page: 506
Description: SEE BELOW
N/2, SE/4 AND NE/4 SW/4 OF SECTION 10, BLOCK 58, PUBLIC
SCHOOL LAND SURVEY, REEVES COUNTY, TEXAS

32 Date : 06/07/2008
Lease # : AT1042
Lessor : ROBERT E. TYLER IND & TYLER REVOCABLE TRUST
STATE OF TEXAS M-109302 A
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 38 Instrument: Rental due 6/7/11
Description: SEE BELOW
20.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 NW/4 SW/4 OF
SECTION 10, BLOCK 58, PSL, REEVES COUNTY, TEXAS

33 Date : 06/07/2008
Lease # : AT1043
Lessor : PATRICIA TYLER LEWIS
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 799 Page: 496 Instrument: Rental due 6/7-11
Description: SEE BELOW
20.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 NW/4 SW/4 OF
SECTION 10, BLOCK 58, PSL, REEVES COUNTY, TEXAS

34 Date : 05/12/2008
Lease # : AT1201
Lessor : WILLIAM F. SCHMIDT, JR.
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 26 Instrument: EXPIRES 5/12/11
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

35 Date : 05/12/2008
Lease # : AT1202
Lessor : LEA ANN JONES STEGMAN
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 47 Instrument: EXP 5/12/11
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

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EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 8 of 17

36
Date : 05/12/2008
Lease # : AT1203
Lessor : SARA SCHMIDT SMITH
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 606 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296D

EXPIRES 5/12/11

37
Date : 05/12/2008
Lease # : AT1204
Lessor : LAUREL JO MCLEAN
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 56 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

MF109296F

EXPIRES 5/12/11

38
Date : 05/12/2008
Lease # : AT1205
Lessor : LISA JO HARDING
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 597 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296I

EXPIRES 5/12/11

39
Date : 05/12/2008
Lease # : AT1206
Lessor : DOROTHY H. STOUT
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 8 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296G

EXP 5/12/11

40
Date : 05/12/2008
Lease # : AT1207
Lessor : MOORE CAPITAL, LTD, AGENT FOR
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 17 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296B

EXP 5/12/11

41
Date : 05/12/2008
Lease # : AT1208
Lessor : MARY LESLIE REID
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 578 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296E

EXPIRES 5/12/11

11000

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 9 of 17

42 Date : 05/12/2008
Lease # : AT1223
Lessor : ROBERT TATUM HARDING
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 560 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296J

EXP 5/12/11

43 Date : 05/12/2008
Lease # : AT1224
Lessor : ROBERT M. HARDING
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 551 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296K

5/12/11

44 Date : 05/12/2008
Lease # : AT1225
Lessor : EDWIN CURTIS KELLEY
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 65 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296M

5-12-11

45 Date : 05/20/2008
Lease # : AT1226
Lessor : ROSEMARY SMITH WALLS
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 569 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296A

5/20/11

46 Date : 05/12/2008
Lease # : AT1227
Lessor : MALINDA H. GIBBONS
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 798 Page: 461 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296L

5/12/11

47 Date : 05/12/2008
Lease # : AT1228
Lessor : TOM W. JONES III
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 800 Page: 797 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

109296N

5-12-11

11.02.2

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 10 of 17

48
Date : 05/12/2008
Lease # : AT1229 ✓ 109296 0-1
Lessor : JOHN MONT MOORE JR. 5/12/11
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 171 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

49
Date : 05/12/2008
Lease # : AT1230 ✓ 109296 0-2
Lessor : ROY JERRY MOORE 5-12-11
STATE OF TEXAS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 806 Page: 509 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

50
Date : 05/12/2008
Lease # : AT1231 ✓ 109296P
Lessor : HARDIN R. MOORE, STATE OF TEXAS 5/12/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 807 Page: 198 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 12,
BLOCK 54, T-5, T&PRR SURVEY, A-3196, REEVES COUNTY, TEXAS

51
Date : 03/14/2008
Lease # : AT1301
Lessor : P. D. SAMS AND STATE OF TEXAS MF-109109 A 3/14/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 789 Page: 63 Instrument:
Description: SEE BELOW
102.80 ACRES OF LAND, MORE OR LESS, BEING THE N/2 OF SECTION
13, BLOCK 58, PSL, A-5493, REEVES COUNTY, TEXAS

52
Date : 03/14/2008
Lease # : AT1302
Lessor : N. S. MARROW, INDIVIDUALLY & STATE OF TEXAS MF-109109 B 3/14/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 791 Page: 41 Instrument:
Description: SEE BELOW
102.80 ACRES OF LAND, MORE OR LESS, BEING THE N/2 OF SECTION
13, BLOCK 58, PSL, A-5493, REEVES COUNTY, TEXAS

53
Date : 02/05/2008
Lease # : AT1401
Lessor : JACK HOWISON, JR. & STATE OF TEXAS MF-109083 Rental due 2/5/11
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 509 Instrument:
Description: SEE BELOW
480.0 ACRES OF LAND, MORE OR LESS, BEING THE E/2 AND SW/4 OF
SECTION 14, BLOCK 58, PSL, A-5769, REEVES COUNTY, TEXAS

11003

EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 11 of 17

54 Date : 04/23/2008
Lease # : AT1901
Lessor : ESTATE P.N. WIGGINS, JR, AGENT
STATE OF TEXAS M-109297 *Rental due 4/23/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 35 Instrument:
Description: SEE BELOW
120.0 ACRES OF LAND, MORE OR LESS, BEING THE S/2 SE/4; AND
THE NW/4 SE/4 OF SECTION 19, BLOCK 58, PSL, A-3506, REEVES
COUNTY, TEXAS

Date : 03/18/2008
Lease # : AT2801
Lessor : BLAKE OIL & GAS CORPORATION
Lessee : ALPINE ENERGY, LP
Recorded: Book: 790 Page: 580 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 28,
BLOCK 58, PSL, A-5129, REEVES COUNTY, TEXAS

55 Date : 02/12/2008
Lease # : AT4001
Lessor : R. C. SLACK, AS AGENT FOR SATE *109088C*
OF TEXAS *Rental due 2/12/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 791 Page: 22 Instrument:
Description: SEE BELOW
80.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 SW/4 OF
SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH, T&P RR CO SURVEY,
A-5252, REEVES COUNTY, TEXAS

56 Date : 02/20/2008
Lease # : AT4002
Lessor : PETCO LIMITED, AGENT FOR STATE *109088A*
OF TEXAS *Rental due 2/12/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 788 Page: 500 Instrument:
Description: SEE BELOW
120.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 SW/4 AND
THE SW/4 NW/4 OF SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH,
T&P RR CO SURVEY, A-5252, REEVES COUNTY, TEXAS

* 57 Date : 03/03/2008
Lease # : AT4003
Lessor : NANCY DEAN INVESTMENT COMPANY *109088B*
STATE OF TEXAS *Rental due 3/3/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 790 Page: 571 Instrument:
Description: SEE BELOW
80.0 ACRES OF LAND, MORE OR LESS, BEING THE W/2 SW/4 OF
SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH, T&P RR CO SURVEY,
A-5252, REEVES COUNTY, TEXAS

Date : 03/18/2008
Lease # : AT4004
Lessor : BLAKE OIL & GAS CORPORATION
Lessee : ALPINE ENERGY, LP
Recorded: Book: 791 Page: 60 Instrument:
Description: SEE BELOW
140.0 ACRES OF LAND, MORE OR LESS, BEING THE N/2 NW/4; NE/4
NE/4; AND N/2 NW/4 NE/4 OF SECTION 40, BLOCK 55, TOWNSHIP 5
SOTUH, T&P RR CO SURVEY, A-5833, REEVES COUNTY, TEXAS

11000

EXHIBIT 'A'
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REEVES COUNTY, TEXAS

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58
Date : 02/22/2008
Lease # : AT4005
Lessor : JOHN KYLE SCHELLINGER, AGENT
STATE OF TEXAS MF-109088 A *rental due 2/22/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 795 Page: 71 Instrument:
Description: SEE BELOW
120.0 ACRES OF LAND, MORE OR LESS, BEING THE SE/4 NW/4 AND
E/2 SW/4 OF SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH, T&P RR CO
SURVEY, A-5252, REEVES COUNTY, TEXAS

54
Date : 05/06/2008
Lease # : AT4023
Lessor : CAROL MARIE WELDY, AGENT *109298B*
STATE OF TEXAS *rental due 5/6/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 798 Page: 470 Instrument:
Description: SEE BELOW
120.0 ACRES OF LAND, MORE OR LESS, BEING THE SE/4 NW/4 AND
E/2 SW/4 OF SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH, T&P RR CO
SURVEY, A-5252, REEVES COUNTY, TEXAS

50
Date : 05/06/2008
Lease # : AT4024
Lessor : SANDRA LEE KELLEY, AGENT *109298C*
STATE OF TEXAS *rental due 5/6/11*
Lessee : ALPINE ENERGY, LP
Recorded: Book: 797 Page: 74 Instrument:
Description: SEE BELOW
120.0 ACRES OF LAND, MORE OR LESS, BEING THE SE/4 NW/4 AND
E/2 SW/4 OF SECTION 40, BLOCK 55, TOWNSHIP 5 SOTUH, T&P RR CO
SURVEY, A-5252, REEVES COUNTY, TEXAS

Date : 09/25/2008
Lease # : AT4101
Lessor : ANGELO STATE UNIVERSITY - CARR
SCHOLARSHIP FOUNDATION
Lessee : ALPINE ENERGY, LP
Recorded: Book: 810 Page: 40 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 41,
BLOCK 55, T&PRR SURVEY, A-873, REEVES COUNTY, TEXAS

Date : 08/01/2008
Lease # : AT4102
Lessor : TRINITY UNIVERSITY, A TEXAS
NON-PROFIT CORPORATION
Lessee : ALPINE ENERGY, LP
Recorded: Book: 810 Page: 50 Instrument:
Description: SEE BELOW
640.0 ACRES OF LAND, MORE OR LESS, BEING ALL OF SECTION 41,
BLOCK 55, T&PRR SURVEY, A-873, REEVES COUNTY, TEXAS

Date : 08/14/2008
Lease # : AT4702
Lessor : BRUCE STEPHENS
Lessee : ALPINE ENERGY, LP
Recorded: Book: 806 Page: 522 Instrument:
Description: SEE BELOW
TRACT 1: 320.0 ACRES, MORE OR LESS, BEING THE W/2 OF SECTION
47, BLOCK 4, H&GN RR, A-404
TRACT 2: 160.0 ACRES, MORE OR LESS, BEING THE NE/4 OF
SECTION 54, BLOCK 4, H&GNRR, A-5784, REEVES COUNTY, TEXAS

11000

EXHIBIT 'A'
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REEVES COUNTY, TEXAS

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Date : 08/20/2008
Lease # : AT4703
Lessor : BLAKE OIL & GAS CORPORATION
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 189 Instrument:
Description: SEE BELOW
TRACT 1: 320.0 ACRES, MORE OR LESS BEING E/2 OF SECTION 47,
BLOCK 4, H&GN RR CO. SURVEY, A-404
TRACT 2: 317.73 ACRES, MORE OR LESS BEING THE W/2 OF SECTION
61, BLOCK 4, H&GN RR CO. SURVEY, A-411
TRACT 3: 157.50 ACRES, MORE OR LESS, BEING SOUTH 157.50
ACRES OF NORTH 200.0 ACRES OF SECTION 64, BLOCK 4, H&GN RR
CO. SURVEY, A-1390
TRACT 4: 365.0 ACRES, MORE OR LESS, BEING THE EAST PART OF
SECTION 14, BLOCK C-18, PSL, A-1473
ALL IN REEVES COUNTY, TEXAS

Date : 07/23/2008
Lease # : AT6301
Lessor : DOYLE BENTLEY AND CARROLL B.
LAING
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 205 Instrument:
Description: SEE BELOW
W/2 SW/4 OF SECTION 63, BLOCK 4, H&GN RR CO. SURVEY, REEVES
COUNTY, TEXAS

Date : 08/20/2008
Lease # : AT6302
Lessor : MARK D. BLAKE, DEALING SOLE
& SEPARATE PROPERTY
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 197 Instrument:
Description: SEE BELOW
556.15 ACRES, MORE OR LESS, BEING ALL SECTION 63 SAVE AND
EXCEPT W/2 SW/4 OF SECTION 63, BLOCK 4, H&GN RR CO. SURVEY,
REEVES COUNTY, TEXAS

Date : 08/20/2008
Lease # : AT6303
Lessor : JACK E. BLAKE, DEALING IN
HIS SEPARATE PROPERTY
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 201 Instrument:
Description: SEE BELOW
556.15 ACRES, MORE OR LESS, BEING ALL SECTION 63 SAVE AND
EXCEPT W/2 SW/4 OF SECTION 63, BLOCK 4, H&GN RR CO. SURVEY,
REEVES COUNTY, TEXAS

Date : 08/20/2008
Lease # : AT6304
Lessor : CAROLYN BLAKE JOHNSTON
DEALING IN HER SEPARATE PROP
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 193 Instrument:
Description: SEE BELOW
556.15 ACRES, MORE OR LESS, BEING ALL SECTION 63 SAVE AND
EXCEPT W/2 SW/4 OF SECTION 63, BLOCK 4, H&GN RR CO. SURVEY,
REEVES COUNTY, TEXAS

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EXHIBIT 'A'
LEASE SCHEDULE OF ASSIGNMENT
REEVES COUNTY, TEXAS

Page 14 of 17

Date : 08/20/2008
Lease # : AT6305
Lessor : BRUCE W. BLAKE
DEALING IN HIS SEPARATE PROP
Lessee : ALPINE ENERGY, LP
Recorded: Book: 806 Page: 518 Instrument:
Description: SEE BELOW
556.15 ACRES, MORE OR LESS, BEING ALL SECTION 63 SAVE AND
EXCEPT W/2 SW/4 OF SECTION 63, BLOCK 4, H&GN RR CO. SURVEY,
REEVES COUNTY, TEXAS

Date : 08/27/2008
Lease # : AT6405
Lessor : NEAL R. ALLEN
Lessee : ALPINE ENERGY, LP
Recorded: Book: 804 Page: 208 Instrument:
Description: SEE BELOW
157.50 ACRES, MORE OR LESS, BEING THE SOUTH 157.50 ACRES OF
THE NORTH 200.0 ACRES OF ALL SECTION 64, BLOCK 4, H&GN RR
CO. SURVEY, REEVES COUNTY, TEXAS

Date : EFFECTIVE 9/1/2007
Agreement: FARMOUT AND JOINT DEVELOPMENT AGREEMENT DATED EFFECTIVE
SEPTEMBER 1, 2007, BY AND BETWEEN BURLINGTON RESOURCES OIL
& GAS COMPANY LP, ALPINE ENERGY, LP, ALPINE, INC. AND
CRUSADER ENERGY GROUP, LLC.

11033

Lease #	Serial	Lease Date	Leaseholder	Shaw Interests Inc.	Section	Block	Survey	Acres	County	State	Recording	Lease #
303468	1	5/2/2009	Naomi Gray Russell	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 741, Page 48	004207
303672	1	6/26/1997	Naomi Russell	Penwell Energy Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 576, Page 355	001578
303672	2	6/24/1997	Bobbie Ann McGinn	Penwell Energy Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 576, Page 351	001577
438965	1	6/3/2004	Warren Malcolm Clark, Individually and as Trustee of the Warren Malcolm Clark Trust	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 688, Page 136 and Book 689 Page 560 (Memorandum of Lease)	
438996	1	6/3/2004	Rita Reed George	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 685 (Memorandum of Lease)	
438996	2	6/3/2004	Carolyn C Oatman, Individually, and as Trustee of the Carolyn C. Oatman Trust	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 683 (Memorandum of Lease)	
438996	3	6/3/2004	W W Oatman	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 686 (Memorandum of Lease)	
438996	4	6/3/2004	Mark Reed George	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 681 (Memorandum of Lease)	
438996	5	6/3/2004	Brian Frank George	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 682 (Memorandum of Lease)	
438996	6	6/3/2004	Kirk Eugene George	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 680 (Memorandum of Lease)	
438996	7	6/3/2004	Kyle Reed George by Kirk E. George, Custodian under the Texas Uniform Transfer to Minor Act	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 678 (Memorandum of Lease)	
438996	8	6/3/2004	Kristen Lee George by Kirk E. George, Custodian under the Texas Uniform Transfer to Minor Act	Shaw Interests Inc	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 679 (Memorandum of Lease)	
439000	1	5/2/2006	Donna Blalock Adams	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 735, Page 476	003247

IN SO FAR AND ONLY IN SO FAR AS SAID LEASES COVER ACREAGE IN SECTION 23, BLOCK C-18, A-1656, AND IN SECTION 16, BLOCK 58, A-2282, PSL SURVEY, REEVES CO., TX

Not
State

MF106610

Lease No.	Subj.	Lease Date	Leaseholder	Shaw Interests Inc.	Section	Block	Survey	Acres	County	State	Book	Page	Number
439000	2	5/2/2006	Bobbie Ann McGinn	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 735, Page 478		003248
439003	1	7/19/2004	Janice Nicolson Holmes and Olive Nicolson Permberton	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 676		002336
439003	2	7/20/2004	Billie Jones Keeton, et al	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 673		002335
439088	1	8/25/2004	James Milford Howard	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 688, Page 138		002962
439088	9	4/5/2006	Bruce Weiner	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 742, Page 296		004421
439089	1	8/12/2004	Diane L. Hamburg and Robert A. Hamburg	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 689, Page 315		003152
439089	2	7/22/2004	Constantine Papaloannou, Individually and as Agent and Attorney-in-Fact for Vasilios Thomas	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 687		002345
439089	3	8/2/2004	William W Bentley	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 684, Page 689		002346
439089	5	2/8/2005	Kenneth Copeland Ministries	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 696, Page 800		001128
439089	6	2/14/2005	Otter Creek LLC	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 697, Page 31		001145
439089	7	2/14/2005	Marks Oil Inc	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 706, Page 170		002920
439089	8	3/15/2005	Morris Cerullo World Evangelism	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 699, Page 584		001880
439089	9	4/20/2006	Kenneth Hagin Ministries	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 735, Page 35		003102
440912	0	2/16/2005	Blake Oil & Gas Corporation	Shaw Interests Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 696, Page 802		001129
444438	1	4/29/1997	Doug Miller	Penwell Energy Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 574, Page 704; Book 578, Page 525		001181 002042
444439	1	7/7/1997	Florence McNeil	Penwell Energy Inc.	23	C-18	Public School Lands	1656	Reeves	Texas	Book 576, Page 349; Book 578, Page 522		

IN SO FAR AND ONLY IN SO FAR AS SAID LEASES COVER ACREAGE IN SECTION 23, BLOCK C-18, A-1656, AND IN SECTION 16, BLOCK 58, A-2282, PSL SURVEY, REEVES CO., TX

EXHIBIT "A"

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Lease No.	State	Effective Date	Lessee	Operator	Section	Block	Survey	Acres	County	State	Record	Record Number
444439	2	4/29/1997	L. D. McNeil Estate by Florence McNeil	Penwell Energy Inc	23	C-18	Public School Lands	1856	Reeves	Texas	Book 574, Page 692	001155
439019	1	10/5/2004	The State of Texas acting by and through its Agent, Lucille Haag Braden (M-106810)	Shaw Interests, Inc.	16	58	Public School Lands	2282	Reeves	Texas	Book 687, Page 756	002929
439019	2	10/5/2004	The State of Texas acting by and through its Agent, Margaret F Ranes Dornfeld (M-106810)	Shaw Interests, Inc.	16	58	Public School Lands	2282	Reeves	Texas	Book 691, Page 172	000099
439019	3	10/5/2004	The State of Texas acting by and through its Agent, Margaret Haag Dorney Et Vir (M-106810)	Shaw Interests, Inc.	16	58	Public School Lands	2282	Reeves	Texas	Book 691, Page 181	000100
439019	4	10/5/2004	The State of Texas acting by and through its Agent, Kenneth Lee Haag Et Ux (M- 106810)	Shaw Interests, Inc.	16	58	Public School Lands	2282	Reeves	Texas	Book 691, Page 163	000098

IN SO FAR AND ONLY IN SO FAR AS SAID LEASES COVER ACREAGE IN SECTION 23, BLOCK C-18, A-1856, AND IN SECTION 16, BLOCK 58, A-2282, PSL SURVEY, REEVES CO.,
TX

Certificate of Record

86.00 Recording Fee

86.00 Certified Copy Fee

86.00 Total Paid encl.

Return to:

TM Crusader Acquisition
Sub LLC

000658

FILED FOR RECORD

2010 MAR -4 AM 11:50

D. ANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

Offleick

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES.

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.

I, hereby certify that this instrument with its certificates of authenticity was FILED on the
date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 838 PAGE 832 DATE RECORDED 03/09/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Carla Holcomb, Deputy

SAR GRAPHICS, INC.

11003

550.17

6.

File # DF/06234
#7842, WI,

ASSIGNMENT FILED IN MF-

Date Filed: 3/2/11

[Signature] Perry E. Patterson, Commissioner

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

January 15, 2013

Jan Dowler
Jones Energy Ltd.
807 Las Cimas Pkwy, Suite 350
Austin, Texas 78746
(Via email to jdowler@jonesenergy.com)

RE: **State Lease MF106234**

Lease dated August 15, 2008
106.666666 net acres, NW/4 and SW/4, Section 2, Block 54
T-5, R&P RR Svy, A-3566, Reeves County, Texas
Recorded in Volume 804, Page 180, Reeves County, Texas
Petco Limited, agent for State of Texas, Lessor

Dear Ms. Dowler:

Our records indicate that the referenced lease has terminated for failure to pay the fourth year delay rentals due on or before August 15, 2011.

Pursuant to the Texas Administrative Code, we request that you file with this office a recorded original or certified copy of a Release of this State Oil and Gas Lease along with a filing fee of \$25.00 to be sent to the attention of Carl Bonn.

You have 40 days from the date of this letter in which to present evidence and convince the General Land Office that a termination has not occurred. If such evidence has not been presented at the expiration of the 40-day period, the mineral file shall be endorsed "terminated."

If you have any questions regarding this assessment, you may contact me at the email address and/or phone number below.

Sincerely,

Linda Price, RL
Mineral Leasing, Energy Resources
512-463-5118
512-475-1543 (fax)
linda.price@glo.texas.gov

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

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From: Linda Price
To: jdowler@jonesenergy.com
Date: 1/15/2013 11:11 AM
Subject: MF106234
Attachments: MF106234 Jones Energy 01-15-2013.pdf

Jan:

Thank you for taking the time to speak with me today regarding the acquisition of J/M Crusader Acquisition Sub LLC by Jones Energy. When the acquisition instruments are recorded, please mail a certified recorded copy, along with a \$25.00 filing fee per state lease acquired by Jones Energy to the attention of Beverly Boyd.

Attached is the letter regarding the delay rental payment for MF106234. If payment was actually made, please email me a copy of the canceled check. If, for some reason, this lease was not a part of the acquisition of J/M Crusader Acquisition Sub LLC by Jones Energy, please let me know that, as well as contact information that you may have available for the person responsible for J/M Crusader Acquisition Sub LLC's rentals.

If you have any questions or additional information for me, please let me know.

Thank you again.
Linda

Linda Price, RL
Mineral Leasing, Energy Resources
Phone: (512) 463-5118
Fax: (512) 475-1543
linda.price@glo.texas.gov

File No. MF106234

Termination Letter

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Date Filed: 01/15/2013

Jerry E. Patterson, Commissioner

By 