

#8807

STATE LEASE

MF106582

CONTROL	BASEFILE	COUNTY
65-902205	000 -	TARRANT /220

SURVEY : TARRANT COUNTY ROADS  
BLOCK :  
TOWNSHIP : 00  
SECTION/TRACT:  
PART :  
ACRES : 2.27  
DEPTH LIMITS : NO

Rentals:

Lease  
Admin:

Mineral  
Maps:

LESSEE : XTO ENERGY, INC.  
LEASE DATE : Jul 25 2006  
PRIMARY TERM : 1 yrs  
BONUS (\$) : 1133.00  
RENTAL (\$) : 0.00  
ROYALTY : 0.25000000  
VAR ROYALTY :



## CAUTION

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

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

Thank you for your assistance.

*Archives and Records Staff*

ATTENTION FILE USERS!  
This file has been placed in table of contents order.  
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Scanned sm 2/27/15

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Scanned PT 12-1-2017

(See MF 10.3599, Assn # 11244  
 XTO (w) BKV No 3/2/23

Scanned sm 03/06/2023

# The State of Texas



Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. M-106582  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and XTO Energy, Inc. whose address is 515 Houston Street, Suite 700, Ft. Worth, Texas hereinafter called "Lessee".

1. Lessor, in consideration of Five One Thousand One Hundred Thirty Three 00/100, (\$ 1,133.00), receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of Tarrant State of Texas, and is described as follows:

2.266 acres of land, more or less, situated in said Tarrant County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 2.266 acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of one year (1) from July 25th, 2006 hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal 1/4th part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 1/4th part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil; (b.) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee 1/4th of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 1/4th of such gas and casinghead gas.

(c.) If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred.

(d.) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee.

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$ 25.00. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

(f) All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

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, the 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. The State shall have first lien upon all oil and gas produced from the area covered by this lease to secure the payment of all unpaid royalty and other sums of money that may become due to the State hereunder.

4. POOLING: (a) Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons. Units pooled for oil hereunder shall not exceed 160 acres each in area, and units pooled for gas hereunder shall not exceed in area 640 acres each plus a tolerance often percent (10%) thereof, unless oil or gas units of a greater size are allowed under or prescribed by rules of the Railroad Commission of Texas. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be

mineral, royalty, or leasehold interests in lands within the unit, which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, as operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) the proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force for so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

(b) Neither unit production of oil or gas, nor unit operations, nor payment of shut-in royalties from a unit gas well, shall serve to hold the lease in force as to any area outside the unit, regardless of whether the production, maintenance of a shut-in gas well, or operations are actually located on the State tract or not.

(c) Lessee agrees to file with the General Land Office a copy of any unit designation, which this lease is included within ninety (90) days of such designation.

5. RELEASE: Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

6. REWORK: If at any time or times during the primary term operations are conducted on said land and if all operations are discontinued, this lease shall thereafter terminate at the end of the primary term or on the ninetieth day after discontinuance of all operations, whichever is the later date, unless on such later date either (1) Lessee is conducting operations or (2) the shut-in well provisions of paragraph 3 or the provisions of paragraph 9 are applicable. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil or gas, or production of oil or gas in paying quantities.

7. MINERAL USE: Lessee shall have the use, free from royalty, of oil and gas produced from said land in all operations hereunder.

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee

has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations.

9. FORCE MAJEURE: If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

10. LESSER ESTATE CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease bears to the whole and undivided fee simple estate therein.

11. ASSIGNMENTS: This lease may be transferred at any time. All transfers must reference the lease by file number and must be recorded in the county where the land covered hereby is located, and the recorded transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee. Every transferee 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 transferee of the lease, including any liabilities to the State for unpaid royalties.

12. WELL INFORMATION: Lessee agrees to forthwith furnish Lessor, upon written request, with copies of all drilling logs, electrical logs, cores and core records and other information pertaining to all wells drilled by lessee either on the leased premises or acreage pooled therewith, when requested to do so. Said information shall remain confidential as required by statute.

13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well located off the leased premises, or by pooling of said land with other land, lease or leases as hereinabove provided.

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable

hereunder shall be no less than an amount equal to double the Shut-in Royalty and shall maintain this lease in effect for so long as such payments are made as provided herein.

15. **FORFEITURE:** If Lessee shall fail or refuse to make payment of any sum within thirty (30) 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, or 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 this lease is pooled or assigned and the unit designation or 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. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations 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.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office.

  
\_\_\_\_\_  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR

DC: CEK

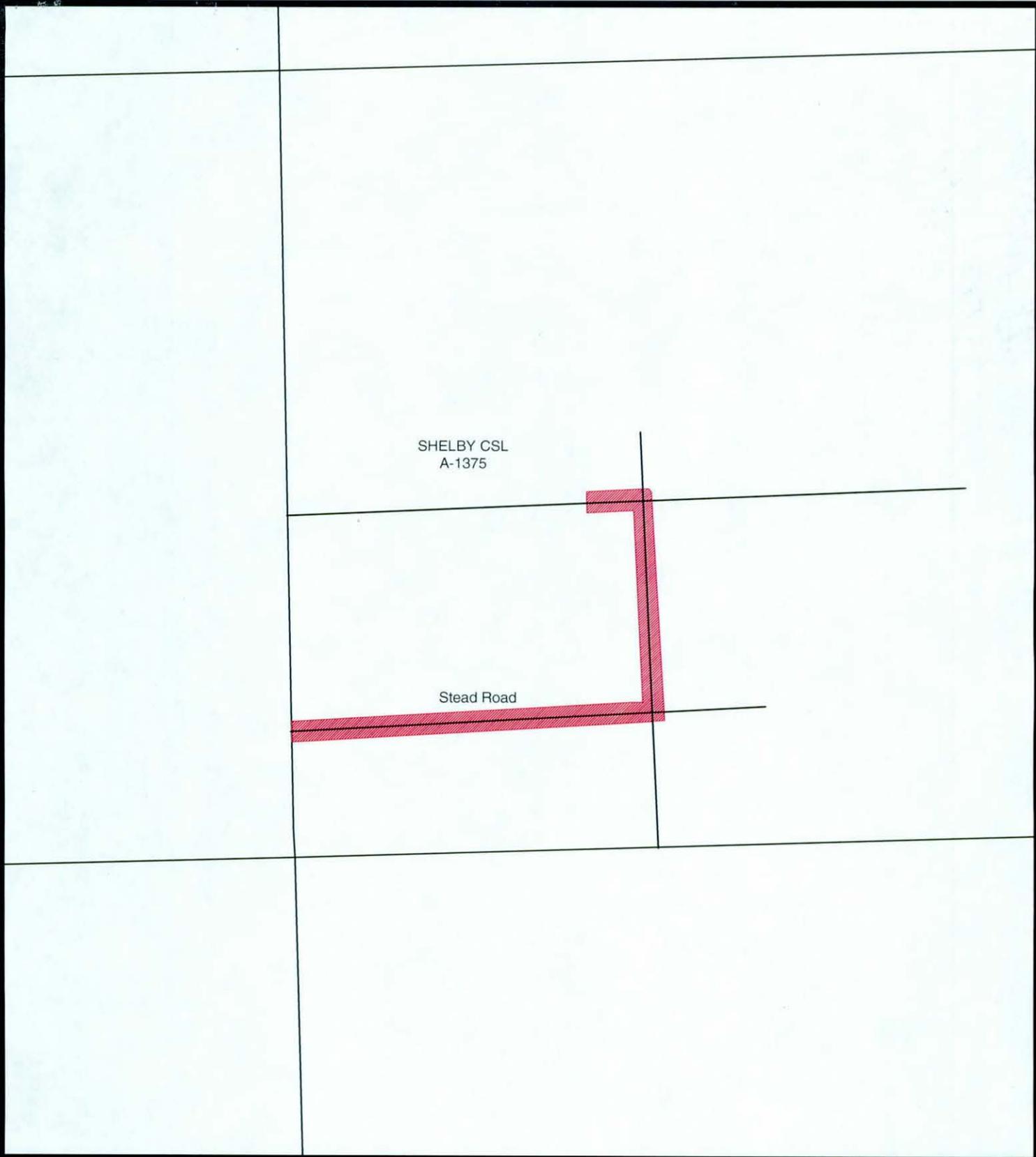
CC: [Signature]

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated July 25th, 2006 by and between the State of Texas, as lessor, and XTO Resources I, L.P., as lessee, covering acreage to be leased in Tarrant County, being along Stead Road Extension Project No.1060.

2.266 acres of land, more or less situated in Block 39 of Shelby County School Land Survey, A-1375 in Tarrant County, State of Texas. Said lands also being the same lands described in the following deeds recorded in the Deed Records of Tarrant County, State of Texas:

Deed from Harry Weisler, Jr., to the County of Tarrant  
dated 10/23/1936, and recorded in Vol.1307  
P. 60 of the Deed of Records of Tarrant  
County, State of Texas.



SHELBY CSL  
A-1375

Stead Road

Map Showing  
A portion of Stead Road  
2.266 acres  
Located in Fort Worth  
Tarrant County  
ft\07-06

NAD\_1927\_Albers  
Projection: Albers  
False\_Easting: 0.000000  
False\_Northing: 0.000000  
Central\_Meridian: -100.000000  
Standard\_Parallel\_1: 28.000000  
Standard\_Parallel\_2: 35.000000  
Latitude\_Of\_Origin: 31.000000



The Texas General Land Office makes no representations or warranties regarding the accuracy or completeness of the information depicted on the map or the data from which it was produced. This map is NOT suitable for navigational purposes and does not purport to depict or establish boundaries between private and public land.



Map Compiled By:  
Ferrel Taylor  
Information Systems - GIS  
July 25, 2006

File No. MF 706582

Lease

Date Filed: 9/29/06

Jerry E. Paperson, Commissioner

By JEP

TEXHOMA, LP ✓

State of Texas

4/20/2006

X

5726  
1,249.96

attn:  
Drew Reid

121

06037837

Texhoma LP/Advance South Ft. Worth

06037837

1,249.96



MF 106582



Representative of  
XTO Resources I, LP

April 14, 2006

Texas General Land Office  
1700 North Commerce Avenue  
Suite 600  
Austin, Texas 78701-1495

Have Money - X  
Bonus ~ \$1,133.00

500.00  
74  
142  
Sub in 25.00

Attention: Drew Reid

RE: Request and Nomination for Oil & Gas Lease  
Highway Right-of-Way – **Stead Road** Extension County Project No. 1060  
**2.266 acres in Block 39 of Shelby County School Land Survey, Abstract # 1375**  
**Tarrant County, Texas**

Dear Mr. Reid:

XTO Resources I, L.P. desires to secure an oil and gas lease under the above referenced right-of-way. XTO hereby requests the GLO expedite this request for an oil and gas lease so it may continue its planned drilling operations with confidence and integrity.

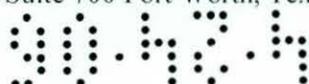
The referenced right-of-way was created by Right-Of-Way Deed, dated October 23, 1936, by and between Harry Weiser, Jr., as grantor and Tarrant County, Texas, as grantee and recorded in Volume 1307, Page 60 of the Tarrant County deed records. The drilling title opinion rendered by XTO's attorney makes it apparent the minerals under this right-of-way are now owned by Texas. The deed is attached as required by the application for an oil and gas lease.

The right-of-way is positioned within three separate units drilled by XTO. Due to this oversight XTO may have incurred a trespass on the State of Texas minerals in the Karanges 1H Unit, the Karanges 2H Unit and the Timberview 2H Unit. Copies of the three surveyed units are enclosed. The right-of-way tract is highlighted in yellow.

XTO Resources I, L.P. hereby requests the General Land Office grant a waiver of mineral trespass on the three units referenced above. The mineral trespass was unintended and XTO is currently in the process of re-surveying the three units to include the interest of the State. If the State is agreeable, please send a waiver letter via USPS mail, E-Mail or Fax to my attention using one of the following: 515 Houston Street, Suite 700, Forth Worth, TX 76102 or fax number 817-820-0629, or email [asalucas@sbcglobal.net](mailto:asalucas@sbcglobal.net).

As directed by the HROW checklist I have enclosed Plans of Development, Designation of Unit/Survey Plats, and copies of the oil and gas leases and memorandums.

515 Houston Street, Suite 700 Fort Worth, Texas 76102 Office 817-820-0624 Fax 817-820-0629





Representative of  
XTO Resources I, LP

- (1) The oil and gas leases adjacent to the right-of-way lands were leased to Antero Resources I, L.P. which is now XTO Resources I, L.P. by way of a company buyout in April, 2005.
- (2) There is no known production, other than XTO production, within 2,500 feet of the state right-of-way tract.
- (3) The highest bonus for oil and gas leases in the area was \$500.00 per net mineral acre paid to Nick Karanges and wife Gail Karanges with a royalty of 25%.

Enclosed is XTO's check in the amount of \$1,249.96. This amount includes Lease Bonus of \$1,133.00 (2.266 acres x \$500/acre), Sales Fee of 1.5% (\$16.96) and Application Fee of \$100.00 for the State of Texas right-of-way oil and gas lease.

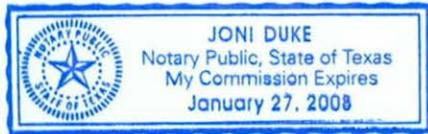
Thank you for your time and effort regarding this matter. If you have any questions or require additional information please call me at the following: Office – 817-820-0624, extension #321 or Cell – 580-220-8933.

Sincerely,

Asa W. Lucas  
Landman/Agent

STATE OF TEXAS            }  
  }  
COUNTY OF TARRANT    }

This instrument was acknowledged before me on April 14, 2006, by Asa W. Lucas, as agent for XTO Resources I, L.P.



Notary Signature:   
Printed Name: Joni Duke  
Notary Public, State of Texas  
My Commission Expires 1-27-2008

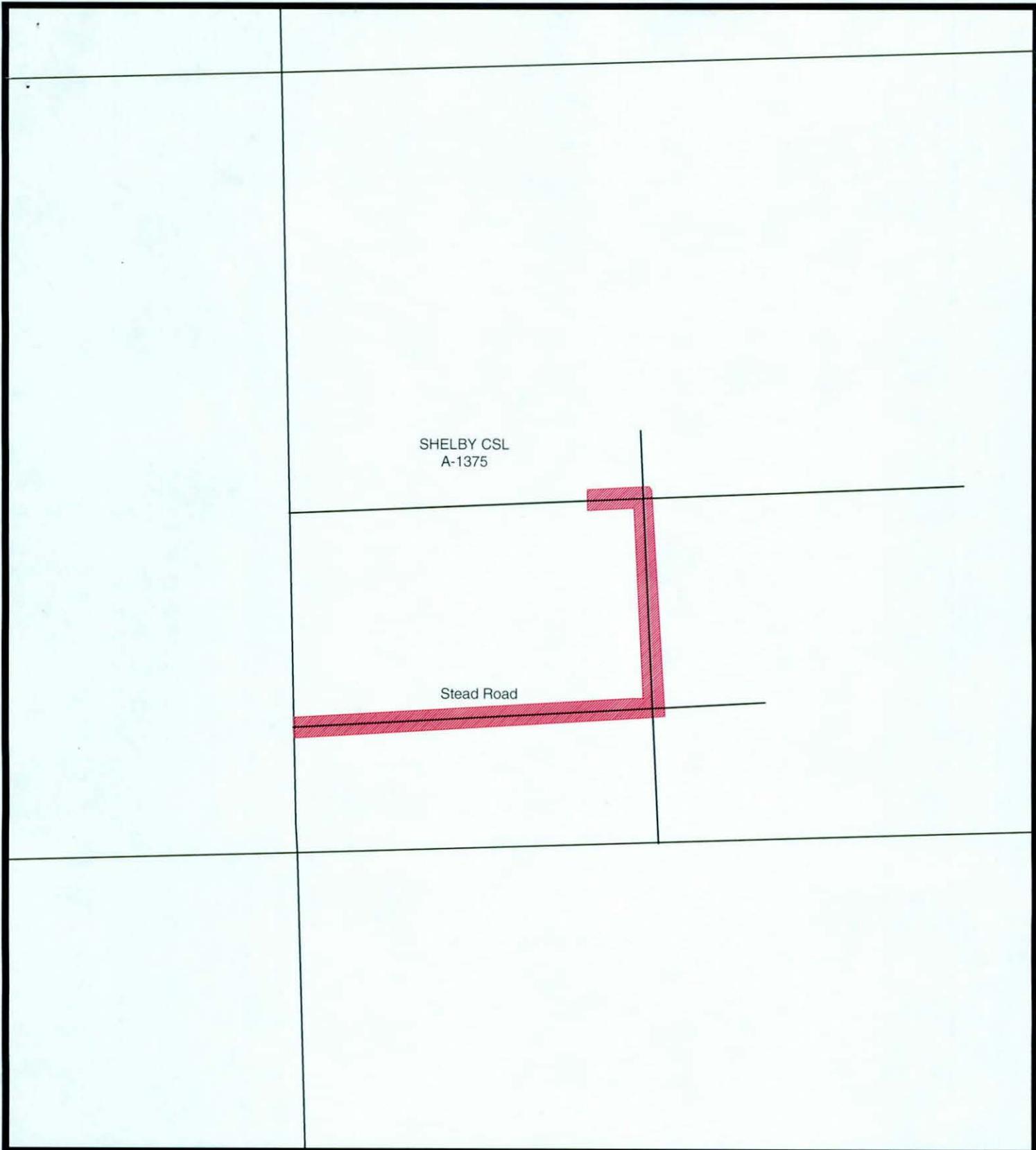


2.

File No: MF 106582  
Letter, bonus & fees  
Date Filed: 4/24/06  
Jerry E. Patterson, Commissioner  
By: [Signature]



4.54.00

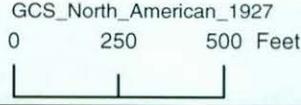


SHELBY CSL  
A-1375

Stead Road

Map Showing  
A portion of Stead Road  
2.266 acres  
Located in Fort Worth  
Tarrant County  
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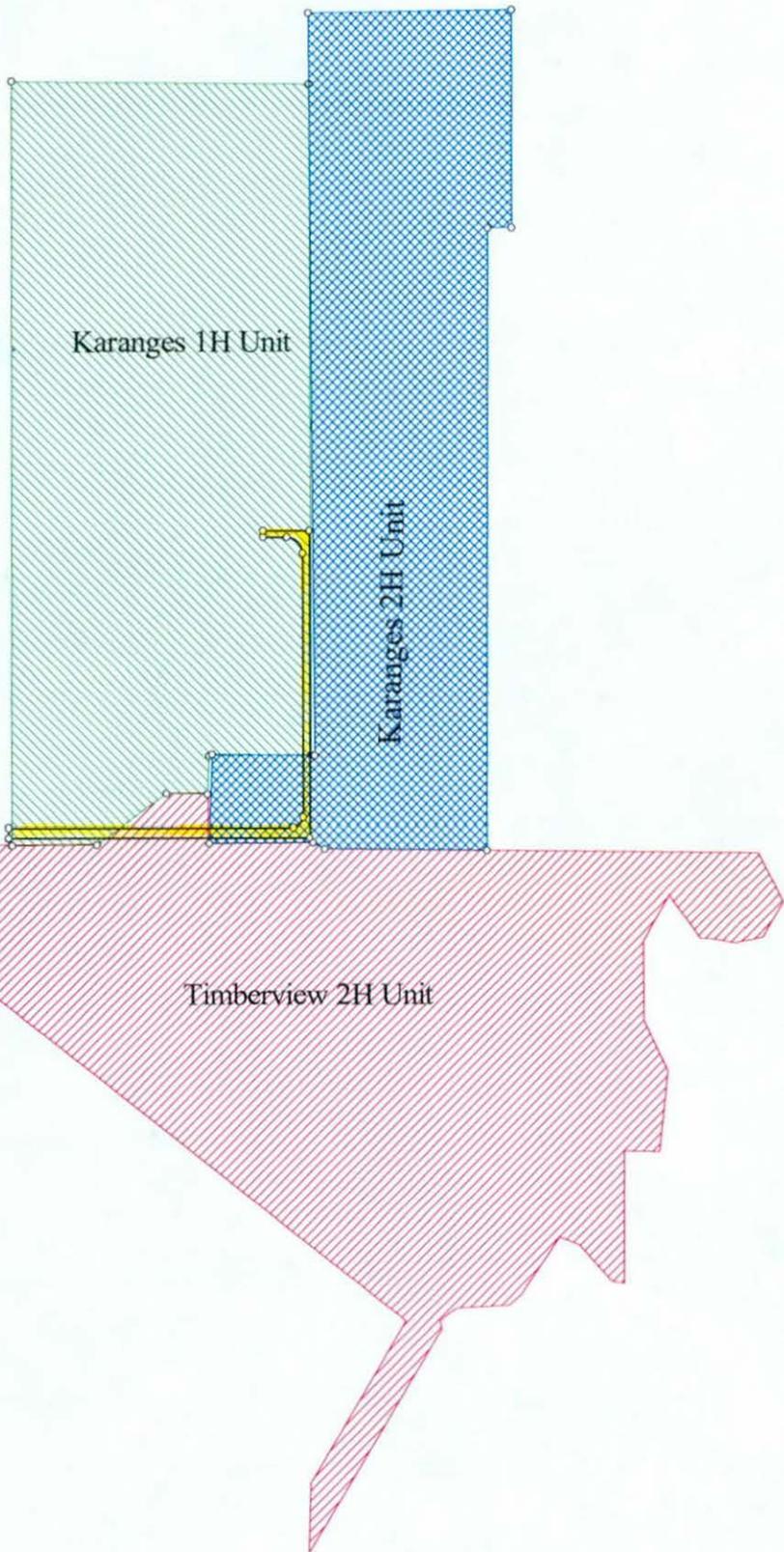
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False\_Northing: 0.000000  
Central\_Meridian: -100.000000  
Standard\_Parallel\_1: 28.000000  
Standard\_Parallel\_2: 35.000000  
Latitude\_Of\_Origin: 31.000000



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Information Systems - GIS  
July 25, 2006



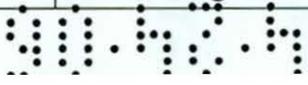
Karanges 1H Unit

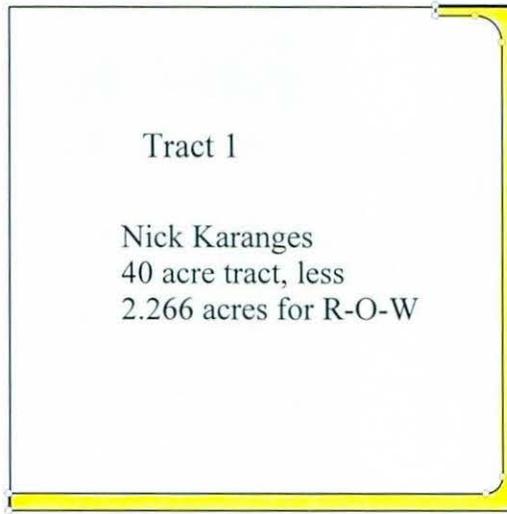
Karanges 2H Unit

Timberview 2H Unit

State of Texas R-O-W Deed  
Vol. 1307, Pg. 60

Title:	Date: 04-19-2006
Scale: 1 inch = 805 feet	File: Karanges 1H and 2H and Timberview 2H Merged.des





Tract 1

Nick Karanges  
40 acre tract, less  
2.266 acres for R-O-W

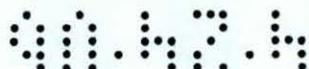
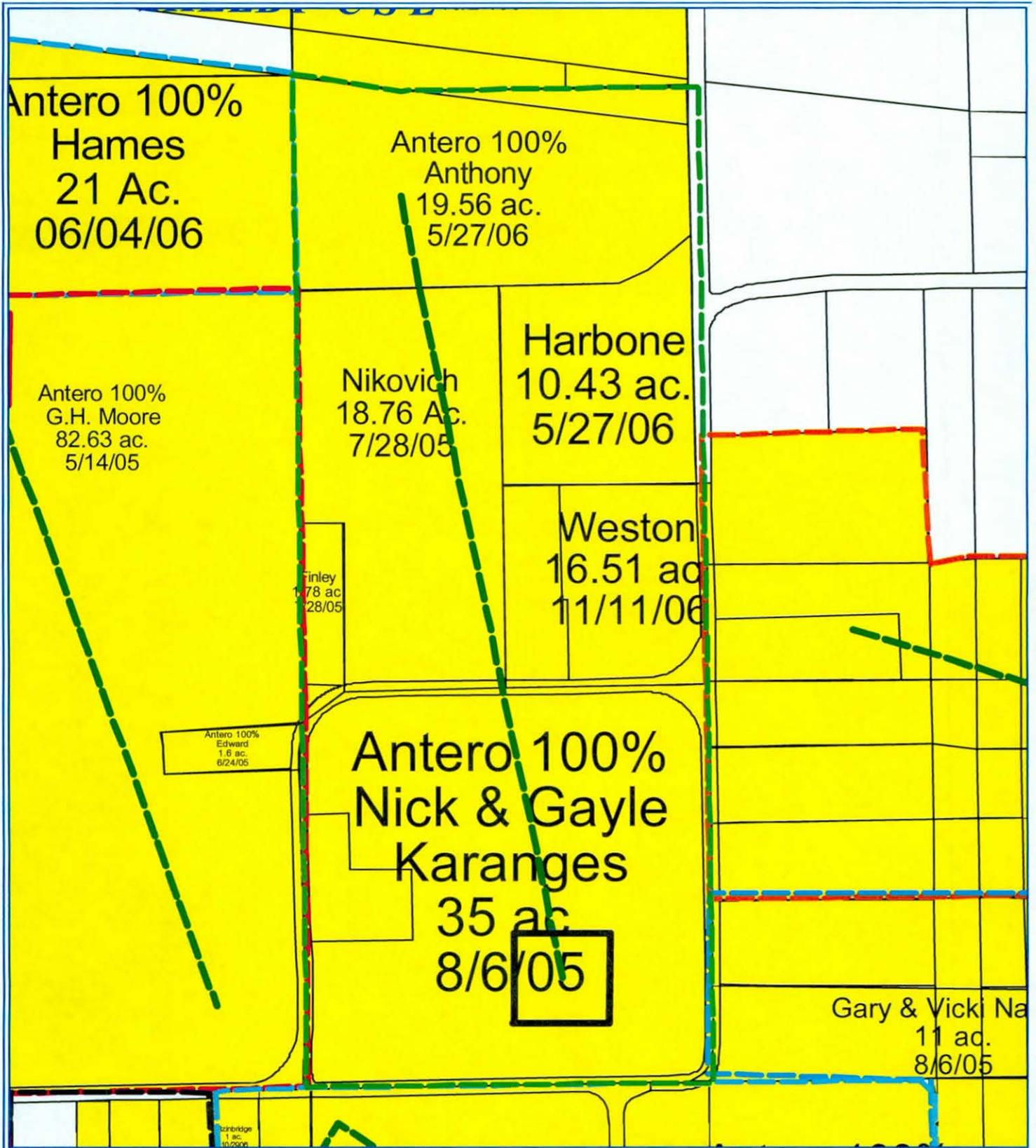
Tract 2

State of Texas R-O-W Deed  
Vol. 1307, Pg. 60

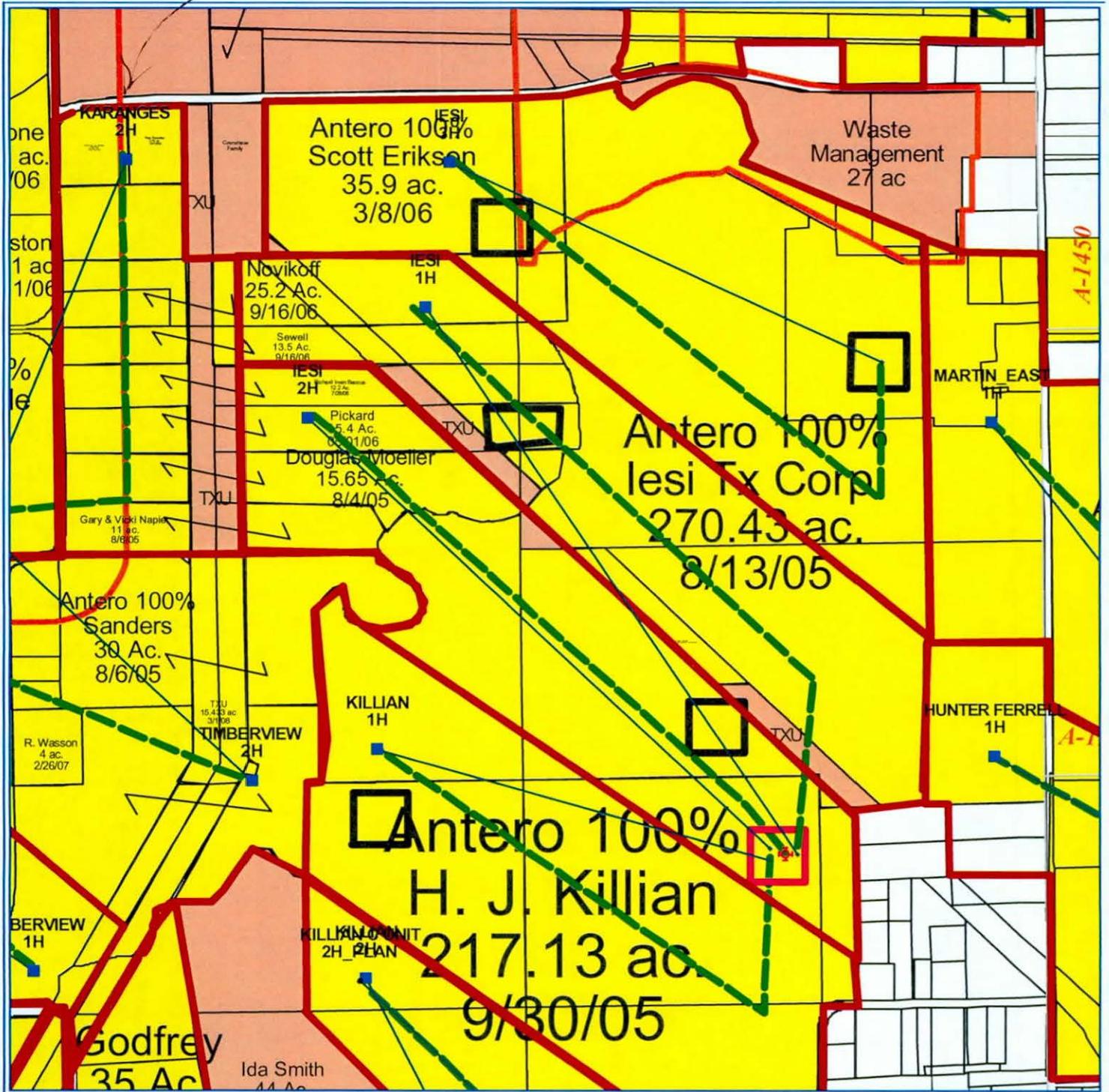
Title:		Date: 04-05-2006
Scale: 1 inch = 500 feet	File: Karanges 1H State ROW lands.des	
Tract 1: 40.000 Acres: 1742400 Sq Feet: Closure = n00.0000e 0.00 Feet: Precision >1/9999999: Perimeter = 5280 Feet		
Tract 2: 2.264 Acres: 98601 Sq Feet: Closure = s10.1351w 2.00 Feet: Precision =1/2795: Perimeter = 5595 Feet		
001=s90e 1320	007=n0e 44	013=n0e 28
002=n0e 1320	008=n90e 1251.30	014=n90e 202 ne/corner
003=s90w 1320	009: Lt, R=45.2, Arc=70.87	015=s0w 1323
004=s0e 1320	010=n0e 1137.90	
005=@2	011: Lt, R=70, Arc=110	
006=s90w 1323.30	012=s90w 104.80	



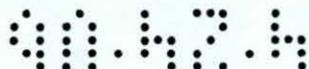
# KARANGES 1H



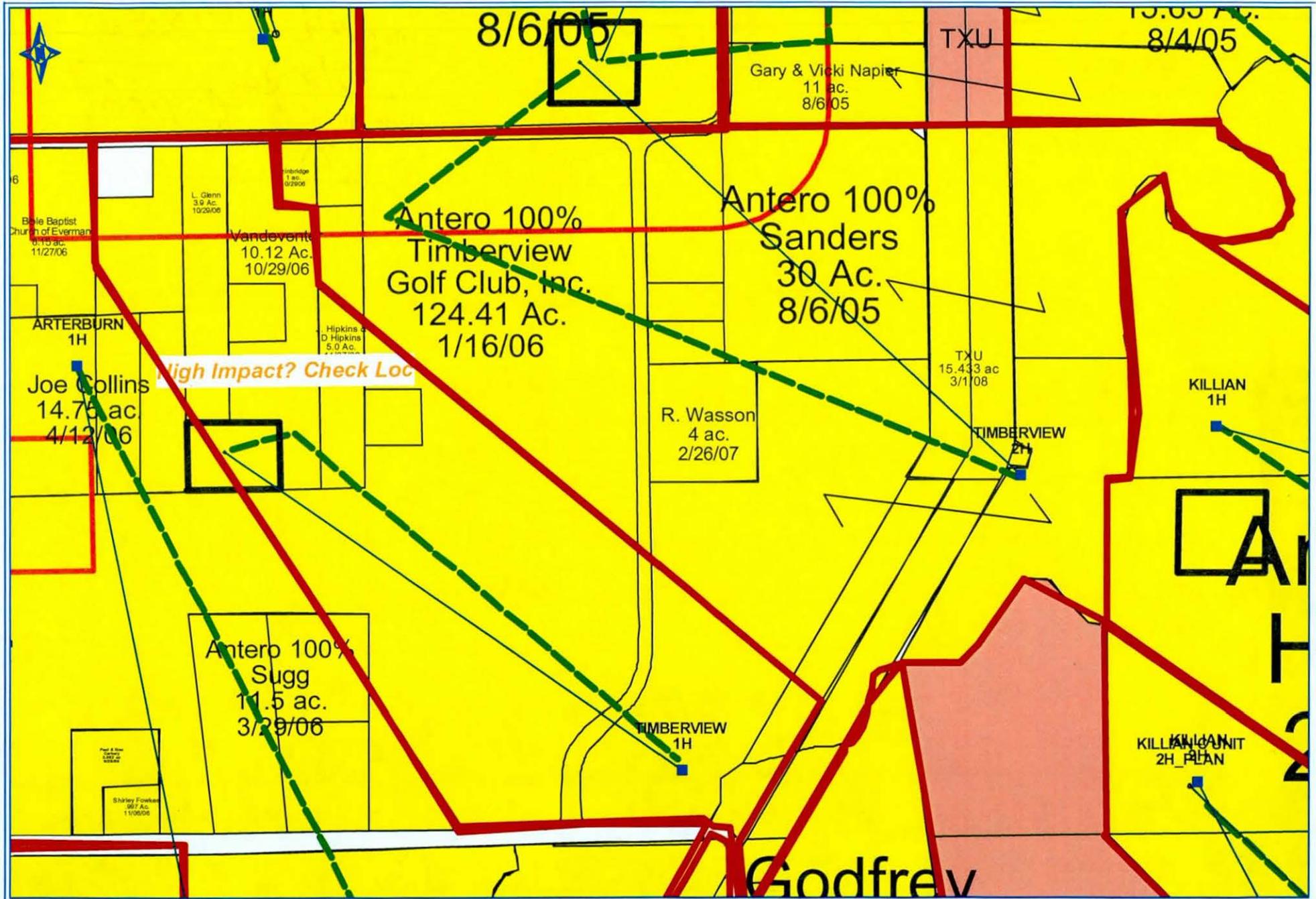
KARANGES 2H



PETRA 8/15/2005 1:32:32 PM



Timberview 2H



3.

File No. MF 106582  
Steps  
Date Filed: 4/24/06  
By Jerry Patterson, Commissioner



1307  
60  
10-23  
1936  
10-26  
1936

DEED RECORD VOLUME 1307

THE STATE OF TEXAS )  
COUNTY OF TARRANT )

Before me, the undersigned authority, on this day personally appeared Will Key and Edna Key, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed; and the said Edna Key, wife of the said Will Key, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Edna Key acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN under my hand and seal of office on this 22 day of October, A. D. 1936.

(13)

O. W. WHITE, Notary Public in and for  
Tarrant County, Texas.

FILED FOR RECORD OCT. 23, 1936 at 10:12 A.M.  
RECORDED FOR RECORD OCT. 27, 1936 at 4:00 P.M.

MRS. HAPPY SHELTON  
COUNTY CLERK, TARRANT COUNTY,  
TEXAS.

BY *H. H. Bugg* DEPUTY

#40136

401

TARRANT COUNTY HIGHWAY DEPARTMENT

RIGHT-OF-WAY DEED

HARRY WEISLER, JR. )  
TO: RIGHT OF WAY DEED ) THE STATE OF TEXAS )  
TARRANT COUNTY ) COUNTY OF TARRANT ) KNOW ALL MEN BY THESE PRESENTS:

THAT Harry Weisler, Jr. of the County of Tarrant, in the State of Texas, for and in consideration of the sum of One Hundred Fifty & No/100 Dollars to me in hand paid by Tarrant County, acting through the Commissioners' Court, receipt of which is hereby acknowledged, have this day sold and do by these presents grant, bargain, sell and convey unto the said Tarrant County, all of that certain tract or parcel of land required for right of way by approved new location survey of Stead Road Extension County Project No. 1060 over and across a 40 acre tract of land, out of the Shelby County School Land Survey, in Tarrant County, Texas, heretofore conveyed to Harry Weisler, Jr. By Rufus H. Cole, Et Ux. By Deed Dated 8th Day of March, 1935, and recorded in Volume No. 1238, Page No. 223, of the Deed records of Tarrant County, Texas; said tract or parcel of land herein conveyed, being subject to lien(s) held by: by deed and being more particularly described as follows, to wit:

Beginning at a point in the Southeast corner of Block 39 of said Shelby County School Land Survey, the same being the Southeast corner of the Harry Weisler, Jr. Tract of land in said survey;

THENCE West with the South line of the Weisler tract of land 1323.3 feet to a point in the West line of said Weisler tract;

THENCE North crossing the center line of said project No. 1060 at 14.0 feet, in all 44.0 feet to a point in the North right of the line of County District No. 1051;

Thence East with the Northerly right of way line of said County Project No. 1060, 1251.3 feet to a point the beginning of a curve to the left whose center bears North 45.2 feet; Thence in a Northeasterly direction along said curve 70.67 feet to a point the end of said curve;

Thence North with the Westerly right of way line of said County Project No. 1060, 1137.9 feet to a point the beginning of a curve to the left whose center bears West 70.0 feet; Thence in a Northwesterly direction along said curve 110.0 feet to the end of said curve;

Thence West 104.8 feet to a point in the Southerly right of way line of County Project No. 1051;

Thence North 28.0 feet to a point in the North line of said Weisler tract; Thence East with the North line of said Weisler tract 202.0 feet to the Northeast corner of said tract;

Thence South with the East line of said Weisler tract 1323.0 feet to the place of beginning.

Containing in all 2.266 acres of land, of which 0.35 of an acre is now embraced within the limits of a public road, leaving a net acreage of 1.916 acres of land.

It is also agreed that Tarrant Co. will build grantor herein a good 4 wire fence with 3 1/2 to 4 inch top or better Cedar posts at least 2 feet in the ground and not more than 12 feet apart. It is further agreed that if grantor herein furnishes sheep proof wire, that Tarrant Co. will erect same with one wire below, and 3 wires above said sheep proof wire, as agreed. It is also agreed that Tarrant Co. will plow a furrough on the inside of said fence.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Tarrant County, and its successors and assigns forever; and we do hereby bind ourselves and our heirs and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said Tarrant County, and its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof.

It is understood that Tarrant County contemplates the construction of a public road on the land herein described, and the consideration hereinabove mentioned includes any damages that might be sustained by me by reason of the construction of said road to the abutting property owned by me.

WITNESS OUR HANDS at Fort Worth, Texas, this the 23 day of Oct. A. D. 1936.

HARRY WEISLER, JR.

STATE OF TEXAS )  
COUNTY OF TARRANT )

BEFORE ME, Chester L. Jones, a notary public in and for said County and State, on this day personally appeared Harry Weisler, Jr. known to me (or proved to me on the oath of \_\_\_\_\_) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 23 day of Oct. A. D. 1936.

(LS)

CHESTER L. JONES, Notary Public, Tarrant County,  
Texas.

## DEED RECORD VOLUME 1307

FILED FOR RECORD OCT. 26, 1936 at 10:29 A.M.  
 RECORDED FOR RECORD OCT. 28, 1936 at 9:00 A.M.

MRS. HAPPY SHELTON  
 COUNTY CLERK, TARRANT COUNTY,  
 TEXAS.

BY *J. H. Harris* DEPUTY

#40109

CHURCH OF GOD )  
 TO: W. D. ) STATE OF TEXAS )  
 CHURCH OF GOD OF F.W. ) COUNTY OF TARRANT )

Know all men by these presents, That we, T. J. Payne, E. M. Ellis, S. W. Latimer, I. C. Barrett and T. L. McLain, the duly constituted and acting General Board of Trustees of CHURCH OF GOD, with headquarters at Cleveland, Tennessee in pursuance to a resolution duly passed authorizing same, for and in consideration of the Sum of Ten Dollars and other valuable consideration to us cash in hand paid by F. D. O'Neal, W. L. Mooneyham and Walter Fields, Trustees of Church of God of Fort Worth, Tarrant County, Texas, the receipt of which is hereby acknowledged;

Have granted, sold and conveyed and by these presents do grant, sell and convey unto the said F. D. O'Neal, W. L. Mooneyham and Walter Fields, Trustees of Church of God of Fort Worth, Tarrant County, Texas, and their Successors in Office, of Tarrant County, Texas,

All that certain lot, tract or parcel of land situated in Tarrant County, Texas, and described as follows: The west forty (40) feet of Lot No. Twenty Two (22) in Block No. Seventy Seven (77) North Fort Worth, Tarrant County, Texas, which land is described by metes and bounds as follows:

Beginning at the northwest corner of said lot;

Thence south along the west line thereof 60 feet to the southwest corner of said lot;

Thence east along the south line of said lot parallel with 12th Street 40 feet;

Thence North parallel with the west line of said lot 60 feet to a point in the north line of said lot;

Thence West 40 feet to the place of beginning.

To Have and To Hold the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said F. D. O'Neal W. L. Mooneyham and Walter Fields, Trustees of Church of God of Fort Worth, Tarrant County, Texas, and their Successors in office, their successors and assigns forever; and we do hereby bind ourselves our heirs, executors and administrators and Successors in Office to warrant and forever defend all and singular the said premises unto the said F. D. O'Neal, W. L. Mooneyham and Walter Fields Trustees of Church of God of Fort Worth, Tarrant County, Texas, and their successors and assigns against every person whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS our hands this 22 day of September, A. D. 1936.

50¢ U.S.I.R.S. CANCELLED

T. J. PAYNE

E. M. ELLIS

S. W. LATIMER

I. C. BARRETT

T. L. MCLAIN

4.

File No. MF 106582  
Deed  
Date Filed: 4/24/06  
Jerry E. Patterson, Commissioner  
By [Signature]

4.54.06

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)**

THIS AGREEMENT made this 6<sup>th</sup> day of July AUGUST, 2004, between  
Nick Karanges and wife, Gayle Karanges

*Handwritten:* N12 GR 001

\_\_\_\_\_, Lessor (whether one or more) whose address is  
4500 Anglin Circle, Fort Worth, Texas 76140  
and Antero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products, which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 40.0 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 12 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following: preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and or gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such

operations were commenced or such production was secured before or after the date of this lease or the date of the instrument, the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land and without Lessor's consent.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Nick Karanges  
LESSOR

Gayle Karanges  
LESSOR

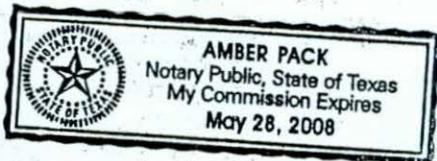
LESSOR

LESSOR

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on July AUGUST<sup>6</sup>, 2004 by Nick Karanges and wife, Gayle Karanges



Notary Signature: Amber Pack  
Printed Name: AMBER PACK  
Notary Public, State of TEXAS  
My Commission Expires May 28, 2008

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



- 19) Upon the completion of any well as a well capable of producing oil or gas in paying quantities or as a dry hole, Lessee shall within one hundred twenty (120) days thereafter, commence the drilling of another well or wells on the leased premises (commencement being the actual spudding of the succeeding well). Thereafter, in order to maintain this Lease in full force and effect, Lessee shall be obligated to conduct continuous drilling operations with no more than one hundred twenty (120) days elapsing between the completion of one well and the commencement of drilling of another well. Failure to commence such additional well or wells within the time herein provided, shall terminate this Lease ipso facto as to all land except those included with the surface boundaries of any governmental proration unit otherwise being maintained under the provisions of this Lease. Nothing herein shall be construed to limit or modify Lessee's obligation to drill any offset wells provided for herein.
- 20) If, at the expiration of the primary term, oil and/or gas are being produced in paying quantities, but production ceases from any cause, this Lease shall not terminate as to the governmental proration unit attributable to the well or wells affected thereby if Lessee commences reworking or additional actual drilling within one hundred twenty (120) days thereafter, and such reworking or additional drilling is diligently prosecuted with no cessation of more than one hundred twenty (120) days, and production in paying quantities thereafter resumes.
- 21) If, at the expiration of the primary term oil and/or gas are not then being produced from any well or wells on the leased premises or any lands pooled therewith, but Lessee is then engaged in operations (as defined hereafter) on any such well or wells, this Lease shall remain in force for so long as such operations are diligently prosecuted with no cessation of more than one hundred twenty (120) consecutive days between such cessation and the resumption of such operations. If such operations result in the production of oil or gas in paying quantities, this Lease shall not terminate as to the governmental proration unit attributable to the well or wells then producing oil or gas in such quantities; but this Lease shall terminate as to all acreage unless Lessee shall have commenced drilling a new well or wells in accordance with the Continuous Development provisions of Section 19 of this Lease.
- 22) Lessee shall be required to pool all of the acreage under this lease with other land or lands into a unit: (i) no larger than forty (40) acres in area for all wells other than "Horizontal Wells" (as defined below); and (ii) no larger than forty (40) acres plus the minimum acreage permitted by the "Additional Acreage Assignment" based upon "Horizontal Drainhole Displacement" for "Horizontal Wells" as provided in current Texas Railroad Commission Statewide Rule 86. For purposes of this paragraph, a "Horizontal Well" shall be defined as an oil or gas well in which the Horizontal Displacement of the gross completion interval exceeds the minimum distance described by Texas Railroad Commission Statewide Rule 86.
- 23) Lessee agrees to locate the access road for its drilling and production operations as per Exhibit "B" attached hereto. Entrance to the drilling and production location shall be from Anglin Drive on the East side of said property. Lessee agrees to use as little of the property as necessary for prudent and safe entry for the Lessee's operations and said entryway shall be reduced accordingly into the Thirty (30) foot permanent access road. (Twenty (20) foot roadbed and five (5) feet on either side for ditches). Lessee shall place a lockable gate at the entryway. Lessee may also place lockable gates at any other locations that Lessee determines as necessary for its operations. Lessee shall keep all outside and interior gates securely closed except immediately before and immediately after each such separate use. Lessee shall repair any damage or deterioration on any road utilized in connection with Lessee's operations on said Lands. Lessee is granted the right and easement to construct and bury pipelines and/or other lines for the use of Lessee's operations thereon. Lessee is limited to one pipeline for the production of well(s) on the leased premises and said pipeline shall be buried no less than forty-eight (48) inches. At the sole risk of the Lessors, their heirs, legal representatives, successors and assigns may enter and utilize the access road.

- 24) Lessee shall use as small a dimension as is reasonably possible for prudent operations. Lessee further agrees to locate its operations upon the leased premises as per Exhibit "B" attached hereto. Provided however, in no event shall the drillsite for Lessee's drilling activities be larger than three (3) acres and shall be reduced to one and one-half (1.5) acres for its production facility. Lessee shall fence the drilling location with a temporary fence sufficient to turn livestock. Lessee further agrees to fence the production facility with a permanent 8 foot wooden privacy fence. Each reserve pit, secondary pit or other pit which may contain oil-based muds, salt water, oil or waste materials shall be lined with a non-permeable liner prior to use.
- 25) Lessee shall pay Lessor the sum of Fifteen Thousand Dollars (\$15,000.00) as damages for the drilling pad location, the access road and the pipelines and/or other lines upon the leased premises prior to the commencement of drilling operations on the wellsite. Lessee agrees and obligates itself to conduct its operations upon said Lands as a reasonable and prudent operator. Lessee agrees to pay damages to livestock, buildings, fences, road, culverts, merchantable timber, pastureland, growing crops, or any other improvements upon the leased premises caused by Lessee's operations thereon.
- 26) The first well drilled on the leased premises shall be drilled for production from the leased premises, or lands pooled therewith. Lessee may as hereinafter provided drill two (2) additional directionally deviated wells on the 3 acre drillsite, subject to the further provisions hereof. The well bore at the surface of each directionally deviated well shall at the surface be located within the 3.0 acre well drillsite, which well bores may be used to develop and produce oil, gas and other hydrocarbons underlying lands other than the leased premises, or lands pooled therewith, which lie adjacent to or near the leased premises (hereinafter referred to as off-lease wells). Lessee shall, within thirty (30) days from the date of first production from each off-lease well, convey to Lessor herein a perpetual, cost-free (except only its portion of production taxes) overriding royalty of two percent (2.0%) of gross production obtained from each such well payable to Lessor (which overriding royalty shall be carved out of the leasehold estate by virtue of which such production is obtained), same to be effective from first production from the well to which such overriding royalty pertains.
- 27) Within ninety (90) days after completion or abandonment of any well drilled on said Lands, Lessee will (i) remove all caliche from the drillsite except a minimum amount around the wellbore of a commercial well necessary for maintaining and operating such well; (ii) clean up the well site and remove from said lands any and all oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials and will level all mounds, fill all pits and other excavations (iii) remove all deleterious materials and substances that might cause injury to person or livestock and generally restore such location to its original condition, except for the minimum amount of surface needed to service a commercial well. Lessee will restore the surface of other portions of said lands used by Lessee to as near its original condition as is practicable.
- 28) Lessee shall plug and abandon all wells in accordance with the rules and regulations of any governmental agency having jurisdiction.
- 29) Lessor shall not use water from any existing wells, tanks or any other source on the property. Lessee shall be entitled to drill and obtain water from its own water well(s) on said Lands. Lessee shall pay Lessor \$50.00 per day for the use of water from Lessee's water well(s). All water wells that may be drilled by the Lessee on the property shall be properly cased from top to bottom, gravel-packed, capped, plainly marked and properly identified by the Lessee, and upon the termination of drilling and completion operations, Lessee may remove its pump and surface equipment, and turn over the well(s) to Lessor with the casing and all subsurface equipment in place for Lessor's use, at its election; provided, however, Lessee shall retain the right to resume use of any of its water wells for refracing, reworking, or other operations, so long as this lease remains in effect. Upon termination of this lease, such water wells shall become the sole property of Lessor.

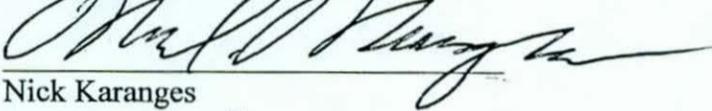
- 30) Lessee and/or Lessee's agents, employees, contractors, licensees etc. shall use the surface estate only for the operations set out in the Lease. No hunting, fishing, shooting or other recreational use, or any other use beyond those specified is permitted. Only such personnel as is necessary or required for permitted operations shall be allowed on the Leased Premises.
- 31) Lessee shall keep said Lands clean and free of all trash and litter which may emanate from Lessee's operations on said Lands, and if it does not do so after five (5) days notice from Lessor, Lessee agrees to pay Lessor's reasonable costs of picking up such litter and trash on either said Lands or adjacent lands. Under no circumstances will Lessee bury or burn any trash, debris or foreign material of any nature on said Lands.
- 32) Prior to commencement of (i) any seismic or other operations on said land which involve detonation of any explosives on said land or (ii) any drilling operations on said land, Working Interest Owner shall notify Surface Owner within thirty (30) days thereafter Surface Owner may test each of Surface Owner's water wells (having first notified Working Interest Owner of the date and time of such tests within such thirty (30) day period) at Working Interest Owner's expense. Within sixty (60) days after any such operations of Working Interest Owner have been completed, Surface Owner may re-test Surface Owner's water wells (having first notified Working Interest Owner of the date and time of such tests within such sixty (60) day period) at Working Interest Owner's expense. If so requested by Surface Owner, Working Interest Owner shall promptly and forthwith rectify any damage to Surface Owner's water wells caused by Working Interest Owner's operations (including, if necessary, drilling, completing and equipping a substitute or replacement well or wells comparable to the well or wells damaged), or Surface Owner may do so and Working Interest Owner shall be liable to Surface Owner for and pay Surface Owner damages in an amount not less than the costs and expenses incurred by Surface Owner in rectifying such damage and, or, restoring the production capacity of Surface Owner's water wells to that which existed prior to any such operations of Working Interest Owner. In no event shall Working Interest Owner either (i) detonate or permit the detonation of any explosive charge on said land in excess of ten (10) pounds, or within three hundred feet (300') of any water well or barn on said land or within six hundred feet (600') of any residence on said lands or (ii) drill any well within six hundred feet (600') of any water well, residence or barn on said land.
- 33) Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.
- 34) As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be

performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

35) Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

36) Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:



Nick Karanges



Gayle Karanges

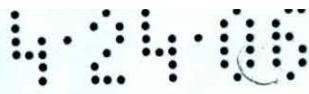
**LESSEE:**

**ANTERO RESOURCES I, LP**

**By: Antero Resources I GP, LLC, its general partner**

By: 

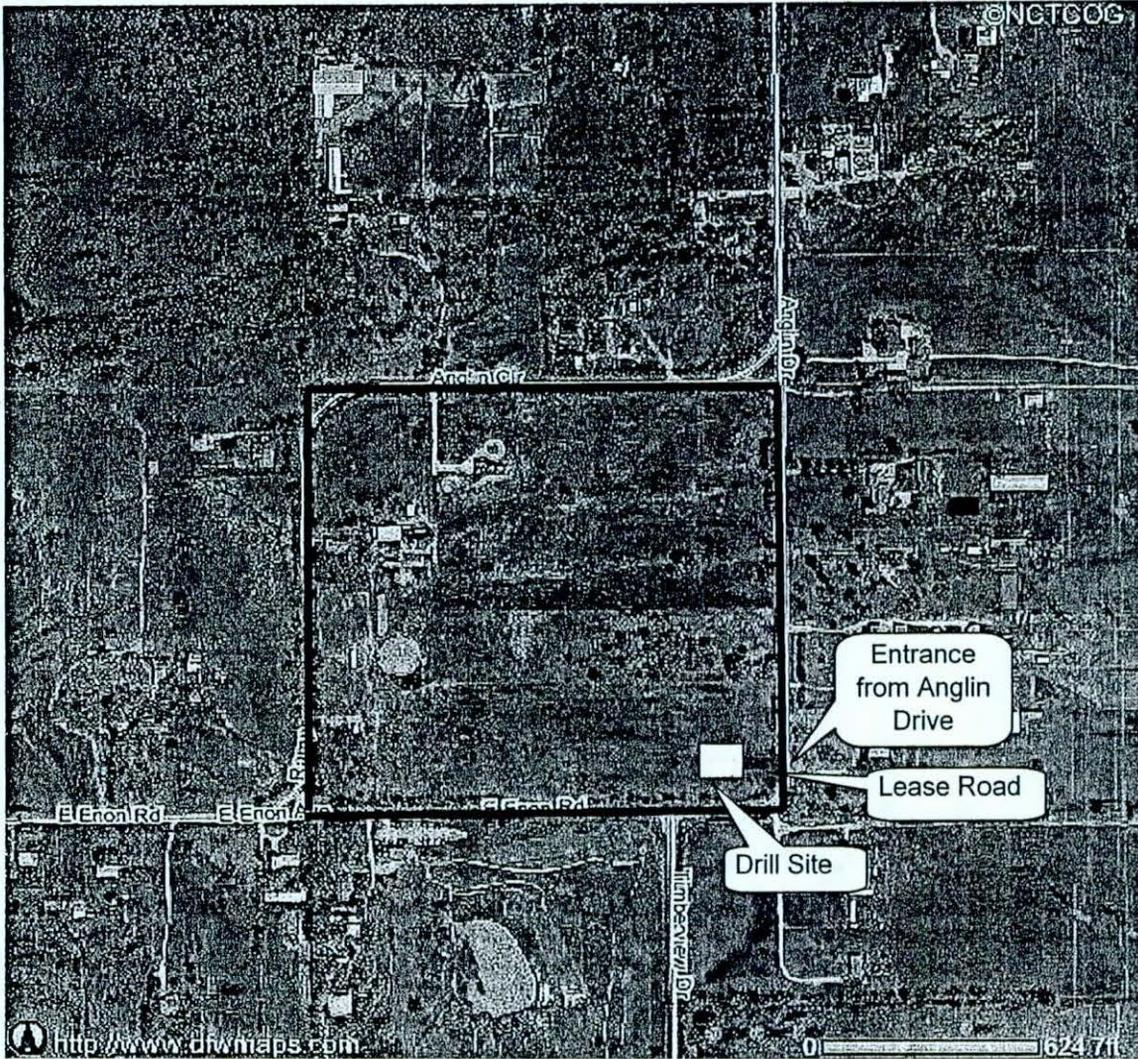
Title: Vice President



**EXHIBIT "B"**

Attached to and made a part of that certain Oil and Gas Lease dated July \_\_\_\_\_, 2004, by and between Nick Karanges and wife, Gayle Karanges, as Lessor, and Antero Resources I, LP as Lessee, to wit:

40.0 acres of land, more or less, located in Block 1, Lots 1 & 2 of Karanges Addition, according to the recorded Plat thereof dated December 18, 1996 and recorded in Volume A, Page 3268 of the Deed Records of Tarrant County, Texas, said land being the same 40.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 39, Tarrant County, Texas, more particularly described in a Warranty Deed dated June 30, 1995, from Inez Logsdon and The International Bank, as Grantors, to Nick Karanges and wife Gayle Karanges, as Grantees and recorded in Volume 12019, Page 1231 of the Deed Records of Tarrant County, Texas



The parties hereto acknowledge that the plat attached hereto as Exhibit "B" depicts only the general intended locations of the Drillsites. The parties hereto understand, contemplate and agree that a survey of the Drillsites, entry locations onto the Subject Land, road and tank locations will be conducted prior to the commencement of any operations. In this regard, within sixty (60) days after the date hereof (but in no event less than ten [10] days prior to the commencement of operations on the surface of the Subject Land) the Drillsites and the entry locations and all road and pipeline courses and tank locations associated with the Drillsites will be located and surveyed, at Lessee's sole cost and expense, with a copy of such surveyor's plat and being provided to the Lessor within such time.

NK  
GR





TEXHOMA LAND CONSULTANTS  
770 W ROCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/07/2004 11:36 AM  
Instrument #: D204278790  
OPR 2 PGS \$14.00

By: \_\_\_\_\_



D204278790

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

OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

THIS AGREEMENT made this 16th day of January, 20 04, between  
Timberview Golf Club, Inc., a Texas corporation

\_\_\_\_\_ Lessor (whether one or more) whose address is  
4360 Beltway Place #240, Arlington, TX 76018  
and Antero Resources I, LP Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

(SEE EXHIBIT "A" ATTACHED HERETO)

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 124.414 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 2 years from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 40 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit, and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business; with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

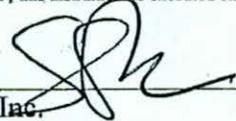
12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

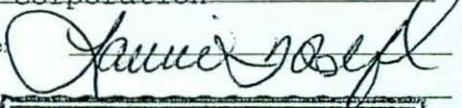
  
Timberview Golf Club, Inc. LESSOR  
By: Steven C. Rose, President

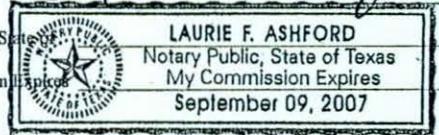
LESSOR

Tax ID/SS#:

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on Feb 9 ~~January~~, 2004 by Steven C. Rose, President of  
Timberview Golf Club, Inc, a Texas corporation

Notary Signature:   
Printed Name: \_\_\_\_\_  
Notary Public, State of Texas  
My Commission Expires September 09, 2007



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Attached to and made a part of that certain oil and gas lease dated January 16, 2004 by and between Timberview Golf Club, Inc., a Texas corporation, as Lessor and Antero Resources I, L.P., as Lessee, to-wit:

124.41415 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described as; All of Lots 1 & 2, Block 1 and Block 2 and Block 3 of the Timberview Golf Club Addition, an addition to the City of Fort Worth, Tarrant County, Texas; according to the plat thereof recorded in Cabinet A, Slide 6823 of the Plat Records of Tarrant County, Texas, including all streets, easements and alleyways lying next to and being adjacent thereof and being further described as:

116.469 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described in a Warranty Deed dated October 14, 2003 from Betty Jo Fouts, individually and Betty Jo Fouts and Debra Fouts Smith, Co-Trustees of Trust A of the Fouts Family Trust, and Debra Fouts Smith, successor Trustee of Trust M and Trust B of the Fouts Family Trust, as Grantors, to Timberview Golf Club, Inc., a Texas corporation, as Grantee, and recorded in Volume 17332, Page 0110, of the Deed Records of Tarrant County, Texas.

4.217 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described in a Warranty Deed dated April 24, 1961 from Milton T. Harber, a single person, as Grantor, to Texas Electric Service Company, a corporation, as Grantee, and recorded in Volume 3553, Page 0468, of the Deed Records of Tarrant County, Texas.

0.0957 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described in a Warranty Deed dated April 28, 1993 from Mary Leta Fouts and Thomas R. Fouts and wife, Betty Jo Fouts, as Grantors, to the State of Texas, acting by and through the Texas Transportation Commission, as Grantee, and recorded in Volume 11035, Page 1582, of the Deed Records of Tarrant County, Texas.

3.63245 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described as the streets, easements and alleyways lying next to and being adjacent thereof as it pertains to Lots 1 & 2, Block 1, and Block 2 and Block 3 of the Timberview Golf Club Addition, an addition to the City of Fort Worth, Tarrant County, Texas; according to the plat thereof recorded in Cabinet A, Slide 6823 of the Plat Records of Tarrant County, Texas

It is agreed and understood that the provisions of this rider shall supersede any portion of the printed form of this lease, which is attached therewith.

 ~~If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top Lease) covering all or part of the afore-described lands. Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of it election to enter into an oil and gas lease with Lessor on equivalent terms of conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of it election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.~~

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. Lessee shall not assign this lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Upon assignment in whole or in part, the provisions hereof shall extend to the assignor's heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in the ownership of Lessor shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by U.S. mail at Lessee's principal place of business, with a copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach.

16. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 21.0% royalty.

(a) The royalty on gas shall be computed on the gross proceeds received by Lessee. All Compression, treating, dehydrating, and transporting cost assessed against Lessor's royalty shall be reasonable in amount, and reflect rates or charges available in arms-length transactions between unaffiliated parties.

(b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

17. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

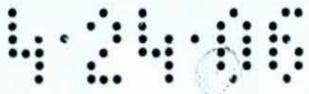
18. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of ~~\$15.00~~ per acre.

# 25.00 *SM*

19. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

20. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

21. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.



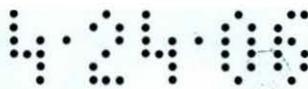
22. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

23. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law. *AND PROVIDE PROOF OF COVERAGE TO LESSOR upon demand. [Signature]*

24. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

\_\_\_\_\_  
 Timberview Golf Club, Inc.,  
 Steven C. Rose, President



MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Timberview Golf Club, Inc., a Texas corporation

whose address 4360 Beltway Place #240, Arlington, TX 76018, as Lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated January 16, 2004, covering the following described lands located in Tarrant County, Texas, to-wit:

(SEE EXHIBIT "A" ATTACHED HERETO)

Said Oil and Gas Lease is for a Primary Term of two (2) year(s) and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED to be effective as of the 9<sup>th</sup> day of January Feb, 2004.

[Signature]  
Timberview Golf Club, Inc.  
By: Steven C. Rose, President

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on Jan 9, 2004 by Steven C. Rose, President of Timberview Golf Club, Inc., a Texas corporation on behalf of the company

Notary Signature: [Signature]  
Printed Name: LAURIE F. ASHFORD  
Notary Public, State of Texas  
My Commission Expires September 09, 2007

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

DESCRIPTION:

124.41415 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described as; All of Lots 1 & 2, Block 1 and Block 2 and Block 3 of the Timberview Golf Club Addition, an addition to the City of Fort Worth, Tarrant County, Texas; according to the plat thereof recorded in Cabinet A, Slide 6823 of the Plat Records of Tarrant County, Texas, including all streets, easements and alleyways lying next to and being adjacent thereof and being further described as:

116.469 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described in a Warranty Deed dated October 14, 2003 from Betty Jo Fouts, individually and Betty Jo Fouts and Debra Fouts Smith, Co-Trustees of Trust A of the Fouts Family Trust, and Debra Fouts Smith, successor Trustee of Trust M and Trust B of the Fouts Family Trust, as Grantors, to Timberview Golf Club, Inc., a Texas corporation, as Grantee, and recorded in Volume 17332, Page 0110, of the Deed Records of Tarrant County, Texas.

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0.0957 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described in a Warranty Deed dated April 28, 1993 from Mary Leta Fouts and Thomas R. Fouts and wife, Betty Jo Fouts, as Grantors, to the State of Texas, acting by and through the Texas Transportation Commission, as Grantee, and recorded in Volume 11035, Page 1582, of the Deed Records of Tarrant County, Texas.

3.63245 acres of land, more or less, located in the Shelby County School Land Survey, Abstract, 1375, covering a portion of Blocks 38 & 47, Tarrant County, Texas, being more particularly described as the streets, easements and alleyways lying next to and being adjacent thereof as it pertains to Lots 1 & 2, Block 1, and Block 2 and Block 3 of the Timberview Golf Club Addition, an addition to the City of Fort Worth, Tarrant County, Texas; according to the plat thereof recorded in Cabinet A, Slide 6823 of the Plat Records of Tarrant County, Texas

42405



TEXHOMA LAND CONSULTANTS INC  
770 WEST ROCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 02/26/2004 12:48 PM  
Document No.: D204059703  
WD 3 PGS \$16.00

By: \_\_\_\_\_



D204059703

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



6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

*Dan Novikoff*  
Dan Novikoff

LESSOR

*Barbara Novikoff*  
Barbara Novikoff

LESSOR

Tax ID/SS#:

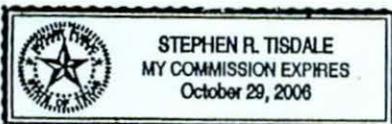
[Redacted]

LESSOR

LESSOR

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on September 16, 2003 by Dan Novikoff and wife, Barbara Novikoff



Notary Signature: *Stephen R. Tisdale*  
Printed Name: STEPHEN R. TISDALE  
Notary Public, State of TEXAS  
My Commission Expires 10-29-06

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 16, 2003, by and between Dan Novikoff and wife Barbara Novikoff, as Lessors, and Antero Resources I, LP as Lessee, to wit:

25.236 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in the following two (2) Warranty Deeds:

- (1) 23.245 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated June 29, 1973, from Adair Sheet Metal Co., acting herein by and through its duly authorized officers, Billy R. Adair, Individually and as President and Owner of said Company, as Grantor to Dan Novikoff and wife, Barbara Novikoff, as Grantees and recorded in Volume 05482, Page 0286 of the Records of Tarrant County, Texas.
- (2) 1.991 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated September 20, 1968, from W. K. Clifford and wife, Eileen Clifford and J. L. Dennis and wife, Vena Dennis, as Grantors and Texas Electric Service Company, a Corporation, as Grantees and recorded in Volume 04630, Page 0080 of the Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top Lease) covering all or part of the afore-described lands. Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of it election to enter into an oil and gas lease with Lessor on equivalent terms of conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of it election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

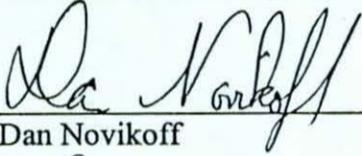
It is expressly agreed and understood, there will be no drilling activity on the leased premises without the prior written consent of the Lessors herein.

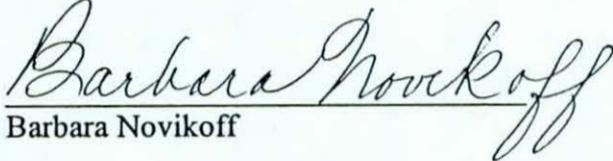
**1. Royalty.**

- (a) All references herein to  $1/8^{\text{th}}$  royalty are hereby amended to read  $3/16^{\text{th}}$  royalty.
- (b) The royalty on gas shall be computed on the gross proceeds received by Lessee. All Compression, treating, dehydrating, and transporting cost assessed against Lessor's royalty shall be reasonable in amount, and reflect rates or charges available in arms-length transactions between unaffiliated parties.
- (c) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

2. **Shut-in.** It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.
3. **Shut-in Royalty.** It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$15.00 per acre.
4. **Depth Clause.** It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

SIGNED FOR IDENTIFICATION:

  
\_\_\_\_\_  
Dan Novikoff

  
\_\_\_\_\_  
Barbara Novikoff



MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Dan Novikoff and wife, Barbara Novikoff

whose address 8149 Anglin Drive, Fort Worth, TX 76140

as Lessor(s) has executed and delivered to Antero Resources, LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated September 16, 2003, covering the following described lands located in

County, Texas, to-wit:

25.236 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in the following two (2) Warranty Deeds:

- (1) 23.245 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated June 29, 1973, from Adair Sheet Metal Co., acting herein by and through its duly authorized officers, Billy R. Adair, Individually and as President and Owner of said Company, as Grantor to Dan Novikoff and wife, Barbara Novikoff, as Grantees and recorded in Volume 05482, Page 0286 of the Records of Tarrant County, Texas
- (2) 1.991 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated September 20, 1968, from W. K. Clifford and wife, Eileen Clifford and J. L. Dennis and wife, Vena Dennis, as Grantors and Texas Electric Service Company, a Corporation, as Grantees and recorded in Volume 04630, Page 0080 of the Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary term of Three (3) year(s) and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

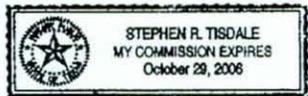
EXECUTED to be effective as of the 16 day of September, 2003.

Dan Novikoff  
Dan Novikoff

Barbara Novikoff  
Barbara Novikoff

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on September 16, 2003 by Dan Novikoff and wife Barbara Novikoff



Notary Signature: SR Tidale  
Printed Name: STEPHEN R. TIDALE  
Notary Public, State of TEXAS  
My Commission Expires 10-29-06

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

42410



TEXHOMA LAND CONSULTANTS INC  
770 WEST ROCK CREEK RD 117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 02/02/2004 12:55 PM  
Document No.: D204034256  
WD 2 PGS \$14.00

By: \_\_\_\_\_



D204034256

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

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

COPY

OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

THIS AGREEMENT made this 18th day of August, 2005, between

Joyce G. Calhoun, a single person

Lessor (whether one or more) whose address is

45 Stonechat Road, Ipswich, Suffolk, England IP20SA

and XTO Resources L.P.

Lessee, whose address is

810 Houston Street, Fort Worth, Texas 76102

WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 99.225 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

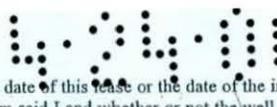
2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 18 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and/or gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinabove provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such



operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land and without Lessor's consent.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Joyce G. Calhoun  
Joyce G. Calhoun

LESSOR

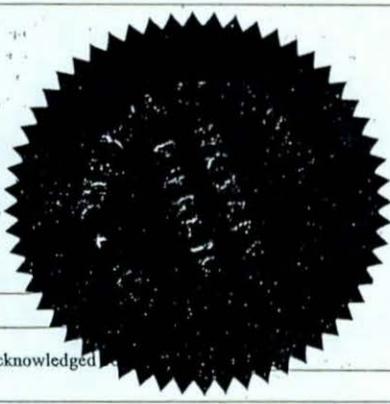
LESSOR

LESSOR

LESSOR

STATE OF IPSWICH  
COUNTY OF SUFFOLK

This instrument was acknowledged before me on Friday August, 2005 by Joyce G. Calhoun, a single person



Notary Signature: [Signature]  
Printed Name: DR. ROSS  
Notary Public, State of IPSWICH  
My Commission Expires DECEMBER 2006

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Amended August

Attached to and made a part of that certain Oil and Gas Lease dated \_\_\_\_\_, 2005, by and between Joyce G. Calhoun, a single person, as Lessor, and XTO Resources I, LP as Lessee, to wit:

99.225 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

65.565 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in a Warranty Deed dated April 5, 1982 from William T. Calhoun, as Grantor to Edward W. Jones, Sr. and Billy Ray Jones, Sr., as Grantees, and recorded in Volume 7274, Page 813, of the Deed Records of Tarrant County, Texas

12.734 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 45, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated March 10, 1961, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3539, Page 346, of the Deed Records of Tarrant County, Texas

8.285 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated October 17, 1963, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3865, Page 097, of the Deed Records of Tarrant County, Texas

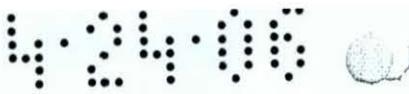
11.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated August 10, 1964, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3963, Page 159, of the Deed Records of Tarrant County, Texas

1.641 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated June 20, 1966, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 4231, Page 385, of the Deed Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).
15. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 25.0% royalty.
  - a. The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the

- production ready for sale, transportation or use (collectively, "post-production expenses").
- b. For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.
16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.
17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.
18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.
19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.
20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.
21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify,



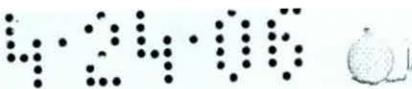
pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefore by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

*Joyce G. Calhoun*  
Joyce G. Calhoun



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL AND GAS LEASE



COPY

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Joyce G. Calhoun, a single person whose address is 45 Stonechat Road, Ipswich, Suffolk, England 1P20SA, as Lessor(s) has executed and delivered to XTO Resources I, LP, whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated first of August 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

99.225 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

65.565 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in a Warranty Deed dated April 5, 1982 from William T. Calhoun, as Grantor to Edward W. Jones, Sr. and Billy Ray Jones, Sr., as Grantees, and recorded in Volume 7274, Page 813, of the Deed Records of Tarrant County, Texas

12.734 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 45, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated March 10, 1961, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3539, Page 346, of the Deed Records of Tarrant County, Texas

8.285 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated October 17, 1963, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3865, Page 097, of the Deed Records of Tarrant County, Texas

11.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated August 10, 1964, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3963, Page 159, of the Deed Records of Tarrant County, Texas

1.641 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated June 20, 1966, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 4231, Page 385, of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED this first day of August, 2005.

Joyce G. Calhoun  
Joyce G. Calhoun



STATE OF TEXAS IPSWICH  
COUNTY OF SUFFOLK

This instrument was acknowledged before me on first of August, 2005 by Joyce G. Calhoun, a single person

Notary Signature: [Signature]  
Printed Name: D. R. Ross  
Notary Public, State of IPSWICH  
My Commission Expires DECEMBER 2006



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Joyce G. Calhoun, a single person, whose address is 45 Stonechat Road, Ipswich, Suffolk, England IP20SA, as Lessor(s) has executed and delivered to XPO Resources L.P., whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated 17th August 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

99.225 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

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EXECUTED this 17th day of August, 2005.

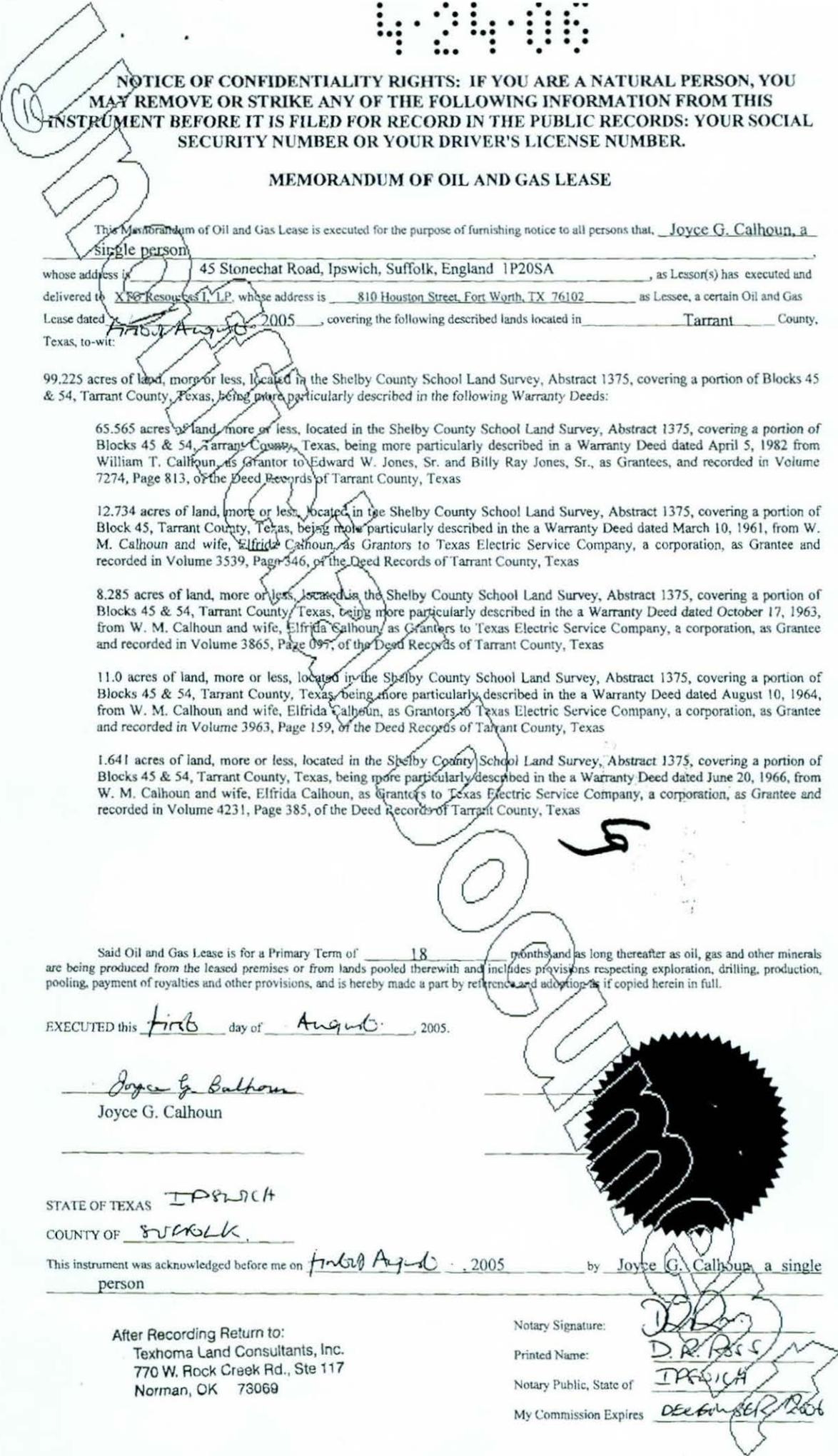
Joyce G. Calhoun  
Joyce G. Calhoun

STATE OF TEXAS IPSWICH  
COUNTY OF SUFFOLK

This instrument was acknowledged before me on 17th August, 2005 by Joyce G. Calhoun a single person

After Recording Return to:  
Texhoma Land Consultants, Inc.  
770 W. Rock Creek Rd., Ste 117  
Norman, OK 73069

Notary Signature: [Signature]  
Printed Name: D. R. Bess  
Notary Public, State of IPSWICH  
My Commission Expires December 18, 2006



4 24 05



TEXHOMA LAND CONSULTANTS, INC  
770 W ROCK CREEK RD #117

NORMAN OK 73669

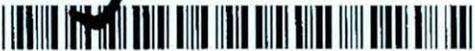
Submitter: TEXHOMA

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/08/2005 07:09 AM  
Instrument #: D205265345  
OPR 2 PGS \$16.00

By: \_\_\_\_\_



D205265345

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

Umo... Document



operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land and without Lessor's consent.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Regina Isabel Neill  
Regina Isabel Neill  
LESSOR

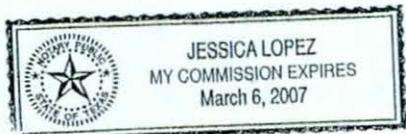
LESSOR

LESSOR

LESSOR

STATE OF TEXAS  
COUNTY OF Midland

This instrument was acknowledged before me on July 14, 2005 by Regina Isabel Neill



Notary Signature: Jessica Lopez  
Printed Name: JESSICA LOPEZ  
Notary Public, State of TEXAS  
My Commission Expires 3-6-07

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 14, 2005, by and between Regina Isabel Neill, as Lessor, and XTO Resources I, LP as Lessee, to wit:

33.66 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

12.734 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 45, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated March 10, 1961, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3539, Page 346, of the Deed Records of Tarrant County, Texas

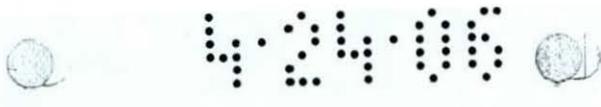
8.285 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated October 17, 1963, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3865, Page 097, of the Deed Records of Tarrant County, Texas

11.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated August 10, 1964, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3963, Page 159, of the Deed Records of Tarrant County, Texas

1.641 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated June 20, 1966, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 4231, Page 385, of the Deed Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).
15. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 25.0% royalty.
  - a. The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").
  - b. For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

- 
16. While there is a well on the leased premises or lands pooled therewith capable of producing gas in paying quantities but the production thereof is shut-in, shut-down or suspended for lack of a market or available pipeline and is being maintained in force and effect by payment of such shut-in gas well royalty, then in no event shall such payment maintain this lease in force as to each such well for a period of time exceeding a cumulative period of two (2) years after the expiration of the primary term hereof.
  17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.
  18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.
  19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.
  20. Notwithstanding any other provision hereof, this lease can not be pooled into any unit for the production of gas that exceeds 320.0 acres, plus a tolerance of 10% thereof, without the written consent of the Lessor herein.
  21. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.
  22. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third

party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefore

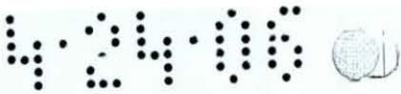
23. by Lessor.

24. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

25. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

*Regina Isabel Neill*  
Regina Isabel Neill



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL AND GAS LEASE



This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Regina Isabel Neill

whose address is 2805 Stutz Drive, Midland, TX 79705, as Lessor(s) has executed and delivered to XTO Resources I, LP, whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated July 14, 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

33.66 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

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Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED this 14<sup>th</sup> day of July, 2005.

Regina Isabel Neill  
Regina Isabel Neill

STATE OF TEXAS  
COUNTY OF Midland

This instrument was acknowledged before me on July 14, 2005 by Regina Isabel Neill



Notary Signature: Jessica Lopez  
Printed Name: Jessica Lopez  
Notary Public, State of TEXAS  
My Commission Expires 3-6-07

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation.

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



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EXECUTED this 14<sup>th</sup> day of July, 2005.

Regina Isabel Neill  
Regina Isabel Neill

STATE OF TEXAS  
COUNTY OF Midland

This instrument was acknowledged before me on July 14, 2005 by Regina Isabel Neill



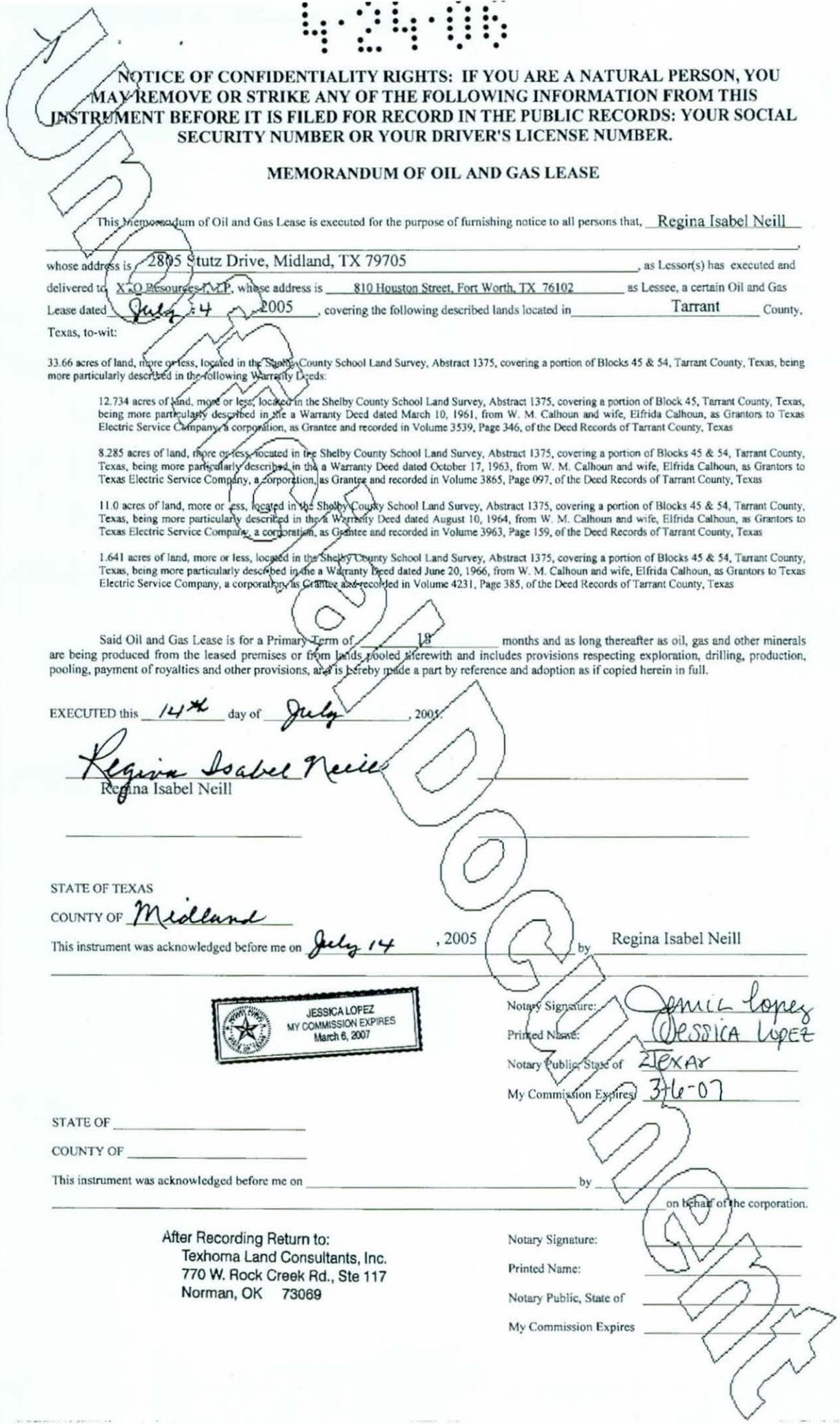
Notary Signature: Jessica Lopez  
Printed Name: Jessica Lopez  
Notary Public, State of TEXAS  
My Commission Expires 3-6-07

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation.

After Recording Return to:  
Texhoma Land Consultants, Inc.  
770 W. Rock Creek Rd., Ste 117  
Norman, OK 73069

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



42405



TEXHOMA LAND CONSULTANTS  
770 W ROCK CREEK RD STE 117

NORMAN GK 73969

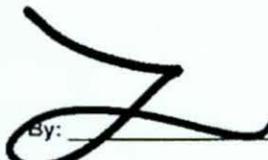
Submitter: TEXHOMA

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
106 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 08/01/2005 02:58 PM  
Instrument #: D205221841  
OPR 2 PGS \$14.00

By: 



D205221841

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

Document

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**OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)**

THIS AGREEMENT made this \_\_\_\_\_ day of July August 4, 2004, between  
Douglas S. Moeller and Krista K. Nickovich, husband and wife

\_\_\_\_\_, Lessor (whether one or more) whose address is  
8303 Anglin Drive, Fort Worth, Texas 76140  
and Antero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 15.695 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 12 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following: preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinabove provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such

operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land and without Lessor's consent.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

*Douglas S. Moeller*  
\_\_\_\_\_  
Douglas S. Moeller LESSOR

*Krista K. Nickovich*  
\_\_\_\_\_  
Krista K. Nickovich LESSOR

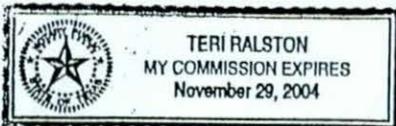
LESSOR

LESSOR

STATE OF Texas  
COUNTY OF Tarrant

*August 4*  
*July*

This instrument was acknowledged before me on July, 2004 by Douglas S. Moeller and Krista K. Nickovich,  
husband and wife



Notary Signature: *Teri Ralston*  
Printed Name: Teri Ralston  
Notary Public, State of Texas  
My Commission Expires 11-29-04

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated <sup>August</sup> July 4, 2004, by and between Douglas S. Moeller and Krista K. Nickovich, husband and wife, as Lessors, and Antero Resources I, LP, as Lessee, to wit:

15.695 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in a Warranty Deed dated January 8, 2004, from IESI TX Landfill, L.P., a Texas Limited partnership, as Grantors and Douglas S. Moeller and Krista K. Nickovich, husband and wife, as Grantees and recorded as Document No. D204011755 of the Deed Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 25.0% royalty.

(a) The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").

(b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.

18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

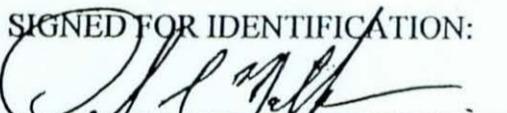
20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.

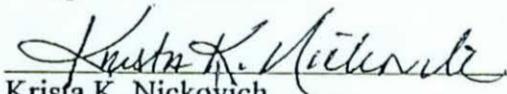
21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

  
\_\_\_\_\_  
Douglas S. Moeller

  
\_\_\_\_\_  
Krista K. Nickovich

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Douglas S. Moeller and Krista K. Nickovich, husband and wife

whose address 8303 Anglin Drive, Fort Worth, Texas 76140, as Lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17th Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July, 2004, covering the following described lands located in Tarrant County, Texas, to-wit: August 4

15.695 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in a Warranty Deed dated January 8, 2004, from IESI TX Landfill, L.P., a Texas Limited partnership, as Grantors and Douglas S. Moeller and Krista K. Nickovich, husband and wife, as Grantees and recorded as Document No. D204011755 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of 12 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED to be effective as of the 4th day of August, 2004.

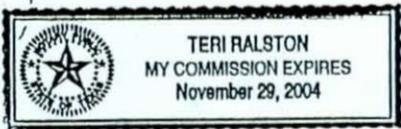
[Signature]  
Douglas S. Moeller

[Signature]  
Krista K. Nickovich

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on August 4, 2004 by Douglas S. Moeller and Krista K. Nickovich, husband and wife



Notary Signature: [Signature]  
Printed Name: Teri Ralston  
Notary Public, State of Texas  
My Commission Expires 11-29-04

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



MEMORANDUM OF OIL AND GAS LEASE

UNOFFICIAL COPY

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Douglas S. Moeller and Krista K. Nickovich, husband and wife, whose address is 8303 Anglin Drive, Fort Worth, Texas 76140, as lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17th Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July, 2004, covering the following described lands located in Tarrant County, Texas, to-wit: August 21

15.695 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 52, Tarrant County, Texas, being more particularly described in a Warranty Deed dated January 8, 2004, from ESI TX-1 and fill, L.P., a Texas Limited partnership, as Grantors and Douglas S. Moeller and Krista K. Nickovich, husband and wife, as Grantees and recorded as Document No. D204011755 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of 12 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED to be effective as of the 21st day of August, 2004.

[Signature of Douglas S. Moeller]
Douglas S. Moeller

[Signature of Krista K. Nickovich]
Krista K. Nickovich

STATE OF Texas
COUNTY OF Tarrant

This instrument was acknowledged before me on August 21, 2004 by Douglas S. Moeller and Krista K. Nickovich, husband and wife



Notary Signature: [Signature of Teri Ralston]
Printed Name: Teri Ralston
Notary Public, State of Texas
My Commission Expires 11-29-04

STATE OF
COUNTY OF

This instrument was acknowledged before me on by

Notary Signature:
Printed Name:
Notary Public, State of
My Commission Expires

UNOFFICIAL COPY

42408



TEXHOMA LAND CONSULTANTS  
770 W. BOCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/07/2004 11:36 AM  
Instrument #: D204278788  
OPR 2 PGS \$14.00

By: \_\_\_\_\_



**D204278788**

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

OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

COPY

THIS AGREEMENT made this 3<sup>rd</sup> day of December, 20 03, between  
Bill Randall Weston and wife, Carolyn Sue Weston

Lessor (whether one or more) whose address is  
8101 Anglin Drive, Fort Worth, TX 76119 76140  
and Antero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

(SEE EXHIBIT "A" ATTACHED HERETO)

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 16.514 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of \_\_\_\_\_ years from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessor's agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 40 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated December 3, 2003, by and between Bill Randall Weston and wife, Carolyn Sue Weston, as Lessors, and Antero Resources I, LP as Lessee, to wit:

16.514 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 39 & 46, Tarrant County, Texas, being more particularly described in the following three (3) Warranty Deeds:

(1) 6.528 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from R. Truett Gillentine and wife, Helen H. Gillentine, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, as Grantees, and recorded in Volume 7787, Page 0927 of the Records of Tarrant County, Texas

(2) 2.901 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 39, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from Richard D. Vitek and wife, Virginia M. Vitek, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, Grantees and recorded in Volume 9202, Page 2294 of the Records of Tarrant County, Texas

(3) 7.085 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 39, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from Richard D. Vitek and wife, Virginia M. Vitek, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, Grantees and recorded in Volume 9206, Page 1175 of the Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top Lease) covering all or part of the afore-described lands. Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

**1. ROYALTY.**

- (a) All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 1/5<sup>th</sup> royalty.
- (b) The royalty on gas shall be computed on the gross proceeds received by Lessee. All Compression, treating, dehydrating, and transporting cost assessed against Lessor's royalty shall be reasonable in amount, and reflect rates or charges available in arms-length transactions between unaffiliated parties.
- (c) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

**2. SHUT-IN.** It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

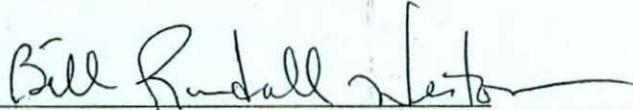


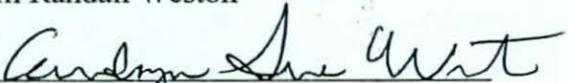
3. **SHUT-IN ROYALTY.** It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$15.00 per acre.

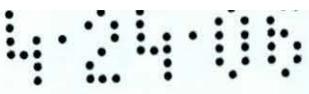
4. **DEPTH CLAUSE.** It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

5. **NO DRILLING ACTIVITY.** There shall be no drilling activity on the surface of the above described tract of land, without prior written consent of the Lessors herein.

SIGNED FOR IDENTIFICATION:

  
Bill Randall Weston

  
Carolyn Sue Weston



COPY

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Bill Randall Weston and wife, Carolyn Sue Weston

whose address 8101 Anglin Drive, Fort Worth, TX 76140

as Lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated December 3, 2003, covering the following described lands located in Tarrant County, Texas, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO FOR DESCRIPTION

Said Oil and Gas Lease is for a Primary Term of Three (3) year(s) and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

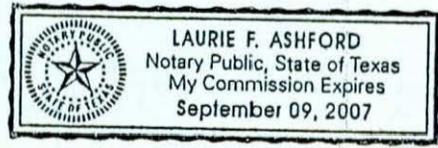
EXECUTED to be effective as of the 23 day of December, 2003.

Bill Randall Weston  
Bill Randall Weston

Carolyn Sue Weston  
Carolyn Sue Weston

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on December 23, 2003 by Bill Randall Weston and wife, Carolyn Sue Weston



Notary Signature: Laurie F. Ashford  
Printed Name: LAURIE F. ASHFORD  
Notary Public, State of TEXAS  
My Commission Expires 9-9-2007

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

DESCRIPTION

16.514 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 39 & 46, Tarrant County, Texas, being more particularly described in the following three (3) Warranty Deeds:

- (1) 6.528 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from R. Truett Gillentine and wife, Helen H. Gillentine, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, as Grantees, and recorded in Volume 7787, Page 0927 of the Records of Tarrant County, Texas
- (2) 2.901 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 39, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from Richard D. Vitek and wife, Virginia M. Vitek, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, Grantees and recorded in Volume 9202, Page 2294 of the Records of Tarrant County, Texas
- (3) 7.085 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 39, Tarrant County, Texas, being more particularly described in Warranty Deed dated February 26, 1988, from Richard D. Vitek and wife, Virginia M. Vitek, as Grantors to Bill Randall Weston and wife, Carolyn Sue Weston, Grantees and recorded in Volume 9206, Page 1175 of the Records of Tarrant County, Texas

42418

TEXHOMA CONSULTANTS INC  
770 WEST ROCK CREEK RD #117  
NORMAN OK 73069



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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 01/14/2004 11:04 AM  
Document No.: D204013388  
WD 3 PGS \$16.00

By: \_\_\_\_\_

A large, stylized handwritten signature in black ink is written over a horizontal line.



D204013388

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

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)**

THIS AGREEMENT made this 30<sup>th</sup> day of June, 2005, between

James Morgan Calhoun,

Lessor (whether one or more) whose address is

1617 Park Lane, Alvarado, TX 76009

and Antero Resources L.P., Lessee, whose address is

810 Houston Street, Fort Worth, Texas 76102; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 33.66 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 18 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following: preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and or gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at Bank (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such

4 5 6 7 8 9

**EXHIBIT "A"**

Attached to and made a part of that certain Oil and Gas Lease dated 6/30, 2005, by and between James Morgan Calhoun, as Lessor, and Antero Resources I, LP as Lessee, to wit:

33.66 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

12.734 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 45, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated March 10, 1961, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3539, Page 346, of the Deed Records of Tarrant County, Texas

8.285 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated October 17, 1963, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3865, Page 097, of the Deed Records of Tarrant County, Texas

11.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated August 10, 1964, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3963, Page 159, of the Deed Records of Tarrant County, Texas

1.641 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated June 20, 1966, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 4231, Page 385, of the Deed Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 25.0% royalty.

(a) The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").

(b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.

18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

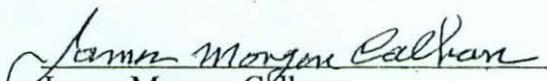
20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.

21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

  
James Morgan Calhoun

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**MEMORANDUM OF OIL AND GAS LEASE**

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, James Morgan Calhoun

whose address is 1617 Park Lane, Alvarado, TX 76009, as Lessor(s) has executed and delivered to Antero Resources, L.P., whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated 6/30, 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

33.66 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the following Warranty Deeds:

12.734 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 45, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated March 10, 1961, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3539, Page 346, of the Deed Records of Tarrant County, Texas

8.285 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated October 17, 1963, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3865, Page 097, of the Deed Records of Tarrant County, Texas

11.0 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated August 10, 1964, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 3963, Page 159, of the Deed Records of Tarrant County, Texas

1.641 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 45 & 54, Tarrant County, Texas, being more particularly described in the a Warranty Deed dated June 20, 1966, from W. M. Calhoun and wife, Elfrida Calhoun, as Grantors to Texas Electric Service Company, a corporation, as Grantee and recorded in Volume 4231, Page 385, of the Deed Records of Tarrant County, Texas

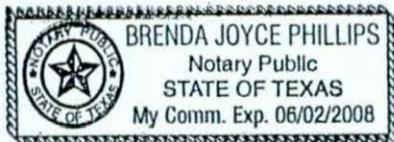
Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED this 30<sup>th</sup> day of June, 2005.

James Morgan Calhoun  
James Morgan Calhoun

STATE OF TEXAS  
COUNTY OF JOHNSON

This instrument was acknowledged before me on June 30, 2005 by James Morgan Calhoun



Notary Signature: Brenda Joyce Phillips  
Printed Name: BRENDA JOYCE PHILLIPS  
Notary Public, State of TEXAS  
My Commission Expires 06/02/2008

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation.

After Recording Return to:  
Texhoma Land Consultants, Inc.  
770 W. Rock Creek Rd., Ste 117  
Norman, OK 73060

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



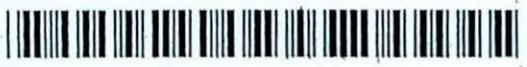
TEXHOMA LAND CONSULTANTS  
 770 ROCK CRK RD 117  
 4053216777  
 NORMAN OK 73069  
 Submitter: TEXHOMA LAND CONSULTANTS

SUZANNE HENDERSON  
 TARRANT COUNTY CLERK  
 TARRANT COUNTY COURTHOUSE  
 100 WEST WEATHERFORD  
 FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration; 07/27/2005 10:36 AM  
 Instrument #: D205217381  
 OPR 2 PGS \$14.00

*[Handwritten signature]*



D205217381

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

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)**

THIS AGREEMENT made this \_\_\_\_\_ day of July, 2004, between  
Gary R. Napier and wife, Vicki T. Napier

\_\_\_\_\_, Lessor (whether one or more) whose address is  
8317 Anglin Drive, Fort Worth, Texas 76140  
and Antero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 11.758 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 12 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessors agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such

operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.

6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land and without Lessor's consent.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Gary R. Napier  
LESSOR

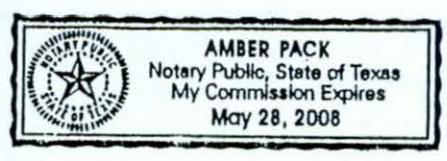
\_\_\_\_\_  
LESSOR

Vicki T. Napier  
LESSOR

\_\_\_\_\_  
LESSOR

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on July 8/10, 2004 by Gary R. Napier and wife, Vicki T. Napier



Notary Signature: Amber Pack  
Printed Name: AMBER PACK  
Notary Public, State of TEXAS  
My Commission Expires May 28, 2008

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

4 2 4 0 0

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated ~~July~~ <sup>August 6</sup> \_\_\_\_\_, 2004, by and between Gary R. Napier and wife, Vicki T. Napier, as Lessors, and Antero Resources I, LP, as Lessee, to wit:

11.758 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated March 25, 1991, from J. C. Fletcher and wife, Nancy Virginia Fletcher, as Grantors and Gary R. Napier and wife, Vicki T. Napier, as Grantees and recorded in Volume 10209, Page 1252 of the Deed Records of Tarrant County, Texas

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 25.0% royalty.

(a) The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").

(b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

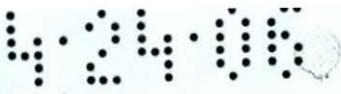
16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.

18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.

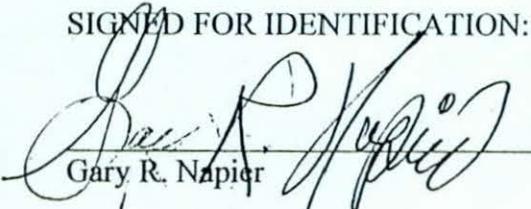


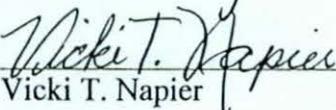
21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor, or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

  
\_\_\_\_\_  
Gary R. Napier

  
\_\_\_\_\_  
Vicki T. Napier

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Gary R. Napier and wife, Vicki T. Napier

whose address 8317 Anglin Drive, Fort Worth, Texas 76140, as Lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July 6, 2004 <sup>August</sup>, covering the following described lands located in Tarrant County, Texas, to-wit:

11.758 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated March 25, 1991, from J. C. Fletcher and wife, Nancy Virginia Fletcher, as Grantors and Gary R. Napier and wife, Vicki T. Napier, as Grantees and recorded in Volume 10209, Page 1252 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of 12 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

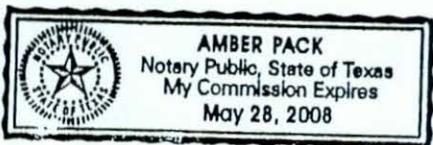
EXECUTED to be effective as of the 6 day of AUGUST ~~July~~, 2004.

[Signature]  
Gary R. Napier

[Signature]  
Vicki T. Napier

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on 8/6 ~~July~~, 2004 by Gary R. Napier and wife, Vicki T. Napier



Notary Signature: [Signature]  
Printed Name: AMBER PACK  
Notary Public, State of TEXAS  
My Commission Expires May 28, 2008

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

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This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Gary R. Napier and wife, Vicki T. Napier

whose address 8317 Anglin Drive, Fort Worth, Texas 76140, as lessor(s) has executed and delivered to Antero Resources, LP, whose address is 1625 17th Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July 6, 2004 covering the following described lands located in Tarrant County, Texas, to-wit:

11.758 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated March 25, 1991, from J. C. Fletcher and wife, Nancy Virginia Fletcher, as Grantors and Gary R. Napier and wife, Vicki T. Napier, as Grantees and recorded in Volume 10209, Page 1252 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary term of 12 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

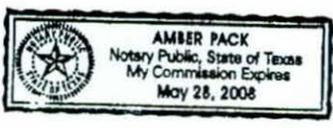
EXECUTED to be effective as of the 6 day of AUGUST, 2004.

Gary R. Napier  
Gary R. Napier

Vicki T. Napier  
Vicki T. Napier

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on 8/6 July, 2004, by Gary R. Napier and wife, Vicki T. Napier



Notary Signature: Amber Pack  
Printed Name: Amber Pack  
Notary Public, State of Texas  
My Commission Expires May 28, 2008

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



TEXHOMA LAND CONSULTANTS  
770 W ROCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/07/2004 11:36 AM  
Instrument #: D204278787  
OPR 2 PGS \$44.60

By: \_\_\_\_\_



D204278787

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

OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

THIS AGREEMENT made this 1st day of May, 20 03, between

Bobby Ray Pickard and wife Myrna Ray Pickard, a/k/a Myrna Rae Pickard  
4301 Anglin Drive  
Fort Worth, TX 76140, Lessor (whether one or more) whose address is

and Artero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten thousand dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, danks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

(SEE EXHIBIT "A" ATTACHED HERETO)

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 15.38 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

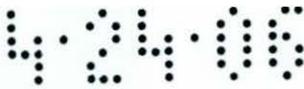
2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 3 years from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following: preparing drilhole location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land. Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges. (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gas or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at Bank at (which bank and its successors are Lessor's agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships hereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land and any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and utilize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed 40 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and utilize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as or gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty specified herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by commencing its leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by Lessee or its subsidiary or tertiary interests as though such lands and interests were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agency having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.



Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the said primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceases within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 130 feet of and draining said Land, Lessee agrees, at its option either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however apportioned, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of the lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subordinated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the share of royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or by use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to any Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Bobby Ray Pickard  
Bobby Ray Pickard LESSOR

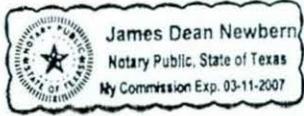
Myrna Rae Pickard  
Myrna Rae Pickard, a/k/a Myrna Rae Pickard LESSOR

Tax ID/SS#: [REDACTED]  
LESSOR

Tax ID/SS#: [REDACTED]  
LESSOR

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on 1st May, 2003 by Bobby Ray Pickard and wife Myrna Ray, Pickard, a/k/a Myrna Rae Pickard



Notary Signature: James Dean Newbern  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

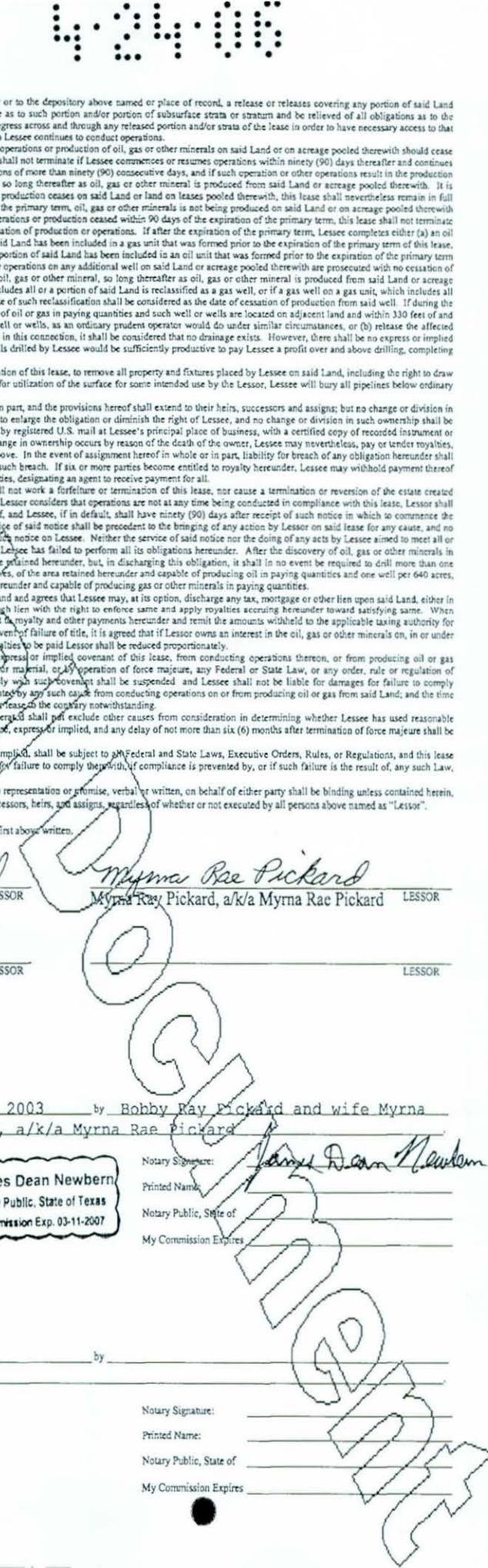


EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated May 1st, 2003, by and between Bobby Ray Pickard and wife Myrna Ray Pickard, a/k/a Myrna Rae Pickard, as Lessor, and Antero Resources I, L.P. as Lessee, to wit:

15.38 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, Tarrant County, Texas, and being more particularly described in a Warranty Deed dated September 26, 1975, from Leon M. Bandy, individually and as Independent Executor of the Estate of Florence (Peggy) Bandy, deceased, as Grantor, to Bobby Ray Pickard and wife Myrna Ray Pickard, as Grantee, and recorded in Volume 5914, Page 0515 of the Deed Records of Tarrant County, Texas.

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

Lessor hereby grants unto Lessee, its successors and assigns, an Option to extend the Three (3) year primary term of this Oil and Gas Lease for an additional period of Two (2) years upon the same terms and conditions as hereinabove set out and agreed upon. Such Option shall be exercised by Lessee by paying or tendering to Lessor, prior to the expiration of the Third Year of the primary term, an amount equal to Seventy ~~two~~ Dollars (\$77.00) per net mineral acre then covered by this Oil and Gas Lease, which amount shall cover and include the paid-up rental payment for the fourth and fifth years of the primary term of said Oil and Gas Lease as extended hereunder. *Seventy \$77*

All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 3/16ths royalty.

After production is established, Lessee will fence all machinery and equipment on each production location.

It is agreed and understood that during the Drilling Operations and Production Operations, the site will be kept as clean as is reasonably possible at all times.

After drilling operations are completed the surface shall be restored to as reasonably practical to the original condition.

SIGNED FOR IDENTIFICATION:

*Bobby R. Pickard*  
Bobby Ray Pickard

*Myrna Rae Pickard*  
Myrna Ray Pickard, a/k/a Myrna Rae Pickard



OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

THIS AGREEMENT made this 16th day of September, 20 03, between  
Orville W. Sewell and wife, Sharon S. Sewell

8155 Anglin Drive, Fort Worth, TX 76140, Lessor (whether one or more) whose address is  
and Antero Resources I, LP, Lessee, whose address is  
1625 17<sup>th</sup> Street-Third Floor, Denver, CO 80202; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

(SEE EXHIBIT "A" ATTACHED HERETO)

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 13.539 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 3 years from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells; (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and or gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at                      (which bank and its successors are Lessor's agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty; in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 40 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area shall be considered for all purposes, except the payment of royalties as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon.



6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Orville W. Sewell  
Orville W. Sewell LESSOR

Sharon S. Sewell  
Sharon S. Sewell LESSOR

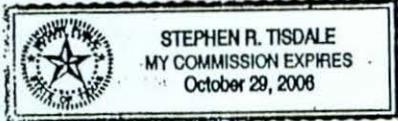
Tax ID/SS#: [REDACTED]  
LESSOR

LESSOR

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on September 16, 2003 by Orville W. Sewell and wife, Sharon S. Sewell

Notary Signature: [Signature]  
Printed Name: STEPHEN R. TISDALE  
Notary Public, State of TEXAS  
My Commission Expires 10-29-06



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

## EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated September 16, 2003, by and between Orville W. Sewell and wife Sharon S. Sewell, as Lessor, and Antero Resources I, LP as Lessee, to wit:

13.539 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in the following two (2) Warranty Deeds:

Tract 1: 12.44 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated August 2, 1984, from Curtis W. Wenzel and wife, Ella Sue Wenzel, as Grantors to Orville W. Sewell and wife, Sharon S. Sewell, as Grantees and recorded in Volume 07911, Page 0652 of the Records of Tarrant County, Texas.

Tract 2: 1.099 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated October 24, 1968, from Norman W. McVean and wife Laura McVean, as Grantors to Texas Electric Service Company, a corporation, as Grantees and recorded in Volume 04636, Page 0594 of the Records of Tarrant County, Texas.

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top Lease) covering all or part of the afore-described lands. Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

### **1. ROYALTY.**

- (a) All references herein to  $1/8^{\text{th}}$  royalty are hereby amended to read  $3/16^{\text{th}}$  royalty.
- (b) The royalty on gas shall be computed on the gross proceeds received by Lessee. All Compression, treating, dehydrating, and transporting cost assessed against Lessor's royalty shall be reasonable in amount, and reflect rates or charges available in arms-length transactions between unaffiliated parties.
- (c) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.



2. **SHUT-IN.** It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

3. **SHUT-IN ROYALTY.** It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$15.00 per acre.

4. **DEPTH CLAUSE.** It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

5. **ROADS.** Lessee agrees to locate the access road for its drilling and production operations along and parallel to the Southern boundary of the leased premises. Entrance to the drilling and production location shall be from Anglin Drive and the entryway shall be constructed to approximately fifty (50) foot frontage along Anglin Drive and approximately eighty (80) foot deep to accommodate all equipment necessary for Lessees operations. Lessee agrees to use as little of the property as necessary for prudent and safe entry for the Lessees operations and said entryway shall be reduced accordingly into the twenty-five (25) foot permanent access road. Lessee shall place a lockable gate at the entryway. The access road shall be forty (40) foot wide during the drilling and completion operations. Lessee agrees to construct a temporary fence along access road sufficient to turn livestock. Thereafter, within ninety (90) days from completion of well or wells, the access road shall be reduced to twenty-five (25) feet and shall be permanently fenced constructed with a woven wire and containing two strands of smooth wire at the top. Lessee shall also place a lockable gate at mutually agreed location at the entryway into the home site area. Said home site entryway shall be forty (40) feet wide and recessed to sixteen (16) feet and constructed to accommodate Lessors stock trailers. Lessee may also place lockable gates at any other locations that Lessee determines as necessary for its operations. Lessee shall keep all outside and interior gates securely closed except immediately before and immediately after each such separate use. Lessee shall repair any damage or deterioration on any road utilized in connection with Lessee's operations on said Lands. Lessee is granted the right and easement to construct and bury pipelines and/or other lines for the use of Lessees operations thereon. Lessee is limited to one pipeline for the production of wells on the leased premises and said pipeline shall be buried no less than forty-eight (48) inches. At the sole risk of the Lessors, their heirs, legal representatives, successors and assigns may enter and utilize the access road.

6. **WELL LOCATIONS.** Lessee shall use as small a dimension as is reasonably possible for prudent operations. Lessee further agrees to locate its operations upon the leased premises at a legal location in the most Easterly portion thereof. Provided however, in no event shall the drillsite for Lessee's drilling activities be larger than three (3) acres and shall be reduced to one (1) acre for its production facility. Lessee shall fence the drilling location with a temporary fence sufficient to turn livestock. Lessee further agrees to fence the production facility with a permanent woven wire fence with two (2) strands of smooth wire at the top. Each reserve pit, secondary pit or other pit which may contain oil-based muds, salt water, oil or waste materials shall be lined with a non-permeable liner prior to use.

7. **SURFACE DAMAGES.** Lessee shall pay Lessor the sum of Ten Thousand Dollars (\$10,000.00) as damages for the drilling pad location, the access road and the pipelines and/or other lines upon the leased premises. Lessee agrees and obligates itself to conduct its operations upon said Lands as a reasonable and prudent operator. Lessee agrees to pay damages to livestock, buildings, fences, road, culverts, merchantable timber, pastureland, growing crops, or any other improvements upon the leased premises caused by Lessee's operations thereon. Lessee shall not cut or remove any oak trees or pecan trees from the leased property, without permission from the Lessor herein.



**8. ADDITIONAL WELLS.** Lessee may drill one additional directionally deviated well located within the 3.0 acre drilling pad. Lessee agrees to pay Lessor damages in the amount of \$5,000.00 for said additional well. Lessor does hereby grant permission unto said Lessee to produce or develop the mineral rights underlying lands adjacent to said lands from said drilling pad on the leased premises. In addition thereto Lessee agrees to convey to Lessor and overriding royalty equal to 1.0 % of 8/8ths in and to the wellbore(s) of each directional well so drilled within sixty (60) days of first production there from. The overriding royalty pertains to only those directional wells drilled, which do not include Lessor's lands or a portion thereof in a producing unit

**9. SURFACE RESTORATION.** Within ninety (90) days after completion or abandonment of any well drilled on said Lands, Lessee will (i) remove all caliche from the drillsite except a minimum amount around the wellbore of a commercial well necessary for maintaining and operating such well; (ii) clean up the well site and remove from said lands any and all oil and/or gas waste materials, oil spills, junk materials, pieces of iron, pipes, steel and other debris and foreign materials and will level all mounds, fill all pits and other excavations (iii) remove all deleterious materials and substances that might cause injury to person or livestock and generally restore such location to its original condition, except for the minimum amount of surface needed to service a commercial well. Lessee will restore the surface of other portions of said lands used by Lessee to as near its original condition as is practicable.

**10. PLUGGING WELLS.** Lessee shall plug and abandon all wells in accordance with the rules and regulations of any governmental agency having jurisdiction.

**11. WATER WELLS.** Lessee shall not use water from any existing wells, tanks on the property. Lessee shall be entitled to drill and obtain water from its own water well(s) on said Lands. Lessee shall pay Lessor \$50.00 per day for the use of water from Lessee's water well(s). All water wells that may be drilled by the Lessee on the property shall be properly cased from top to bottom, gravel-packed, capped, plainly marked and properly identified by the Lessee, and upon the termination of drilling and completion operations, Lessee may remove its pump and surface equipment and turn over the well(s) to Lessor with the casing and all subsurface equipment in place for Lessor's use, at its election; provided, however, Lessee shall retain the right to resume use of its water wells for refracing, reworking, or other operations, so long as this Lease remains in effect. Upon termination of this Lease, such water wells shall be come the sole property of Lessor.

**12. INDEMNITY.** Lessee, its successors and assigns agree to defend and hold harmless Lessor, and their extended family, guests, invitees, and any of his affiliated companies, and their partners, officers, directors, shareholders, their respective heirs, successors, agents and employees (the "Indemnified Parties"), from any and all costs, losses, claims, judgments, settlements, and damages of every kind and character (including violations of environmental laws and regulations, personal injury and death), lawsuits and/or causes of action (including reasonable attorneys' fees and court costs), including claims arising from the concurrent negligence of any of the indemnified parties, so long as their negligence is not more than fifty percent (50%), which may grow out of, arise from, or in any manner be connected with the activities of Lessee and Lessee's agents, invitees, guests, contractors, servants and employees, whether acting within the scope of their employment or not, and whether negligent or not, on the Lands, or any adjacent property.

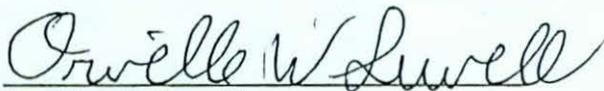
42405

**13. ENVIRONMENTAL.** As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work.

**14. INSURANCE.** Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

**15. ADDITIONAL PROVISIONS.** At Lessors request, Lessee will name the well, "MMRK2B-SEL2B". Provided however, that well naming is subject to Rules and Regulations of the Texas Railroad Commission to the contrary.

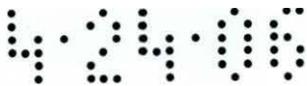
SIGNED FOR IDENTIFICATION:



Orville W. Sewell



Sharon S. Sewell



MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Orville W. Sewell and wife, Sharon S. Sewell

whose address 8155 Anglin Drive, Fort Worth, TX 76140

as lessor(s) has executed and delivered to Antero Resources, L.P., whose address is 1625 17th Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated August 5, 2003 September 16, 2003 covering the following described lands located in

County, Texas, to-wit:

13.539 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in the following two (2) Warranty Deeds:

- (1) 12.44 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated August 2, 1984, from Curtis W. Wenzel and wife, Ella Sue Wenzel, as Grantors to Orville W. Sewell and wife, Sharon S. Sewell, as Grantees and recorded in Volume 07911, Page 0632 of the Records of Tarrant County, Texas
- (2) 1.099 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in Warranty Deed dated October 24, 1968, from Norman W. McVean and wife Laura McVean, as Grantors to Texas Electric Service Company, a corporation, as Grantees and recorded in Volume 04636, Page 0594 of the Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of Three (3) year(s) and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

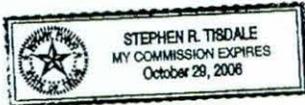
EXECUTED to be effective as of the 16 day of September, 2003.

Orville W. Sewell  
Orville W. Sewell

Sharon S. Sewell  
Sharon S. Sewell

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on September 16, 2003 by Orville W. Sewell and wife Sharon S. Sewell



Notary Signature: [Signature]  
Printed Name: STEPHEN R. TISDALE  
Notary Public, State of TEXAS  
My Commission Expires 10-29-08

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

42405



TEXHOMA LAND CONSULTANTS INC  
770 WEST ROCK CREEK RD 117

NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 02/02/2004 12:55 PM  
Document No.: D204034255  
WD 2 PGS \$14.90

By: \_\_\_\_\_



D204034255

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





6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the leased premises, which remains in force and on which Lessee continues to conduct operations.

7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more than ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth.

9. The rights of either party hereunder may be assigned whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U.S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby; nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder, but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.

11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part, and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State Law, or any order, rule or regulation of governmental 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 therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

(b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.

(c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein, and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor".

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

Richard Irwin Baccus, Jr.  
Richard Irwin Baccus, Jr. LESSOR

\_\_\_\_\_  
LESSOR

Tax ID/SS#: \_\_\_\_\_  
\_\_\_\_\_  
LESSOR

\_\_\_\_\_  
LESSOR

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on August 5, 2003 by Richard Irwin Baccus, Jr., a  
single person

Notary Signature: Brenda Faye Price  
Printed Name: brenda faye price  
Notary Public, State of Texas  
My Commission Expires August 1 2005



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated July 28th, 2003, by and between Richard Irwin Baccus, Jr., as Lessor, and Antero Resources I, LP as Lessee, to wit:

12.25 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in a Warranty Deed dated December 28, 1992, from Patricia Doyle Baccus, as Grantor and Richard Irwin Baccus, Jr., as Grantee and recorded in Volume 10907, Page 0156 of the Deed Records of Tarrant County, Texas

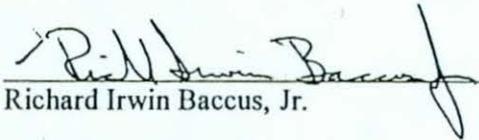
It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

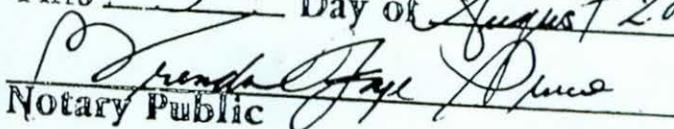
Lessor hereby grants unto Lessee, its successors and assigns, an Option to extend the Three (3) year primary term of this Oil and Gas Lease for an additional period of Two (2) years upon the same terms and conditions as hereinabove set out and agreed upon. Such Option shall be exercised by Lessee by paying or tendering to Lessor, prior to the expiration of the Third Year of the primary term, an amount equal to Seventy Seven Dollars (\$77.00) per net mineral acre then covered by this Oil and Gas Lease, which amount shall cover and include the paid-up rental payment for the fourth and fifth years of the primary term of said Oil and Gas Lease as extended hereunder.

All references herein to 1/8<sup>th</sup> royalty are hereby amended to read 3/16<sup>th</sup> royalty.

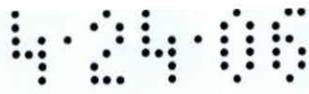
It is agreed and understood, there shall be no drilling on the above described lands.

SIGNED FOR IDENTIFICATION:

  
Richard Irwin Baccus, Jr.

ACKNOWLEDGED BY ME  
This 5 Day of August 2003  
  
Notary Public





MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Richard Irwin Baccus, Jr., a single person

P. O. Box 1252, Arlington, TX 76004, whose address

as Lessor(s) has executed and delivered to Antero Resources, I LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July 19, 2003, covering the following described lands, to-wit:

12.25 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in a Warranty Deed dated December 28, 1992, from Patricia Doyle Baccus, as Grantor and Richard Irwin Baccus, Jr., as Grantee and recorded in Volume 10907, Page 0156 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of Three (3) years with an option to renew said lease for an additional Two (2) years and contains provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED to be effective as of the 5 day of July August, 2003.

Richard Irwin Baccus, Jr.  
Richard Irwin Baccus, Jr., a single person

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on August July 5, 2003 by Richard Irwin Baccus, Jr., a single person

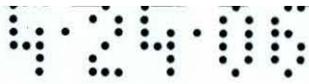
Notary Signature: Brenda Faye Price  
Printed Name: Brenda Faye Price  
Notary Public, State of Texas  
My Commission Expires August 1 2005



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Richard Irwin Baccus, Jr., a single person

whose address P. O. Box 1252, Arlington, TX 76004

as Lessor(s) has executed and delivered to Antero Resources, LP, whose address is 1625 17<sup>th</sup> Street, Suite 300, Denver, Colorado 80202, as Lessee, a certain Oil and Gas Lease dated July 19, 2003, covering the following described lands, to-wit:

12.25 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Blocks 46 & 53, Tarrant County, Texas, being more particularly described in a Warranty Deed dated December 28, 1992, from Patricia Doyle Baccus, as Grantor and Richard Irwin Baccus, Jr., as Grantee and recorded in Volume 10907, Page 0155 of the Deed Records of Tarrant County, Texas

Said Oil and Gas Lease is for a Primary Term of Three (3) years with an option to renew said lease for an additional Two (2) years and contains provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED to be effective as of the 15 day of July, 2003.

Richard Irwin Baccus, Jr.  
Richard Irwin Baccus, Jr., a single person

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on August 15, 2003 by Richard Irwin Baccus, Jr., a single person

Notary Signature: Brenda Kaye Price  
Printed Name: Brenda Kaye Price  
Notary Public, State of Texas  
My Commission Expires August 1, 2005



STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



D203353731  
 TEXHOMA LAND CONSULTANTS INC.  
 770 W. ROCK CREEK RD #117  
 NORMAN OK 73069

-W A R N I N G - T H I S I S P A R T O F T H E O F F I C I A L R E C O R D -- D O N O T D E S T R O Y

I N D E X E D -- F A R R A N T C O U N T Y T E X A S  
 S U Z A N N E H E N D E R S O N -- C O U N T Y C L E R K  
 O F F I C I A L R E C E I P T

O F T E X H O M A L A N D C O N S U L T A N T S I N C .

RECEIPT NO	REGISTER	RECD-BY	PRINTED DATE	TIME
203546373	BR8F	TB	09/22/2003	15:20

	INSTRUMENT	FEECD	INDEXED	TIME	RECVD
1	D203353731	WD	2030922	15:20	CK 1513

T O T A L : D O C U M E N T S : 01 F E E S : 9.00

B Y: \_\_\_\_\_

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

Unrecorded Document

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL, GAS AND MINERAL LEASE  
(PAID-UP LEASE)

 COPY

THIS AGREEMENT made this 12<sup>th</sup> day of April, 20 05, between  
Stanley W. Jacobs and wife, Betty L. Jacobs

\_\_\_\_\_, Lessor (whether one or more) whose address is

4850 Mansfield Highway, Fort Worth, Texas 76119

and Antero Resources I, LP, Lessee, whose address is

810 Houston Street, Fort Worth, Texas 76102

\_\_\_\_\_; WITNESSETH:

1. Lessor in consideration of ten or more dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling, and mining for and producing oil, gas, (including all gases, liquid hydrocarbons, and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic, and geophysical tests and surveys, injecting gas, water, and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees, and building roads, tanks, power stations, telephone, lines, and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:

See Exhibit "A" attached hereto and made a part hereof

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 5.249 acres, whether it actually comprises more or less until such time as Lessee requests a lease amendment and same is filed of record.

2. Subject to the other provisions herein contained and without reference to the commencement, prosecution or cessation of operations and/or production at any time hereunder, this lease shall be for a term of 18 months from this date (called "primary term") and as long thereafter as oil, gas, or other minerals is produced from or operations are conducted on said Land or land with which said land is pooled hereunder. The word "operations" as used herein shall include but not be limited to any of the following; preparing drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in an endeavor to obtain production of oil, gas, or other minerals and any other actions conducted on said lands associated with or related thereto.

3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to which the wells may be connected, one-eighth of the proceeds received from the sale of oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the Lessee for such oil computed at the well; Lessor's interest shall bear one-eighth of the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor's interest shall bear one-eighth of the cost of all trucking charges, (b) on gas, including all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements, casing head gas, or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, the market value at the well of one-eighth of the gas so sold or used provided the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided further on gas sold at the wells the royalty shall be one-eighth of the net proceeds received from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compression, treating, dehydrating, and transporting costs incurred in marketing the gas so sold at the wells, (c) on all other minerals mined and marketed, one-tenth either in-kind or value at the well or mine, at Lessee's election. Any royalty interests, including, without limitation, non-participating royalty interests, in said land, whether or not owned by Lessor, and whether or not effectively pooled by Lessee pursuant to the provisions hereof, shall be paid from the royalty set forth herein. Lessee shall have free use of oil, gas, and water from said Land, except water from Lessor's wells, in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used.

4. If at the expiration of the primary term or at any time or times after the primary term herein, there is a well or wells capable of producing oil or gas in paying quantities on said Land or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then being maintained by production, operations or otherwise, this lease shall not terminate, (unless released by the Lessee), and it shall nevertheless be considered that oil and gas is being produced from said Land within the meaning of paragraph 2 herein. However, in this event, Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the credit of Lessor in the Pay Direct to Lessor at above address Bank at \_\_\_\_\_ (which bank and its successors are Lessor's agent and shall continue as the depository bank for all shut-in royalty payments hereunder regardless of changes in ownership of said Land or shut-in royalty payments) a sum determined by multiplying one dollar (1.00) per acre for each acre then covered by this lease, provided however, in the event said well is located on a unit comprised of all or a portion of said Land and other land or leases a sum determined by multiplying one dollar (1.00) per acre for each acre of said Land included in such unit on which said shut-in well is located. If such bank (or any successor bank) should fail, liquidate, or be succeeded by another bank or for any reason fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in, or (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payment shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect.

5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each, plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments identifying and describing the pooled acreage and file same for recording in the office of the County Clerk in the county in which said pooled acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments, but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which the said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, non-executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in Lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in Lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. In lieu of royalties above specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of said Land placed in the unit bears to the total acreage so pooled in the unit involved, subject to the rights of Lessee to reduce proportionately Lessor's royalty as hereinafter provided. Oil or gas produced from any such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the Land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated 4/12/, 2005, by and between Stanley W. Jacobs and wife, Betty L. Jacobs, as Lessors, and Antero Resources I, LP, as Lessee, to wit:

5.249 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated May 5, 1977, from Robert Michael Evertson and wife, Luanne Evertson, as Grantors to Stanley W. Jacobs and wife, Betty L. Jacobs, as Grantees and recorded in Volume 6231, Page 175 of the Records of Tarrant County, Texas, including all streets, roads alleyways, easements and rights of way lying adjacent thereto.

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. All references herein to  $1/8^{\text{th}}$  royalty are hereby amended to read 25.0% royalty.

(a) The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").

(b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.

18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

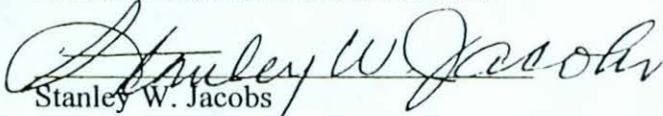
20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.

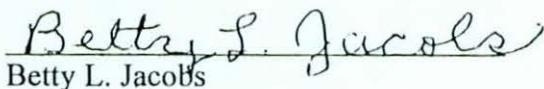
21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:

  
Stanley W. Jacobs

  
Betty L. Jacobs



**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**MEMORANDUM OF OIL AND GAS LEASE**

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Stanley W. Jacobs and wife, Betty L. Jacobs whose address is 4850 Mansfield Highway, Fort Worth, TX 76119, as Lessor(s) has executed and delivered to Antero Resources, L.P., whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated April 12<sup>th</sup>, 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

5.249 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated May 5, 1977, from Robert Michael Evertson and wife, Luanne Evertson, as Grantors to Stanley W. Jacobs and wife, Betty L. Jacobs, as Grantees and recorded in Volume 6231, Page 175 of the Records of Tarrant County, Texas, including all streets, roads alleyways, easements and rights of way lying adjacent thereto.

Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED this 12<sup>th</sup> day of April, 2005.

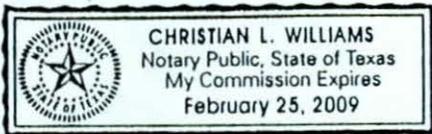
Stanley W. Jacobs  
Stanley W. Jacobs

Betty L. Jacobs  
Betty L. Jacobs

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on April 12<sup>th</sup>, 2005 by Stanley W. Jacobs and wife, Betty L. Jacobs



Notary Signature: Christian L. Williams  
Printed Name: Christian L. Williams  
Notary Public, State of Texas  
My Commission Expires February 25, 2009

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation.

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MEMORANDUM OF OIL AND GAS LEASE

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Stanley W. Jacobs and wife, Betty L. Jacobs whose address is 4850 Mansfield Highway, Fort Worth, TX 76119, as Lessor(s) has executed and delivered to Antero Resources, L.P., whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated April 12th, 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

5.249 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described in a Warranty Deed dated May 5, 1977, from Robert Michael Everton and wife, Luanne Everton, as Grantors to Stanley W. Jacobs and wife, Betty L. Jacobs, as Grantees and recorded in Volume 6231, Page 175 of the Records of Tarrant County, Texas, including all streets, roads alleyways, easements and rights of way lying adjacent thereto.

Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

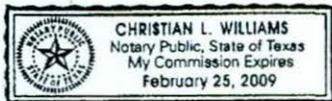
EXECUTED this 12th day of April, 2005.

Stanley W. Jacobs
Stanley W. Jacobs

Betty L. Jacobs
Betty L. Jacobs

STATE OF TEXAS
COUNTY OF Tarrant

This instrument was acknowledged before me on April 12th, 2005 by Stanley W. Jacobs and wife, Betty L. Jacobs



Notary Signature: [Signature]
Printed Name: Christian L. Williams
Notary Public, State of Texas
My Commission Expires February 25, 2009

STATE OF
COUNTY OF

This instrument was acknowledged before me on by on behalf of the corporation.

Notary Signature:
Printed Name:
Notary Public, State of
My Commission Expires

42405



TEXHOMA  
770 WEST ROCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 05/06/2005 09:38 AM  
Instrument #: D205128921  
OPR 2 PGS \$14.00

By: 



D205128921

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



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated April 12, 2005, by and between Rosa M. Benavides, a single person, as Lessor, and Antero Resources I, LP, as Lessee, to wit:

3.706 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described a Warranty Deed dated November 19, 1990, from Lloyd O. Gosney and wife, Patsy Ann Gosney, as Grantors to Rosa M. Benavides, as Grantee and recorded in Volume 10104, Page 443 of the Records of Tarrant County, Texas, including all streets, roads alleyways, easements and rights of way lying adjacent thereto.

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

14. It is hereby agreed and understood there shall be no Drilling Activity on the Surface of the above described leased premises, without prior written permission from the Lessor herein. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

15. All references herein to  $1/8^{\text{th}}$  royalty are hereby amended to read 25.0% royalty.

- (a) The royalty on gas shall be computed on the gross proceeds received by Lessee. Lessee shall not make any deduction for, and shall bear, all costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing, marketing fees or commissions and otherwise making the production ready for sale, transportation or use (collectively, "post-production expenses").
- (b) For the purpose of computing oil royalties hereunder, the gross proceeds received by Lessee shall include all bonus or premium amounts, in addition to posted prices, received or reasonably available to Lessee, or any affiliate of Lessee, upon resale.

16. It is expressly agreed and understood that after the expiration of the primary term, this lease may not be maintained in force solely by the payment of shut-in royalties for any period in excess of two (2) consecutive years. However, lease may be maintained in force and effect if the Lessee or its successors and assigns is engaged in operations to complete a pipeline or pipelines to well or wells.

17. It is expressly agreed and understood that shut-in royalty payable hereunder shall be computed on the basis of \$50.00 per acre.

18. It is expressly agreed and understood that at the end of the primary term herein, this Lease shall terminate as to all rights One Hundred (100) feet below the base of the deepest producing formation, or the stratigraphic equivalent thereof.

19. Notwithstanding any other provision hereof, this lease covers only oil, gas and other liquid and gaseous hydrocarbons.

20. Lessee agrees to and does by these presents indemnify and hold harmless Lessor, Its successors and assigns from and against any and all damages, claims, liabilities, loss, cost and expense, including attorney's fees, arising out of any environmental spill, correction or treatment of the above described property, or any waste thereon. Lessee further agrees to pay the Surface Owner the reasonable value of the actual damages resulting to the surface of the land, and further agrees to restore the surface of the land to as near its original condition as may be reasonably done after the completion of each operation conducted hereunder.

21. As used in this Lease, the term "Hazardous Materials" means any substance defined or identified as a hazardous, extra hazardous or toxic substance, waste, or material under any applicable federal, state, or local statute or regulation. "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority or private party action, or pursuant to any federal, state or local statute, rule regulation or other laws. Lessee agrees (1) to remove from said Lands, if, as and when required by law, any Hazardous Materials placed or released thereon by Lessee, (2) to perform Remedial Work where the need therefore arises in connection with Lessee's operations or activities on said Lands, and (3) to comply in all respects with all federal, state and local governmental laws and regulations governing operations by Lessee and Remedial Work on or associated with said Lands. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor and under the supervision of a consulting engineer selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work resulting from Lessee's operations shall be paid by Lessee, including, without limitation, the charges of such contractors and/or the consulting engineer and Lessor's reasonable attorneys' fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lessor may, (but shall not be required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse all reasonable costs of same on demand. Lessee will notify Lessor of any claim or other action by any governmental agency or any third party involving the actual or alleged existence of Hazardous Materials on said Lands or on Lessor's adjoining property and to provide Lessor with copies of (1) any notice of any release of Hazardous Materials given by Lessee pursuant to any law or regulation and (2) any report of and response to any such incident. Lessee will indemnify, pay and protect, defend and save Lessor harmless from all claims, liabilities, fees and expenses of any kind that arise from the actual or alleged presence or release of any Hazardous Materials in connection with Lessee's operations on the leased premises. This indemnification shall include costs in connection with any Remedial Work when performed by Lessor or any third party in response to any federal, state or governmental authority, laws or regulations, due and payable upon demand therefor by Lessor.

22. Lessee shall maintain a general liability insurance policy (covering both bodily injury and property damage) in an amount of at least \$2,000,000 combined single limit. Lessee shall also carry worker's compensation insurance as required by law.

23. Lessor warrants title, by, through and under Lessor, but not otherwise (special warranty).

SIGNED FOR IDENTIFICATION:



Rosa M. Benavides

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**MEMORANDUM OF OIL AND GAS LEASE**

This Memorandum of Oil and Gas Lease is executed for the purpose of furnishing notice to all persons that, Rosa M. Benavides, a single person whose address is 5330 Everman Kennedale Road, Fort Worth, TX 76140, as Lessor(s) has executed and delivered to Antera Resources, L.P., whose address is 810 Houston Street, Fort Worth, TX 76102 as Lessee, a certain Oil and Gas Lease dated April 12<sup>th</sup>, 2005, covering the following described lands located in Tarrant County, Texas, to-wit:

3.706 acres of land, more or less, located in the Shelby County School Land Survey, Abstract 1375, covering a portion of Block 46, Tarrant County, Texas, being more particularly described a Warranty Deed dated November 19, 1990, from Lloyd O. Gosney and wife, Patsy Ann Gosney, as Grantors to Rosa M. Benavides, as Grantee and and recorded in Volume 10104, Page 443 of the Records of Tarrant County, Texas, including all streets, roads alleyways, easements and rights of way lying adjacent thereto.

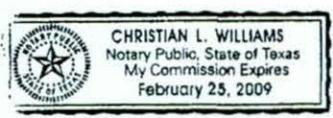
Said Oil and Gas Lease is for a Primary Term of 18 months and as long thereafter as oil, gas and other minerals are being produced from the leased premises or from lands pooled therewith and includes provisions respecting exploration, drilling, production, pooling, payment of royalties and other provisions, and is hereby made a part by reference and adoption as if copied herein in full.

EXECUTED this 12<sup>th</sup> day of April, 2005.

Rosa M. Benavides  
Rosa M. Benavides

STATE OF TEXAS  
COUNTY OF Tarrant

This instrument was acknowledged before me on April 12<sup>th</sup>, 2005 by Rosa M. Benavides, a single person



Notary Signature: Christian L. Williams  
Printed Name: Christian L. Williams  
Notary Public, State of Texas  
My Commission Expires February 25, 2009

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ on behalf of the corporation.

Notary Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

42418



TEXHOMA  
770 WEST ROCK CREEK RD #117

NORMAN OK 73069

Submitter: TEXHOMA

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 05/06/2005 09:38 AM  
Instrument #: D205128919  
OPR 2 PGS \$14.00

By: \_\_\_\_\_

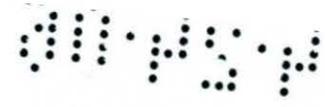


D205128919

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

5.

File No: MF 106582  
Classes & Memo of learn  
Date Filed: 4/24/66  
Jerry E. Paterson, Commissioner  
By: [Signature]



DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL

FILED  
TARRANT COUNTY TEXAS

2025 JUL 21 PM 2:52

  
TARRANT COUNTY TEXAS

STATE OF TEXAS §§  
COUNTY OF TARRANT §§

KNOW ALL MEN BY THESE PRESENTS:

1. **Designation of Unit.** The undersigned (the "Owner") is the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit A (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the Leases and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes said Leases and associated leasehold rights, overriding royalty, and royalty interests for the purpose of drilling for, development and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit ("Unit") includes the Leases, or portions thereof, and the interval, as described on Exhibit A, and is comprised only of the lands described in Exhibit B as depicted on the map attached as Exhibit C.

3. **Production from the Unit.** This Designation of Unit covers all production from the land and depths described on the attached Exhibits A, B and C, which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the



validity of same as to the parties who do execute this instrument. This unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

6. **Effective Date.** The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases.

This Designation of Unit shall be binding on the Owners and their representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 21<sup>st</sup> day of July, 2005.

OWNER:

XTO RESOURCES I, LP

Edwin S. Ryan, Jr.

BY: Edwin S. Ryan, Jr.

Senior Vice President - Land BA

STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 21 day of July, 2005, by Edwin S. Ryan, Jr., the Senior Vice President - Land of XTO Resources I, LP, a Texas Limited Partnership, on behalf of said company in the capacity therein stated.



Carla J. Daniels  
Notary Public, State of Texas

AFTER RECORDING,  
RETURN TO:  
BLAKE ANDERSON  
XTO ENERGY  
810 HOUSTON ST, SUITE 1300  
FORT WORTH, TX 76102



EXHIBIT "A"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL

1. Oil, Gas and Mineral Lease dated June 2<sup>nd</sup>, 2003, between Jacqueline R. Anthony, a widow as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203247064 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 19.56 acres).
2. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Michael Nikovich and wife, Mercedes J. Nikovich as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278786 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 18.76 acres).
3. Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2003, between Eric G. Harborne, Trustee of the Eric Harborne Revocable Trust as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203233080 of the Deed Records of Tarrant County, Texas. (Tract 3 insofar as it covers 10.43 acres).
4. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 4 insofar as it covers 7.085 acres).
5. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 5 insofar as it covers 2.901 acres).
6. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 6 insofar as it covers .826 acres).
7. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 7 insofar as it covers .955 acres).
8. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Nick Karanges and wife, Gayle Karanges as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 40.00 acres).



EXHIBIT "B"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL

BEING a called 94.467 acre unit situated in the Shelby County, School Lands, Abstract 1375, Tarrant County, Texas. Said called 94.467 acre unit to be more particularly described as follows:

BEGINNING at a the Southwest corner of this said unit, said point also being the Southwest corner of the Karanges 40 acre tract;

THENCE North  $00^{\circ}03'$  East a distance of 3296 feet to a point for corner;

THENCE South  $89^{\circ}29'$  East a distance of 1309 feet to a point for corner;

THENCE South  $60^{\circ}04'$  East a distance of 2897 feet to a point for corner;

THENCE South  $89^{\circ}48'$  West a distance of 448 feet to a point for corner;

THENCE South  $03^{\circ}08'$  West a distance of 168 feet to a point for corner;

THENCE North  $89^{\circ}26'$  West a distance of 180 feet to a point for corner;

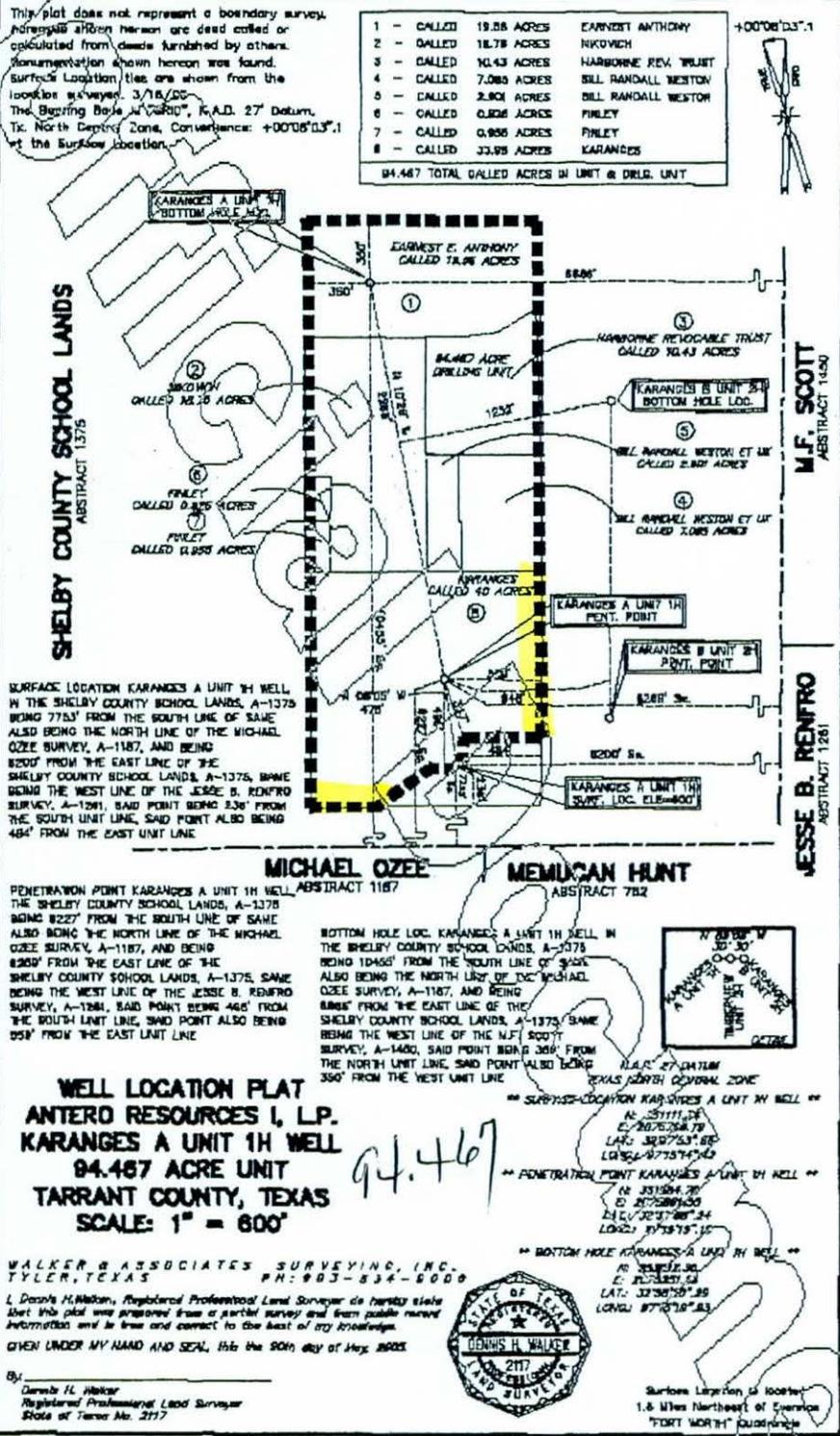
THENCE South  $54^{\circ}44'$  West a distance of 376 feet to a point for corner;

THENCE South  $89^{\circ}36'$  West a distance of 371 feet back to the PLACE of BEGINNING and containing a called 94.467 acres of land.



EXHIBIT "C"

ATTACHED TO AND MADE A PART OF  
 THAT CERTAIN DESIGNATION OF UNIT  
 KARANGES A UNIT 1H WELL



COPY

COPY

WA 446/73

18

REV. 1-7/03 16897





BLAKE ANDERSON  
XTO ENERGY  
810 HOUSTON ST #1309  
FT WORTH TX 76102  
Submitter: PERMIAN LAND CO

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 07/21/2005 02:55 PM  
Instrument #: D205211239  
OPR 6 PGS

\$22.00

By: \_\_\_\_\_



D205211239

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



AMENDED  
DESIGNATION OF UNIT  
KARANGES A UNIT 2H WELL

FILED  
TARRANT COUNTY TEXAS  
2005 DEC -9 PM 12: 31  
SUZANNE HENDERSON  
COUNTY CLERK  
BY \_\_\_\_\_ C \_\_\_\_\_

STATE OF TEXAS §§  
COUNTY OF TARRANT §§

KNOW ALL MEN BY THESE PRESENTS:

1. **Designation of Unit.** The undersigned (the "Owner") is the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit A (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the Leases and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes said Leases and associated leasehold rights, overriding royalty, and royalty interests for the purpose of drilling for, development, and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit ("Unit") includes the Leases, or portions thereof, and the interval, as described on Exhibit A, and is comprised only of the lands described in Exhibit B as depicted on the map attached as Exhibit C.

3. **Production from the Unit.** This Designation of Unit covers all production from the land and depths described on the attached Exhibits A, B and C, which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the



validity of same as to the parties who do execute this instrument. This unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

**6. Effective Date.** The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases.

This Designation of Unit shall be binding on the Owners and their representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 7th day of December, 2005.

**OWNER:**

**XTO RESOURCES I, LP**

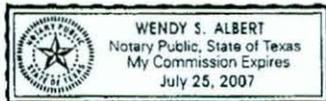
Edwin S. Ryan, Jr.

**BY: Edwin S. Ryan, Jr.**

**Senior Vice President - Land** BA

**STATE OF TEXAS** §  
§  
**COUNTY OF TARRANT** §

This instrument was acknowledged before me on the 7th day of DECEMBER, 2005, by Edwin S. Ryan, Jr., the Senior Vice President - Land of XTO Resources I LP, a Texas Limited Partnership, on behalf of said company in the capacity therein stated.



Wendy S. Albert  
Notary Public, State of Texas



EXHIBIT "A"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 2H WELL

1. Memorandum of Oil, Gas and Mineral Lease dated April 12<sup>th</sup>, 2005, between Stanley W. Jacobs and wife, Betty L. Jacobs, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D295128921 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 5.24 acres).
2. Memorandum of Oil, Gas and Mineral Lease dated April 12<sup>th</sup>, 2005, between Rosa M. Benavides, a single person, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205128919 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 3.76 acres).
3. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston, as Lessor, and Antero Resources, I LP, as Lessee. (Tract 3 insofar as it covers 6.528 acres).
4. Memorandum of Oil, Gas and Mineral Lease dated September 16<sup>th</sup>, 2003, between Dan Novikoff and wife, Barbara Novikoff, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204034256 of the Deed Records of Tarrant County, Texas. (Tract 4 insofar as it covers 6.520 acres).
5. Memorandum of Oil, Gas and Mineral Lease dated September 16<sup>th</sup>, 2003, between Orville W. Sewell and wife, Sharon S. Sewell, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204034255 of the Deed Records of Tarrant County, Texas. (Tract 5 insofar as it covers 3.93 acres).
6. Memorandum of Oil, Gas and Mineral Lease dated August 5<sup>th</sup> 2003, between Richard Irwin Baccus, Jr., as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203353731 of the Deed Records of Tarrant County, Texas. (Tract 6 insofar as it covers 3.92 acres).
7. Oil, Gas and Mineral Lease dated May 1<sup>st</sup>, 2003, between Bobby Ray Pickard and wife, Myrna a/k/a Myrna Rae Pickard, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203198253 of the Deed Records of Tarrant County, Texas. (Tract 7 insofar as it covers 4.86 acres).
8. Memorandum of Oil, Gas and Mineral Lease dated August 4<sup>th</sup>, 2004, between Douglas S. Moeller and Krista K. Nikovich, husband and wife, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278788 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 4.505 acres).
9. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Gary R. Napier and wife, Vicki T. Napier, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278787 of the Deed Records of Tarrant County, Texas. (Tract 9 insofar as it covers 5.84 acres).



**EXHIBIT "A"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 2H WELL**

10. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Nick Karanges and wife, Gayle Karanges, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 10 insofar as it covers 3.91 acres).
11. Memorandum of Oil, Gas and Mineral Lease dated June 30<sup>th</sup>, 2005, between James Morgan Calhoun, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205217381 of the Deed Records of Tarrant County, Texas. (Tract 11 insofar as it covers 12.734 acres).
12. Memorandum of Oil, Gas and Mineral Lease dated July 14<sup>th</sup>, 2005, between Regina Isabel Neill, as Lessor, and XTO Resources, I LP, as Lessee, recorded at D205221841 of the Deed Records of Tarrant County, Texas. (Tract 11 insofar as it covers 12.734 acres).
13. Memorandum of Oil, Gas and Mineral Lease dated August 1<sup>st</sup>, 2005, between Joyce G. Calhoun, a single person, as Lessor, and XTO Resources, I LP, as Lessee, recorded at D205265345 of the Deed Records of Tarrant County, Texas. (Tract 11 insofar as it covers 12.734 acres).
14. Memorandum of Oil, Gas and Mineral Lease dated June 30<sup>th</sup>, 2005, between James Morgan Calhoun, as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205217381 of the Deed Records of Tarrant County, Texas. (Tract 12 insofar as it covers 6.52 acres).
15. Memorandum of Oil, Gas and Mineral Lease dated July 14<sup>th</sup>, 2005, between Regina Isabel Neill, as Lessor, and XTO Resources, I LP, as Lessee, recorded at D205221841 of the Deed Records of Tarrant County, Texas. (Tract 12 insofar as it covers 6.52 acres).
16. Memorandum of Oil, Gas and Mineral Lease dated August 1<sup>st</sup>, 2005, between Joyce G. Calhoun, a single person, as Lessor, and XTO Resources, I LP, as Lessee, recorded at D205265345 of the Deed Records of Tarrant County, Texas. (Tract 12 insofar as it covers 6.52 acres).

INSOFAR as said Oil, Gas and Mineral Leases cover all depths.



**EXHIBIT "B"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 2H WELL**

**BEING** a called 68.267 acre unit situated in the Shelby County School Lands, Abstract 1375, Tarrant County, Texas. Said called 68.267 acre unit to be more particularly described as follows:

**BEGINNING** at a the Southwest corner of this said called 68.267 Acre unit;

**THENCE** North  $01^{\circ}57'$  East a distance of 380 feet to a point for corner;

**THENCE** South  $89^{\circ}29'$  East a distance of 451 feet to a point for corner;

**THENCE** North  $09^{\circ}21'$  West a distance of 3201 feet to a point for corner;

**THENCE** North  $89^{\circ}20'$  East a distance of 896 feet to a point for corner;

**THENCE** South  $00^{\circ}05'$  West a distance of 937 feet to a point for corner;

**THENCE** South  $89^{\circ}19'$  West a distance of 105 feet to a point for corner;

**THENCE** South  $00^{\circ}15'$  West a distance of 2681 feet to a point for corner;

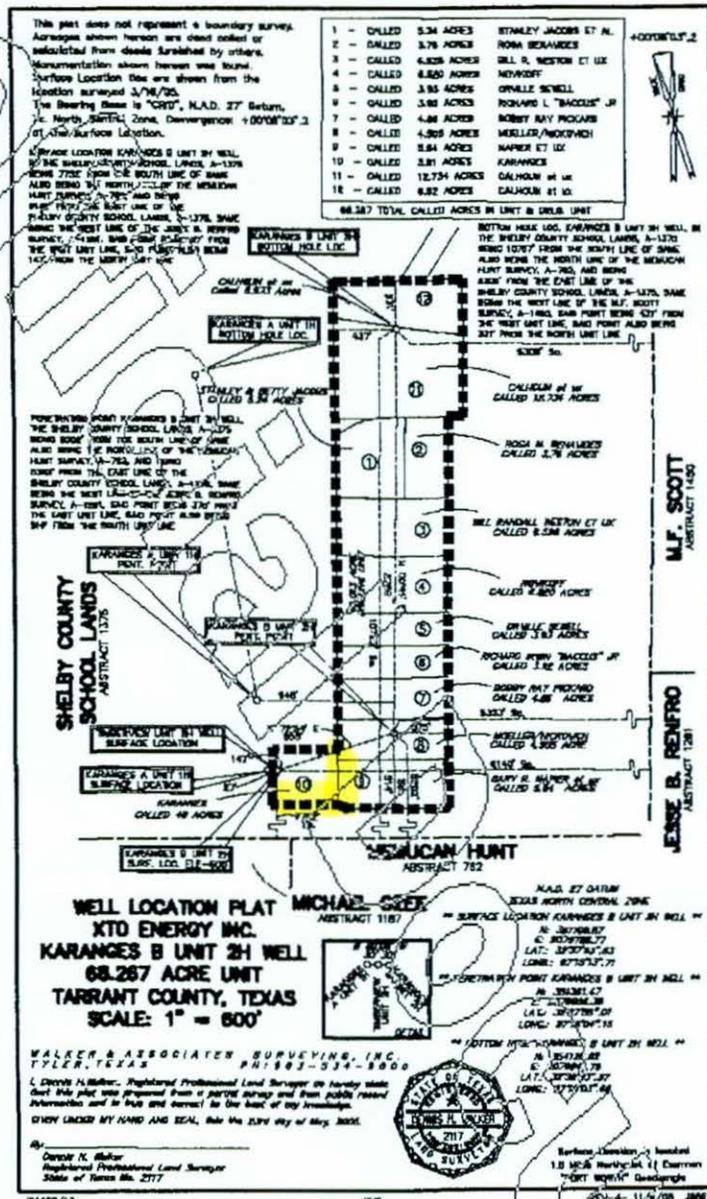
**THENCE** North  $89^{\circ}23'$  West a distance of 715 feet to a point for corner;

**THENCE** North  $61^{\circ}37'$  West a distance of 57 feet to a point for corner;

**THENCE** South  $89^{\circ}36'$  West a distance of 457 feet back to the **PLACE of BEGINNING** and containing a called 68.267 acres of land.

EXHIBIT "C"

ATTACHED TO AND MADE A PART OF  
 THAT CERTAIN DESIGNATION OF UNIT  
 KARANGES A UNIT 2H WELL



Return to:  
 XTO Energy, Inc.  
 810 Houston Street  
 Ft Worth, TX 76102-6298  
 ATTN: Land Department





XTO ENERGY INC  
810 HOUSTON ST  
ATTN LAND DEPT  
FT WORTH TX 76162

Submitter: PERMIAN LAND COMPANY

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 12/09/2005 12:32 PM  
Instrument #: D205366554  
OPR 7 PGS \$36.00

By: \_\_\_\_\_ *C*



**D205366554**

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

90434

DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

FILED  
TARRANT COUNTY TEXAS  
2005 AUG -2 PM 2:38

STATE OF TEXAS §§  
COUNTY OF TARRANT §§

SUZANNE HENDERSON  
COUNTY CLERK

KNOW ALL MEN BY THESE PRESENTS:

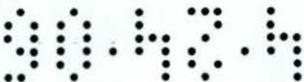
1. **Designation of Unit.** The undersigned (the "Owner") is the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit A (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the Leases and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes said Leases and associated leasehold rights, overriding royalty, and royalty interests for the purpose of drilling for, development, and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not effect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit ("Unit") includes the Leases, or portions thereof, and the interval, as described on Exhibit A, and is comprised only of the lands described in Exhibit B as depicted on the map attached as Exhibit C.

3. **Production from the Unit.** This Designation of Unit covers all production from the land and depths described on the attached Exhibits A, B and C, which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the



validity of same as to the parties who do execute this instrument. This unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

6. **Effective Date.** The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases.

This Designation of Unit shall be binding on the Owners and their representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 29<sup>th</sup> day of July, 2005.

OWNER:

XTO RESOURCES I, LP

Edwin S. Ryan, Jr.

BY: Edwin S. Ryan, Jr.

Senior Vice President - Land

BA FLO

STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 29<sup>th</sup> day of July, 2005, by Edwin S. Ryan, Jr., the Senior Vice President - Land of XTO Resources I LP, a Texas Limited Partnership, on behalf of said company in the capacity therein stated.



Deborah G. Pearson  
Notary Public, State of Texas

return reproducible copy to:  
XTO Energy Inc., 817 Houston St.  
FL Worth, TX 75102  
Attn: Carla D... BA

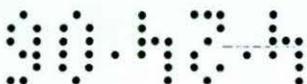


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

1. Oil, Gas and Mineral Lease dated October 29<sup>th</sup>, 2003, between James W. Bainbridge and Sherrill S. Bainbridge, as Trustees for the James W. Bainbridge and Sherrill S. Bainbridge Revocable Living Trust as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203459765 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 1.0 acres).
2. Oil, Gas and Mineral Lease dated November 24<sup>th</sup>, 2003, between David K. Hipkins as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204075185 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 1.0 acres).
3. Oil, Gas and Mineral Lease dated November 24<sup>th</sup>, 2003, between Jim L. Hipkins and Michael L. Hipkins as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204075156 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 1.0 acres).
4. Oil, Gas and Mineral Lease dated November 24<sup>th</sup>, 2003, between David K. Hipkins as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204075185 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 2.4 acres).
5. Oil, Gas and Mineral Lease dated November 24<sup>th</sup>, 2003, between Jim L. Hipkins and Michael L. Hipkins as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204075156 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 2.4 acres).
6. Memorandum of Oil, Gas and Mineral Lease dated February 9<sup>th</sup>, 2004, between Timberview Golf Club, Inc., a Texas corporation as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204059703 of the Deed Records of Tarrant County, Texas. (Tract 3 insofar as it covers 24.227 acres).
7. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Mark Edwin Sanders, a single person as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278789 of the Deed Records of Tarrant County, Texas, as amended by Amendment of Oil, Gas and Mineral Lease dated July 11<sup>th</sup>, 2005 between Mark Edwin Sanders, a single person as Lessor and XTO Resources I, LP as Lessee. (Tract 4 insofar as it covers 19.35 acres).
8. Memorandum of Oil, Gas and Mineral Lease dated August 5<sup>th</sup>, 2004, between Mark Edwin Sanders, a single person as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278789 of the Deed Records of Tarrant County, Texas, as amended by Amendment of Oil, Gas and Mineral Lease dated July 11<sup>th</sup>, 2005 between Mark Edwin Sanders, a single person as Lessor and XTO Resources I, LP as Lessee. (Tract 5 insofar as it covers 1.00 acres).
9. Memorandum of Oil, Gas and Mineral Lease dated March 18<sup>th</sup>, 2004, between Richard C. Wasson, a married person dealing in his sole and separate property as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204121789 of the Deed Records of Tarrant County, Texas. (Tract 6 insofar as it covers 4.0 acres).

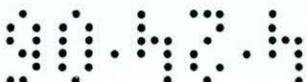


EXHIBIT "A"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

10. Memorandum of Oil, Gas and Mineral Lease dated February 9<sup>th</sup>, 2004, between Timberview Golf Club, Inc., a Texas corporation as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204059703 of the Deed Records of Tarrant County, Texas. (Tract 7 insofar as it covers 14.922 acres).
11. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 4.473 acres).
12. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 9 insofar as it covers 4.439 acres).
13. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 10 insofar as it covers 2.792 acres).
14. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 11 insofar as it covers 3.815 acres).
15. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Mark Edwin Sanders, a single person as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278789 of the Deed Records of Tarrant County, Texas, as amended by Amendment of Oil, Gas and Mineral Lease dated July 11<sup>th</sup>, 2005 between Mark Edwin Sanders, a single person as Lessor and XTO Resources I, LP as Lessee. (Tract 12 insofar as it covers 10.23 acres).
16. Memorandum of Oil, Gas and Mineral Lease dated February 9<sup>th</sup>, 2004, between Timberview Golf Club, Inc., a Texas corporation as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204059703 of the Deed Records of Tarrant County, Texas. (Tract 13 insofar as it covers 10.872 acres).
17. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 14 insofar as it covers .125 acres).
18. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Nick Karanges and wife, Gayle Karanges as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 15 insofar as it covers 2.14 acres).



EXHIBIT "A"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

19. Memorandum of Oil, Gas and Mineral Lease dated March 1<sup>st</sup>, 2005, between TXU Electric Delivery Company as Lessor, and Antero Resources, I LP, as Lessee, recorded at D205084407 of the Deed Records of Tarrant County, Texas. (Tract 16 insofar as it covers 2.81 acres).

In so far as said Oil, Gas, and Mineral Leases cover all depths.

EXHIBIT "B"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

BEING a called 108.366 acre unit situated in the Shelby County School Lands, Abstract 1375, and the Memucan Hunt Survey Abstract 762, Tarrant County, Texas. Said called 108.366 acre unit to be more particularly described as follows:

BEGINNING at a the Northwest corner of this said called 108.366 Acre unit, also being on the Northwest corner of a called 1.0 acre tract conveyed to the Bainbridge Living Trust;

THENCE North 89°35' East a distance of 717 feet to a point for corner;  
THENCE North 54°44' East a distance of 376 feet to a point for corner;  
THENCE South 89°20' East a distance of 180 feet to a point for corner;  
THENCE South 01°01' West a distance of 212 feet to a point for corner;  
THENCE North 89°36' East a distance of 457 feet to a point for corner;  
THENCE South 61°37' East a distance of 57 feet to a point for corner;  
THENCE South 89°23' East a distance of 1912 feet to a point for corner;  
THENCE South 27°44' East a distance of 240 feet to a point for corner;  
THENCE South 31°02' West a distance of 178 feet to a point for corner;  
THENCE South 78°37' West a distance of 122 feet to a point for corner;  
THENCE North 80°00' West a distance of 194 feet to a point for corner;  
THENCE North 89°10' West a distance of 49 feet to a point for corner;  
THENCE North 36°16' West a distance of 254 feet to a point for corner;  
THENCE South 29°31' West a distance of 228 feet to a point for corner;  
THENCE South 00°32' East a distance of 346 feet to a point for corner;  
THENCE South 25°19' East a distance of 242 feet to a point for corner;  
THENCE South 06°12' West a distance of 346 feet to a point for corner;  
THENCE North 89°55' West a distance of 155 feet to a point for corner;  
THENCE South 00°08' West a distance of 570 feet to a point for corner;  
THENCE North 81°58' West a distance of 54 feet to a point for corner;  
THENCE North 41°53' West a distance of 214 feet to a point for corner;  
THENCE North 69°14' West a distance of 94 feet to a point for corner;  
THENCE South 34°59' West a distance of 96 feet to a point for corner;  
THENCE South 34°08' West a distance of 206 feet to a point for corner;  
THENCE South 49°09' West a distance of 69 feet to a point for corner;



EXHIBIT "B"

ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
TIMBERVIEW UNIT 2H WELL

THENCE South 86°36' West a distance of 230 feet to a point for corner;

THENCE South 58°44' West a distance of 33 feet to a point for corner;

THENCE South 53°52' West a distance of 59 feet to a point for corner;

THENCE South 74°42' East a distance of 36 feet to a point for corner;

THENCE South 31°15' West a distance of 1131 feet to a point for corner;

THENCE North 01°44' East a distance of 304 feet to a point for corner;

THENCE North 51°19' East a distance of 540 feet to a point for corner;

THENCE North 30°42' East a distance of 274 feet to a point for corner;

THENCE North 52°13' West a distance of 2409 feet to a point for corner;

THENCE North 00°09' West a distance of 314 feet to a point for corner;

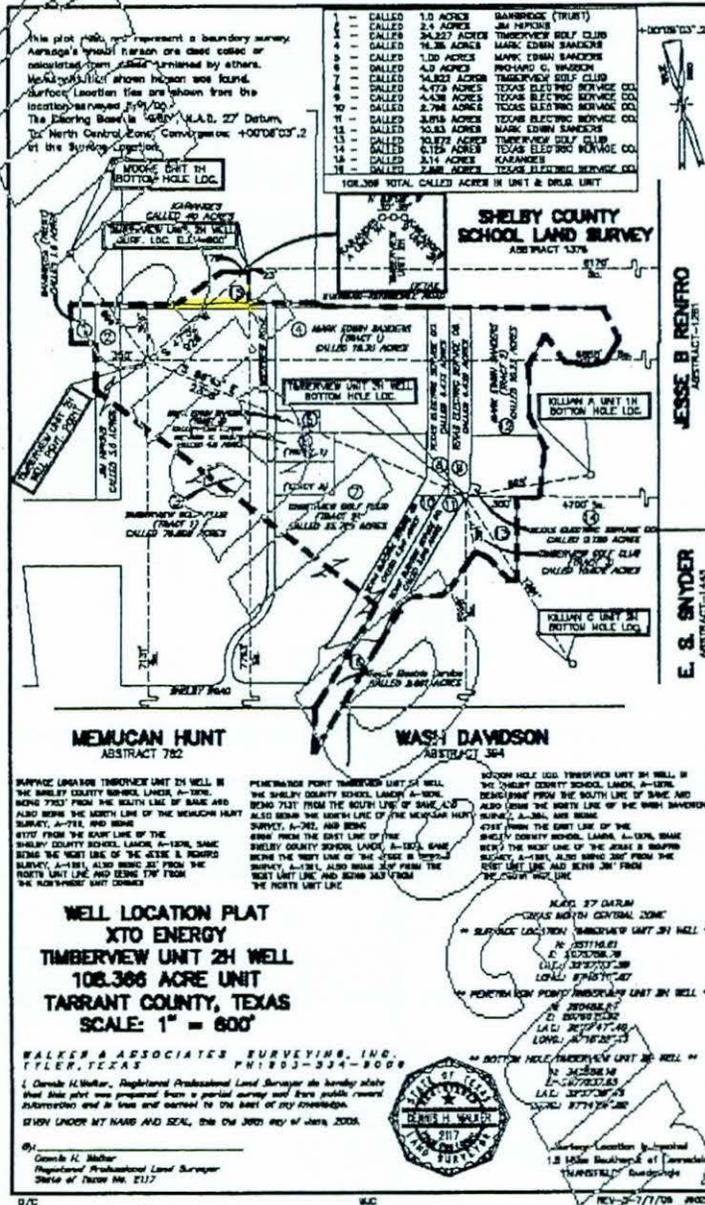
THENCE South 89°51' West a distance of 164 feet to a point for corner;

THENCE North 00°09' West a distance of 266 feet back to the PLACE of BEGINNING and  
containing a called 108.366 acres of land.

EXHIBIT "C"

ATTACHED TO AND MADE A PART OF  
 THAT CERTAIN DESIGNATION OF UNIT  
 TIMBERVIEW UNIT 2H WELL

This plot does not represent a boundary survey. Any acreage shown herein are based on a survey of the surface location lines as shown from the locality as shown on the plat. The bearing and distance of the North Central Zone, Commission +00°08'03".2 of the Survey Operation.



Return to:  
 XTO Energy, Inc.  
 810 Houston Street  
 Ft Worth, TX 76102-6298  
 ATTN: Land Department





XTO ENERGY INC.  
810 HOUSTON ST

FT WORTH TX 76102

Submitter: DEBORAH PEARSON

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**

**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 08/02/2005 02:34 PM  
Instrument #: D205223272  
OPR 9 PGS

\$28.00



D205223272

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



6.  
File No. MF 706582  
Assignment Unit  
Date Filed: 4/24/06  
Jerry E. Patterson, Commissioner  
By \_\_\_\_\_

4.54.00

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 11, 2006

Asa W. Lucas  
XTO Energy Resources I L.P.  
515 Houston Street, Suite 700  
Ft. Worth, TX 76102

RE: State of Texas Highway Right of Way Lease # M-106582 and M-106583.

Dear Mr. Lucas,

Enclosed you will find the original executed HROW Lease in Tarrant County.

All fees, application, bonus, and sales tax have been paid on this lease. Please reference the State lease number on all future correspondence and payments, etc.

Thank you for your assistance in this matter.

Best regards,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd  
Energy Resources  
Mineral Leasing  
512-463-6521  
beverly.boyd@glo.state.tx.us

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](http://www.glo.state.tx.us)

File No. MF 106582  
2nd letter  
Date Filed: 8/11/86  
Jerry E. Patterson, Commissioner  
By JEP

# DO NOT DESTROY



## Texas General Land Office UNIT AGREEMENT MEMO

UPA170184

**Unit Number** 8807  
**Operator Name** XTO Energy INC  
**Customer ID** C000044262  
**Unit Name** Karanges A 1H  
**County 1** Tarrant **RRC District 1** 05  
**County 2** **RRC District 2**  
**County 3** **RRC District 3**  
**County 4** **RRC District 4**  
**Unit type** Permanent  
**State Net Revenue Interest Oil** 0.00563586  
**State Part in Unit** 0.02254345  
**Unit Depth** Allow All Depths  
**From Depth**  
**To Depth**  
**Well**  
**Formation**  
**Participation Basis** Surface Acreage  
**If Exclusions Apply:** See Remarks

**Effective Date** 07/21/2005  
**Unitized For** Oil And Gas  
**Unit Term**  
**Old Unit Number** **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF106582	9	2.266000	100.517000	0.02254345	O/G	0.25000000	0.00563586	No

**API Number**  
4243931269

**Remarks:**

The unit well (42-439-31269) produced from January, 2006 -May, 2009. This unit is being set up so XTO can pay for past production.

**Prepared By:**

MB

**Prepared Date:**

11/17/17

**GLO Base Updated By:**

MB

**GLO Base Date:**

11/17/17

**RAM Approval By:**

MB

**RAM Approval Date:**

11/17/17

**GIS By:**

MC

**GIS Date:**

11-29-17

**Well Inventory By:**

MB

**WI Date:**

11/17/17

8807



Texas General Land Office  
George P. Bush, Commissioner  
1700 North Congress Avenue  
Austin, Texas 78701-1495

**STATE RIGHT OF WAY and/or COUNTY ROAD UNIT DESIGNATION**

**OPERATOR INFORMATION**

Contact Name Rick Hayes Phone (817) 885-2381

Name of Pooled Unit Karanges A 1H

Operator of Pooled Unit XTO Energy Inc. County Tarrant

Effective Date of Unit Declaration: July 21, 2005

**SROW/CO. ROAD LEASE(S) IN UNIT**

SROW/CoRd Lease MF No.	Lease Date	Term	Royalty	Total Acreage in SROW/CoRd Lease	SROW/CoRd Lease Acreage in Unit
M-106582	7-25-2006	1 Yr	1/4 (25%)	2.266	2.266

Total SROW/Co. Road Acreage in Unit: 2.266000

Total Private Acreage in Unit: 98.251000

Total Unit Acreage: 100.517000

<b>SROW/CoRd Royalty Interest in Unit:</b>	0.	0	0	5	6	3	5	8	6
--	----	---	---	---	---	---	---	---	---

◆ Attach a plat showing the pooled unit outline, unit well(s) location, and SROW & CoRd lease tracts ◆

Type of Mineral Pooled: Oil  Gas  Oil & Gas

Pooled Interval: All Depths  Top Depth \_\_\_\_\_ Base Depth \_\_\_\_\_

If pooling a Formation(s) please list Formation Name: \_\_\_\_\_

RRC Field Name(s): Newark East

**UNIT WELLS**

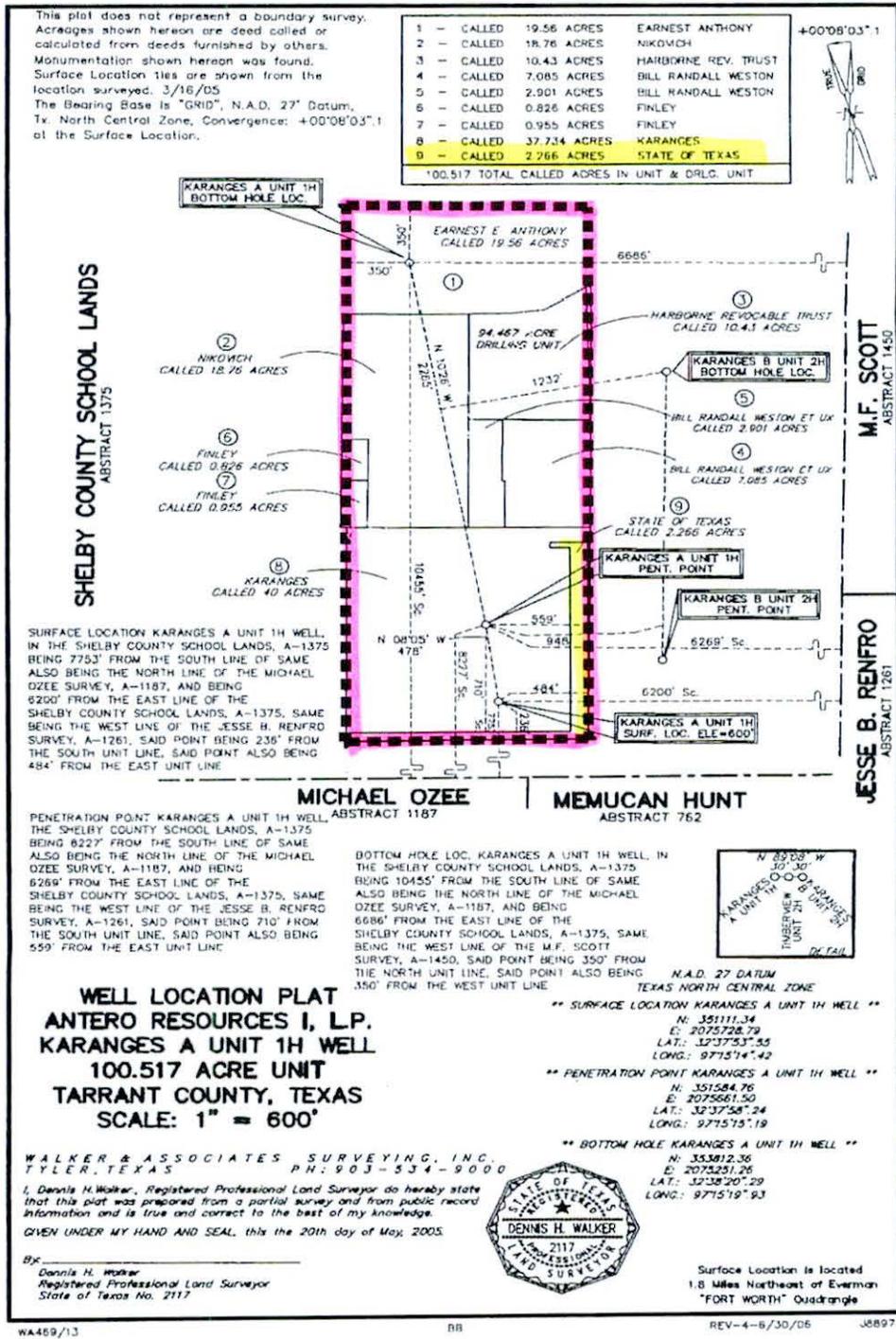
API # 42-439-31269-00-00 RRC ID# 215708

API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

4. Correcting the reference to the survey plat, Exhibit "C", to the Correction, to read as follows:



Except as amended by this instrument, the Designation is and remains in full force and effect as originally written.

DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL

STATE OF TEXAS §§  
COUNTY OF TARRANT §§

FILED  
TARRANT COUNTY TEXAS

2005 JUL 21 PM 2:52



KNOW ALL MEN BY THESE PRESENTS:

1. **Designation of Unit.** The undersigned (the "Owner") is the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit A (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the Leases and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes said Leases and associated leasehold rights, overriding royalty, and royalty interests for the purpose of drilling for, development, and production of oil, gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit ("Unit") includes the Leases, or portions thereof, and the interval, as described on Exhibit A, and is comprised only of the lands described in Exhibit B as depicted on the map attached as Exhibit C.

3. **Production from the Unit.** This Designation of Unit covers all production from the land and depths described on the attached Exhibits A, B and C, which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the

validity of same as to the parties who do execute this instrument. This unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

6. **Effective Date.** The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases.

This Designation of Unit shall be binding on the Owners and their representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 21<sup>st</sup> day of July, 2005.

OWNER:

XTO RESOURCES I, LP

Edwin S. Ryan, Jr.

BY: Edwin S. Ryan, Jr.

Senior Vice President - Land BA

STATE OF TEXAS §  
  §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 21 day of July, 2005, by Edwin S. Ryan, Jr., the Senior Vice President - Land of XTO Resources I, LP, a Texas Limited Partnership, on behalf of said company in the capacity therein stated.



Carla J. Daniels  
Notary Public, State of Texas

AFTER RECORDING,  
RETURN TO:  
BLAKE ANDERSON  
XTO ENERGY  
810 HOUSTON ST, SUITE 1300  
FORT WORTH, 76102

**EXHIBIT "A"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL**

1. Oil, Gas and Mineral Lease dated June 2<sup>nd</sup>, 2003, between Jacqueline R. Anthony, a widow as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203247064 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 19.56 acres).
2. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Michael Nikovich and wife, Mercedes J. Nikovich as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278786 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 18.76 acres).
3. Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2003, between Eric G. Harborne, Trustee of the Eric Harborne Revocable Trust as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203233080 of the Deed Records of Tarrant County, Texas. (Tract 3 insofar as it covers 10.43 acres).
4. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 4 insofar as it covers 7.085 acres).
5. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 5 insofar as it covers 7.901 acres).
6. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 6 insofar as it covers .826 acres).
7. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 7 insofar as it covers .955 acres).
8. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Nick Karanges and wife, Gayle Karanges as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 40.00 acres).

**EXHIBIT "B"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL**

**BEING** a called 94.467 acre unit situated in the Shelby County, School Lands, Abstract 1373, Tarrant County, Texas. Said called 94.467 acre unit to be more particularly described as follows:

**BEGINNING** at a the Southwest corner of this said unit, said point also being the Southwest corner of the Karanges 40 acre tract;

**THENCE** North  $00^{\circ}03'$  East a distance of 3296 feet to a point for corner;

**THENCE** South  $89^{\circ}29'$  East a distance of 1309 feet to a point for corner;

**THENCE** South  $60^{\circ}04'$  East a distance of 2897 feet to a point for corner;

**THENCE** South  $89^{\circ}48'$  West a distance of 448 feet to a point for corner;

**THENCE** South  $93^{\circ}08'$  West a distance of 168 feet to a point for corner;

**THENCE** North  $89^{\circ}20'$  West a distance of 180 feet to a point for corner;

**THENCE** South  $54^{\circ}44'$  West a distance of 376 feet to a point for corner;

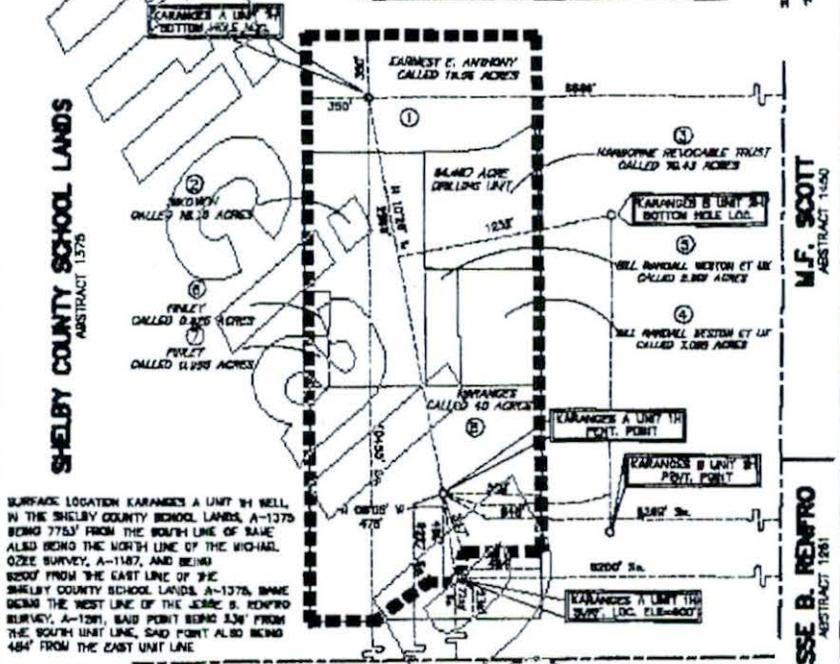
**THENCE** South  $89^{\circ}36'$  West a distance of 371 feet back to the **PLACE** of **BEGINNING** and containing a called 94.467 acres of land.

EXHIBIT "C"

ATTACHED TO AND MADE A PART OF  
 THAT CERTAIN DESIGNATION OF UNIT  
 KARANGES A UNIT 1H WELL

This plat does not represent a boundary survey. All acreage shown herein are dealt called or stipulated from data furnished by others. No representation herein has been made. Surface location lines are shown from the location survey, 3/18/00. The bearing base is "True", F.A.D. 27 Datum. Tx. North Degr. Zone, Convergence: +00'05"03".1 at the surface location.

1 - CALLED	19.04 ACRES	EARNEST ANTHONY
2 - CALLED	18.78 ACRES	NKOVICH
3 - CALLED	10.43 ACRES	HARBORNE REV. TRUST
4 - CALLED	7.000 ACRES	BILL RANDALL WESTON
5 - CALLED	2.90 ACRES	BILL RANDALL WESTON
6 - CALLED	0.808 ACRES	FURLEY
7 - CALLED	0.958 ACRES	FURLEY
8 - CALLED	33.99 ACRES	KARANGES
94.467 TOTAL CALLED ACRES IN UNIT & DRILL UNIT		



SURFACE LOCATION KARANGES A UNIT 1H WELL, IN THE SHELBY COUNTY SCHOOL LANDS, A-1378 BEING 7753' FROM THE SOUTH LINE OF SAME ALSO BEING THE NORTH LINE OF THE MICHAEL OZEE SURVEY, A-1187, AND BEING 8200' FROM THE EAST LINE OF THE SHELBY COUNTY SCHOOL LANDS, A-1378, SAME BEING THE WEST LINE OF THE JESSE B. ROEPFRO SURVEY, A-1281, SAID POINT BEING 336' FROM THE SOUTH UNIT LINE, SAID POINT ALSO BEING 484' FROM THE EAST UNIT LINE.

PENETRATION POINT KARANGES A UNIT 1H WELL, IN THE SHELBY COUNTY SCHOOL LANDS, A-1378 BEING 8227' FROM THE SOUTH LINE OF SAME ALSO BEING THE NORTH LINE OF THE MICHAEL OZEE SURVEY, A-1187, AND BEING 8200' FROM THE EAST LINE OF THE SHELBY COUNTY SCHOOL LANDS, A-1378, SAME BEING THE WEST LINE OF THE JESSE B. ROEPFRO SURVEY, A-1281, SAID POINT BEING 465' FROM THE SOUTH UNIT LINE, SAID POINT ALSO BEING 954' FROM THE EAST UNIT LINE.

BOTTOM HOLE LOC. KARANGES A UNIT 1H WELL, IN THE SHELBY COUNTY SCHOOL LANDS, A-1378 BEING 18465' FROM THE SOUTH LINE OF SAME ALSO BEING THE NORTH LINE OF THE MICHAEL OZEE SURVEY, A-1187, AND BEING 8887' FROM THE EAST LINE OF THE SHELBY COUNTY SCHOOL LANDS, A-1378, SAME BEING THE WEST LINE OF THE M.F. SCOTT SURVEY, A-1480, SAID POINT BEING 360' FROM THE NORTH UNIT LINE, SAID POINT ALSO BEING 350' FROM THE WEST UNIT LINE.

**WELL LOCATION PLAT**  
**ANTERO RESOURCES I, LP.**  
**KARANGES A UNIT 1H WELL**  
**94.467 ACRE UNIT**  
**TARRANT COUNTY, TEXAS**  
**SCALE: 1" = 600'**

WALKER & ASSOCIATES SURVEYING, INC.  
 TYLER, TEXAS PH: 983-834-6000  
 I, Dennis Walker, Registered Professional Land Surveyor in the State of Texas, do hereby state that this plat was prepared from a partial survey and from public record information and to the best of my knowledge and belief is true and correct to the best of my knowledge.  
 GIVEN UNDER MY HAND AND SEAL, this the 20th day of May, 2008.  
 Dennis H. Walker  
 Registered Professional Land Surveyor  
 State of Texas No. 2117



TEXAS NORTH DEGREE ZONE  
 SURFACE LOCATION KARANGES A UNIT 1H WELL IN  
 N. 25117.08  
 E. 2627.254.79  
 L.A.S. 382753'.89  
 L.O.S. 971574'.60  
 PENETRATION POINT KARANGES A UNIT 1H WELL IN  
 N. 25117.08  
 E. 2627.254.79  
 L.A.S. 382753'.89  
 L.O.S. 971574'.60  
 BOTTOM HOLE KARANGES A UNIT 1H WELL IN  
 N. 25117.08  
 E. 2627.254.79  
 L.A.S. 382753'.89  
 L.O.S. 971574'.60

Surface Location is shown  
 1.6 Miles Northwest of Coahoma  
 TARRANT COUNTY, TEXAS



BLAKE ANDERSON  
XTO ENERGY  
810 HOUSTON ST #1100  
FT WORTH TX 76102  
Submitter: PERMIAN LAND CO

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 07/21/2005 02:55 PM  
Instrument #: D205211239  
OPR 6 PGS \$22.00

  
By: \_\_\_\_\_



D205211239

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

**CORRECTION DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL**

STATE OF TEXAS §§  
COUNTY OF TARRANT §§

**KNOW ALL MEN BY THESE PRESENTS:**

1. **Designation of Unit.** The undersigned (the "Owner") is the owner of valid and subsisting oil, gas and mineral leases listed in Exhibit A (together with all amendments and corrections thereto, the "Leases") insofar as the Leases cover and affect the land and depths described on Exhibit A. Pursuant to the Leases and with the consent of the lessors of the Leases where required, the Owner hereby pools, consolidates, combines and unitizes said Leases and associated leasehold rights, overriding royalty, and royalty interests for the purpose of drilling for, development, and production of gas and liquid hydrocarbons (including condensate, distillate and other liquids) from the Unit (as defined below). If at any time any tract of land or interest within the Unit is not properly pooled or unitized hereby or is not otherwise committed to the Unit, such fact shall not affect, terminate, impair or invalidate the Unit as to any interest properly pooled or unitized hereby or otherwise.

2. **Description of the Unit.** The unit ("Unit") includes the Leases, or portions thereof, and the interval, as described on Exhibit A, and is comprised only of the lands described in Exhibit B as depicted on the map attached as Exhibit C.

3. **Production from the Unit.** This Designation of Unit covers all production from the land and depths described on the attached Exhibits A, B and C, which is produced from any well drilled to the unitized interval underlying the Unit area. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion that the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

4. **Amendment.** The Owner reserves the right to amend this Designation of Unit from time to time, and at any time, in order to correct any error herein or to include in this Unit any newly acquired interests within the Unit boundaries or to enlarge or reduce the Unit area in accordance with the applicable rules and regulations of any governmental regulatory body or agency having jurisdiction insofar as such right is granted in the Leases, by appropriate amendments or instruments.

5. **Counterpart Signatures.** This instrument may be executed as one document signed by all parties, or parties named herein may join herein by execution of a counterpart or ratification, with the same effect as if all parties executed this instrument. Executed signature pages from different originals may be combined to form a single original instrument for recording purposes. The failure of any one or more persons owning an interest in the Unit to execute this instrument or a counterpart or ratification thereof shall not in any manner affect the

validity of same as to the parties who do execute this instrument. This unit may not be ratified or joined in by any party who is not named below without the consent of the parties hereto.

**Effective Date.** The Unit hereby created shall be effective as of the date of first production from the Unit, or from the date operations are commenced anywhere on the Unit, whichever occurs first, and shall remain in force as long as the pooled minerals are being produced from the Unit, or so long as the leases covering the Unit are maintained in force by payment or tender of shut-in royalties or by any other means, in accordance with the terms of the Leases.

This Designation of Unit shall be binding on the Owners and their representatives, successors and assigns.

IN WITNESS WHEREOF, this Designation of Unit is executed on this 31<sup>st</sup> day of March, 2006.

OWNER:

XTO RESOURCES I, LP

*Edwin S. Ryan, Jr.*

BY: Edwin S. Ryan, Jr.

Senior Vice President - Land

BA

STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 31<sup>st</sup> day of March, 2006, by Edwin S. Ryan, Jr., the Senior Vice President - Land of XTO Resources I LP, a Texas Limited Partnership, on behalf of said company in the capacity therein stated.



*Deborah G. Pearson*  
Notary Public, State of Texas

**EXHIBIT "A"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN CORRECTION DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL**

1. Oil, Gas and Mineral Lease dated June 2<sup>nd</sup>, 2003, between Jacqueline R. Anthony, a widow as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203247064 of the Deed Records of Tarrant County, Texas. (Tract 1 insofar as it covers 19.56 acres).
2. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Michael Nikovich and wife, Mercedes J. Nikovich as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 2 insofar as it covers 18.76 acres).
3. Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2003, between Eric G. Harborne, Trustee of the Eric Harborne Revocable Trust as Lessor, and Antero Resources, I LP, as Lessee, recorded at D203233080 of the Deed Records of Tarrant County, Texas. (Tract 3 insofar as it covers 10.43 acres).
4. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013383 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 4 insofar as it covers 7.085 acres).
5. Memorandum of Oil, Gas and Mineral Lease dated December 3, 2003, between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204013388 of the Deed Records of Tarrant County, Texas, as amended by Amendment to Oil, Gas and Mineral Lease dated May 27<sup>th</sup>, 2005, effective May 26<sup>th</sup>, 2005 between Bill Randall Weston and wife, Carolyn Sue Weston as Lessor, and Antero Resources, I LP, as Lessee. (Tract 5 insofar as it covers 2.901 acres).
6. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 6 insofar as it covers .826 acres).
7. Memorandum of Oil, Gas and Mineral Lease dated July 28<sup>th</sup>, 2004, between Gary P. Finley and wife, Mari J. Finley as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278785 of the Deed Records of Tarrant County, Texas. (Tract 7 insofar as it covers .955 acres).
8. Memorandum of Oil, Gas and Mineral Lease dated August 6<sup>th</sup>, 2004, between Nick Karanges and wife, Gayle Karanges as Lessor, and Antero Resources, I LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 33.95 acres).

INSOFAR as said Oil, Gas and Mineral Leases cover all depths.

**EXHIBIT "B"**

**ATTACHED TO AND MADE A PART OF  
THAT CERTAIN CORRECTION DESIGNATION OF UNIT  
KARANGES A UNIT 1H WELL**

**BEING** a called 94.467 acre unit situated in the Shelby County, School Lands, Abstract 1373, Tarrant County, Texas. Said called 94.467 acre unit to be more particularly described as follows:

**BEGINNING** at the Southwest corner of this said unit, said point also being the Southwest corner of the Karanges 40 acre tract;

**THENCE** North  $60^{\circ}23'$  East a distance of 3296 feet to a point for corner;

**THENCE** South  $83^{\circ}29'$  East a distance of 1309 feet to a point for corner;

**THENCE** South  $08^{\circ}04'$  East a distance of 2897 feet to a point for corner;

**THENCE** South  $89^{\circ}48'$  West a distance of 448 feet to a point for corner;

**THENCE** South  $03^{\circ}08'$  West a distance of 168 feet to a point for corner;

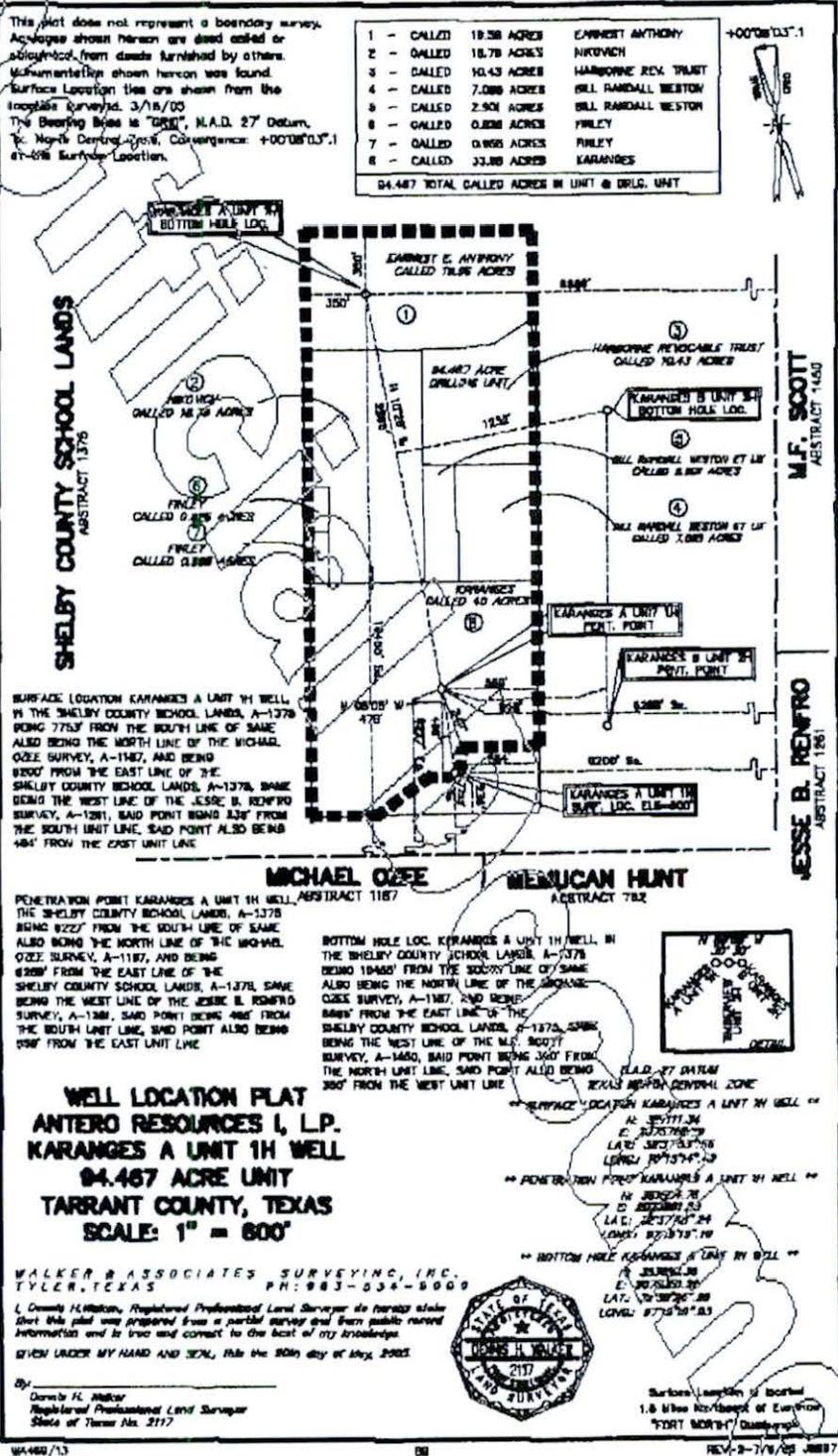
**THENCE** North  $89^{\circ}20'$  West a distance of 180 feet to a point for corner;

**THENCE** South  $54^{\circ}44'$  West a distance of 376 feet to a point for corner;

**THENCE** South  $89^{\circ}36'$  West a distance of 371 feet back to the **PLACE OF BEGINNING** and containing a called 94.467 acres of land.

EXHIBIT "C"

ATTACHED TO AND MADE A PART OF  
 THAT CERTAIN CORRECTION DESIGNATION OF UNIT  
 KARANGES A UNIT 1H WELL



Return to:  
 XTO Energy, Inc.  
 810 Houston Street  
 Ft Worth, TX 76102-6298  
 ATTN: Land Department

Unofficial Document

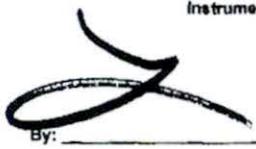


XTO ENERGY INC  
810 HOUSTON ST  
FT WORTH TX 76102  
Submitter: PERMAN LAND COMPANY

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 04/04/2006 11:36 AM  
Instrument #: D206096371  
OPR 8 PGS \$32.00

By: 



D206096371

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

5

**SECOND AMENDMENT AND CORRECTION TO  
DESIGNATION OF UNIT  
KARANGES A 1H**

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

**Whereas**, XTO RESOURCES I, LP, hereinafter referred to as "Owner," created a pooled unit called the KARANGES A UNIT 1H (the "Unit") by filing of record that certain Designation of Unit ("Designation") executed July 21, 2005, such Designation recorded as Instrument No. D205211239 of the Official Records of Tarrant County, Texas; and

**Whereas**, "Owner," amended the "Unit" by filing of record that certain Correction of Designation of Unit ("Correction") executed March 31, 2006, such Correction recorded as Instrument No. D206096371 of the Official Records of Tarrant County, Texas; and

**Whereas**, Owner, being the present owner of the applicable oil and gas leases and/or party to the Designation, wishes to amend the Correction to correct the inaccurate reference to the oil, gas and mineral lease referenced on the Correction and located within the Unit more particularly described on Exhibit "A" item 8 to the Correction as follows (the "Lease"):

(8.) Memorandum of Oil, Gas and Mineral Lease, dated August 6, 2004 between Nick Karanges and wife, Gayle Karanges, as Lessor, and Antero Resources I, LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 33.95 acres); and

**Whereas**, Owner, being the present owner of the applicable oil and gas leases and/or party to the Designation, wishes to amend the Correction by inserting an inadvertently omitted Oil, Gas, and Mineral Lease, hereinafter referred to as ("Omitted Lease").

**Whereas**, Owner, being the present owner of the applicable oil and gas leases and/or party to the Designation, wishes to amend the Correction to correct the inaccurate unit description referenced in the Correction, more particularly described on Exhibit "B" to the Correction as follows;

**BEING** a called 94.467 acre unit situated in the Shelby County, School Lands, Abstract 1375, Tarrant County, Texas. Said called 94.467-acre unit to be more particularly described as follows:

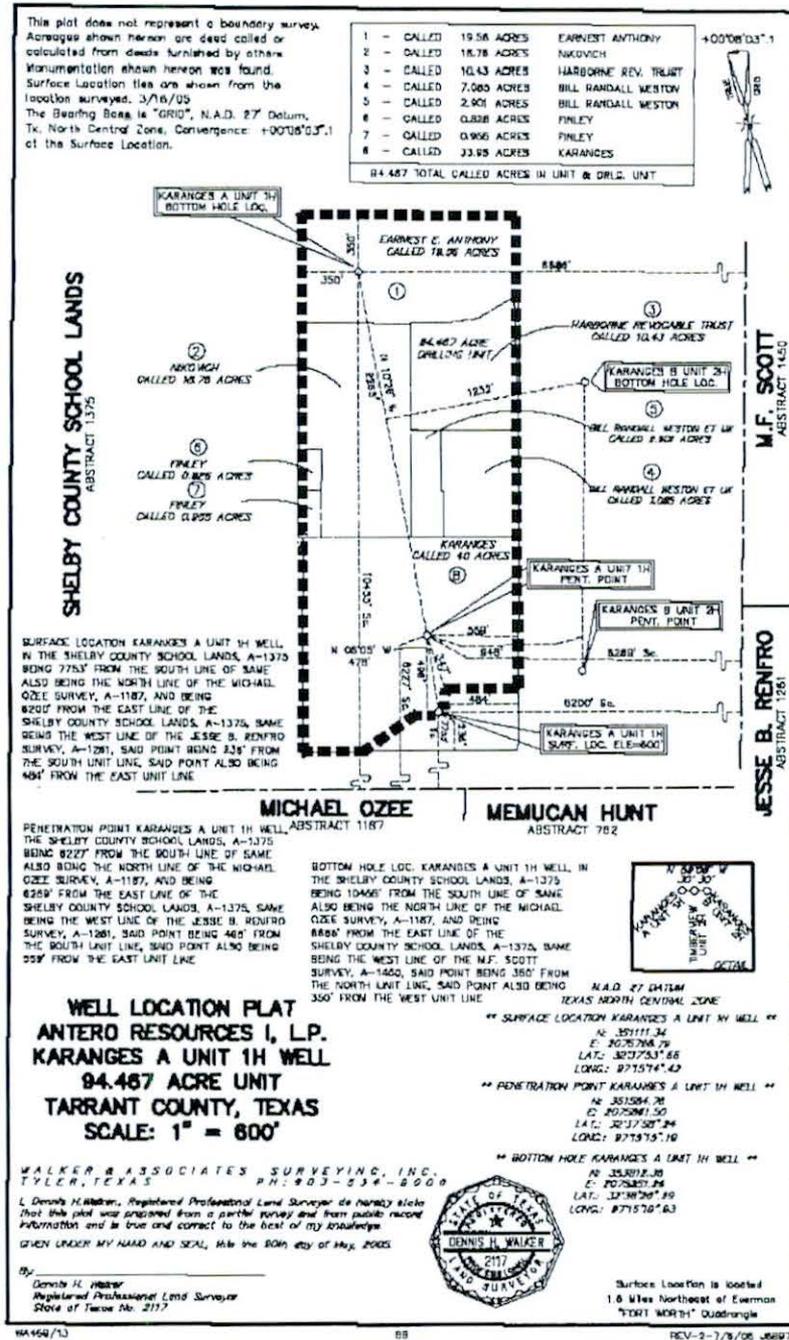
**BEGINNING** at a the Southwest corner of this said unit, said point also being the Southwest corner of the Karanges 40 acre tract;

**THENCE** North 00°03' East a distance of 3296 feet to a point for corner;  
**THENCE** South 89°29' East a distance of 1309 feet to a point for corner;  
**THENCE** South 00°04' East a distance of 2897 feet to a point for corner;  
**THENCE** South 89°48' West a distance of 448 feet to a point for corner;  
**THENCE** South 03°08' West a distance of 168 feet to a point for corner;  
**THENCE** North 89°20' West a distance of 180 feet to a point for corner;  
**THENCE** South 54°44' West a distance of 376 feet to a point for corner;  
**THENCE** South 89°36' West a distance of 371 feet back to the **PLACE of BEGINNING** and containing a called 94.467 acres of land; and

0123685

4201414

Whereas, Owner, being the present owner of the applicable oil and gas leases and/or party to the Designation, wishes to amend the Correction to correct the inaccurate survey plat referenced on the Correction, more particularly described on Exhibit "C" to the Correction as follows:



**NOW, THEREFORE**, in consideration of the premises, Owner hereby amends the Correction by:

1. Correcting the reference to the Lease on Exhibit "A" to the Correction to not be the reference as set forth therein but the following reference:

100.517 acre

(8.) Memorandum of Oil, Gas and Mineral Lease, dated August 6, 2004 between Nick Karanges and wife, Gayle Karanges, as Lessor, and Antero Resources I, LP, as Lessee, recorded at D204278790 of the Deed Records of Tarrant County, Texas. (Tract 8 insofar as it covers 37.734 acres).

2. Adding the "Omitted Lease" hereinafter more particularly described to wit:

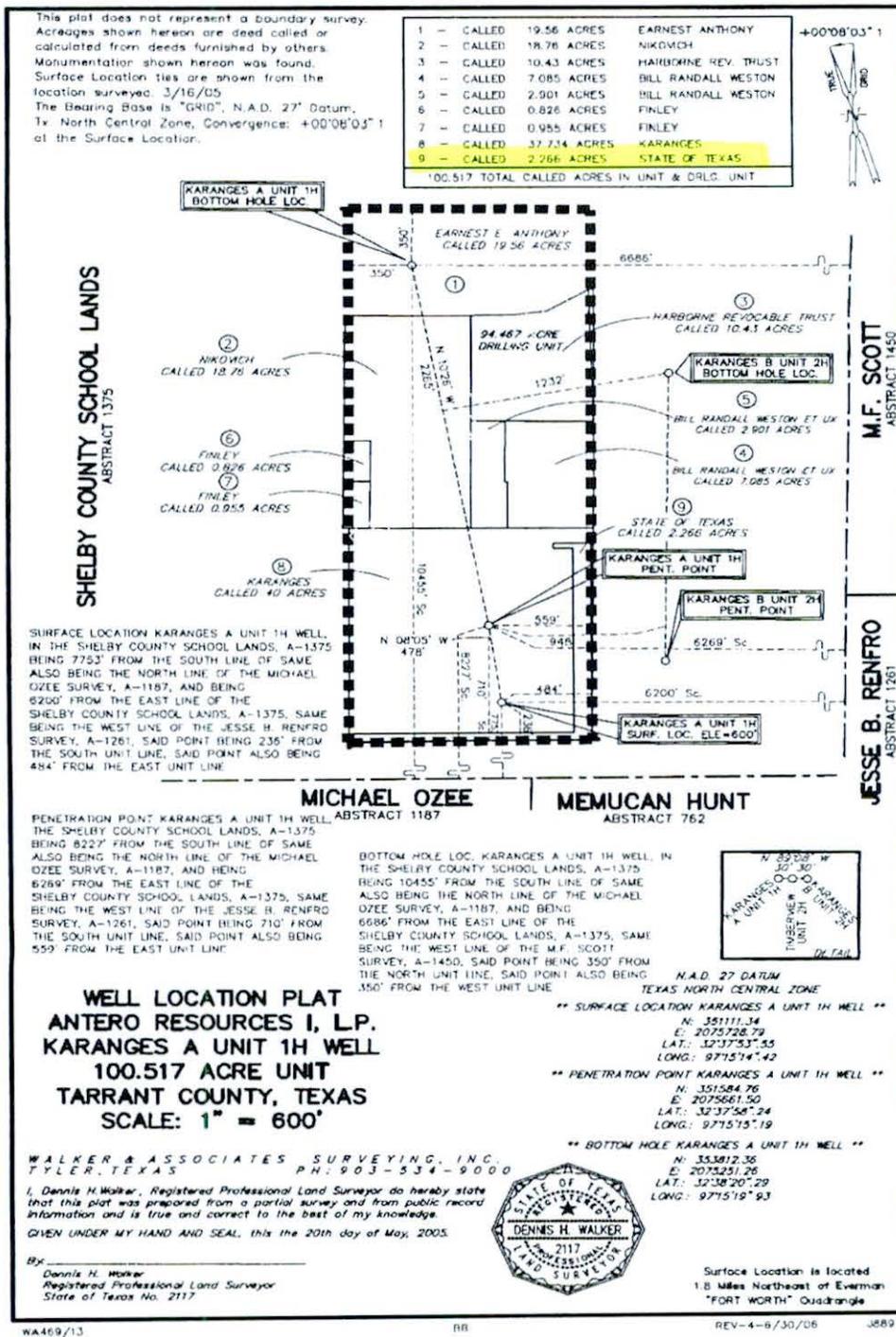
(9.) Oil, Gas and Mineral Lease, dated July 25, 2006 between the State of Texas, as Lessor and XTO Resources I, LP, as Lessee, recorded at D206252515 of the Deed Records of Tarrant County, Texas. (Tract 9 insofar as it covers 2.266 acres).

3. Correcting the reference to the unit description, Exhibit "B", to the Correction, to read as follows.

**BEING** a called 100.517 acre unit situated in the Shelby County, School Lands, Abstract 1375, Tarrant County, Texas. Said called 100.517 acre unit to be more particularly described as follows:

**BEGINNING** at a the Southeast corner of this said unit, said point also being the Southwest corner of the Karanges 40 acre tract;  
**THENCE** South 86°36' West a distance of 1312 feet to a point for corner;  
**THENCE** North 00°03' East a distance of 3296 feet to a point for corner;  
**THENCE** South 89°29' East a distance of 1309 feet to a point for corner;  
**THENCE** South a distance of 3275 feet back to the **PLACE of BEGINNING** and containing a called 100.517 acres of land.

4. Correcting the reference to the survey plat, Exhibit "C", to the Correction, to read as follows:



Except as amended by this instrument, the Designation is and remains in full force and effect as originally written.

IN WITNESS WHEREOF, this Amendment and Correction to Designation of Unit is executed on this 22 day of August, 2006.

XTO RESOURCES I, LP

Edwin S. Ryan, Jr.  
Edwin S. Ryan, Jr.  
Senior Vice President - Land

BA  
JH

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on this 22nd day of August, 2006, by Edwin S. Ryan, Jr., Senior Vice President - Land of XTO RESOURCES I, LP, a Texas limited partnership, on behalf of said partnership.



Deborah G. Pearson  
Notary Public, State of Texas



TEXHOMA LAND CONSULTANTS  
SCOTT NEDBALEK  
770 W ROCK CREEK #117  
NORMAN OK 73069

Submitter: TEXHOMA LAND CONSULTANTS, INC.

---

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

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Filed For Registration: 08/22/2006 04:15 PM  
Instrument #: D206261985  
OPR 6 PGS \$32.00

By: 



D206261985

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

## **Pooling the State Right of Way or County Road Lease**

State Right of Way and County Road leases allow the Lessee to pool or unitize, provided the Lessee or Operator furnish the General Land Office the following:

- Filled out "State Right-of-Way and/or County Road Unit Designation Form"**  
(Attached is a copy of the form. You may also fill out and print the form from the GLO website at [www.glo.texas.gov](http://www.glo.texas.gov). Go to Energy and Visit the Energy Business Website, then to Oil and Gas, Pooling/PSA, Pooling Leased State right of way, or Pooling Leased County Road, State Right of Way and/or County Road Unit Designation Form)
- Copy of the recorded Unit Designation and any/all corrections and amendments.**
- A unit plat depicting the State's Right of Way and/or County Road Lease in the unit**
- \$500 Application Fee payable to: Commissioner of Texas General Land Office**

## Mary Barnstone

---

**From:** Hayes, Rick <Rick\_Hayes@xtoenergy.com>  
**Sent:** Wednesday, November 15, 2017 11:35 AM  
**To:** Mary Barnstone  
**Cc:** Parr, Ann; Kunkel, Brent  
**Subject:** RE: C000044262- XTO (MF-106582)  
**Attachments:** Original Karanges A Unit 1H DOU .pdf; 1st Amendment & Correction to Karanges A 1H DOU.pdf; 2nd Amendment & Correction to Karanges A 1H DOU.pdf; unit-designation-form-and-requirements (Karanges A 1H).pdf

Mary,

As requested, attached is a completed HROW Unit Designation Form and supporting DPU documents (including corrections and amendments) for file MF-106582 which was included in our Karanges A 1H unit.

Please advise if any further documentation is needed.

Thanks

Rick Hayes  
Sr. Landman  
XTO Energy Inc.  
810 Houston Street  
Fort Worth, TX 76102  
Phone (817) 885-2381, Fax (817) 885-1872

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is confidential or privileged and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

**From:** Mary Barnstone [mailto:Mary.Barnstone@GLO.TEXAS.GOV]  
**Sent:** Thursday, November 09, 2017 12:46 PM  
**To:** Kunkel, Brent <Brent\_Kunkel@xtoenergy.com>  
**Subject:** RE: C000044262- XTO

Hi Brent,

XTO never filed its HROW Unit declaration for this lease so the unit was never set up. Please have someone in your land department submit the following. HROW Unit Designation Form, plat, DPU, any/all corrections and amendments:

<http://www.glo.texas.gov/energy-business/oil-gas/mineral-leasing/leasing/forms/unit-designation-form-and-requirements.pdf>

Because this lease is so old, the \$500 application fee is not required.

Thank you,

mb

Mary Beth Barnstone

Geotech / Landman  
Energy Resources  
Texas General Land Office  
Direct number: (512)463-6818  
Email: [mary.barnstone@glo.texas.gov](mailto:mary.barnstone@glo.texas.gov)

**From:** Kunkel, Brent [[mailto:Brent\\_Kunkel@xtoenergy.com](mailto:Brent_Kunkel@xtoenergy.com)]  
**Sent:** Thursday, November 09, 2017 10:14 AM  
**To:** Mary Barnstone <[Mary.Barnstone@GLO.TEXAS.GOV](mailto:Mary.Barnstone@GLO.TEXAS.GOV)>  
**Subject:** FW: C000044262- XTO

Mary Beth,

I'm looking at an old lease file- MF106582. The wells aren't producing anything and were plugged in 2015.

We don't have a complete payment setup in our files. Can you send me something on this?

**XTO ENERGY a subsidiary of ExxonMobil**

Brent Kunkel | 210 E 7th Street | Fort Worth, TX 76102 | ph: 817.885.2388 | [brent\\_kunkel@xtoenergy.com](mailto:brent_kunkel@xtoenergy.com)  
*\*\* This information is furnished without representation or warranty as to correctness thereof. - XTOEnergy Inc.\*\**

**From:** Kunkel, Brent  
**Sent:** Wednesday, November 08, 2017 2:17 PM  
**To:** 'Mary Barnstone ([Mary.Barnstone@GLO.TEXAS.GOV](mailto:Mary.Barnstone@GLO.TEXAS.GOV))' <[Mary.Barnstone@GLO.TEXAS.GOV](mailto:Mary.Barnstone@GLO.TEXAS.GOV)>  
**Subject:** C000044262- XTO

Mary Beth,

On pooled MF117917, please send a copy of the royalty setup to me. The State NRI appears to be incorrect in our system.

RRC 09-220448  
09-223923

**XTO ENERGY a subsidiary of ExxonMobil**

Brent Kunkel | 210 E 7th Street | Fort Worth, TX 76102 | ph: 817.885.2388 | [brent\\_kunkel@xtoenergy.com](mailto:brent_kunkel@xtoenergy.com)  
*\*\* This information is furnished without representation or warranty as to correctness thereof. - XTOEnergy Inc.\*\**

File No. MF106582

Tarrant County

Unit 8807 package

Date Filed: 4/17/17

By: George P. Bush, Commissioner  
MBarnstore

6

MF106582 unit 8807

From Owner 124863 - 0 UNK INT-KARANGES A UNIT

Transfer To Owners

439-31269

Asset Number: 140708 Asset Name: KARANGES A UNIT 01H County: TARRANT State: TX

STD / ALL / Entitlement /

Owner Number	Owner Name	GW	GW Suspense	NRI	NRI Suspense	Allocation Share	Interest Type
89042 - 0	COMMISSIONER OF THE GENERAL	0.000000000		0.005635860	3	1.000000000	RI

140708



**Change of Name / Address Form**

**PLEASE ALLOW 4-6 WEEKS TO PROCESS THE REQUEST**

To request changes related to your XTO owner number, please complete the form below. Mail or fax your completed form, with the appropriate documentation (marriage certificate, divorce decree, etc.) to:

XTO Energy Inc.  
Attn: Division Orders  
810 Houston Street  
Fort Worth, TX 76102-6298  
817.887.5836 Fax  
1.866.886.2613 Interest Owner Relations

**Name Change**

Owner Number

Old Name (Last Name, First Name, Middle Name)

New Name (Last Name, First Name, Middle Name)

**Address Change**

Name (Last Name, First Name, Middle Name)

Owner Number Day Time Phone Number (REQUIRED)

**Old Address**

City State Zip Code

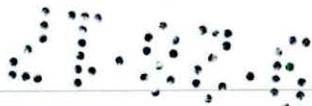
**New Address**

City State Zip Code

Owner's Signature (REQUIRED) Date Owner Last Four of TIN or SS# (REQUIRED)

2nd Owner's Signature (REQUIRED) Date Owner Last Four of TIN or SS# (REQUIRED)

**NOTE: If title is held jointly, BOTH PARTIES MUST SIGN, DATE, and include THE LAST 4 DIGITS OF SOCIAL SECURITY or TIN NUMBERS.**

EMAIL 



September 22, 2017

Transfer Number: 29526

Dear Interest Owners:

We have received the documents provided to modify ownership in the wells on the attached page. In accordance with these documents, XTO Energy Inc. will update the accounts effective next settlement date unless you notify XTO, in writing, that this transfer in ownership is incorrect. This is not a Division/Transfer Order, merely notification that the requested transfer has been completed. On the attached exhibit under each asset number and name, the ownership information of the transferred division order(s) is subset by lifecycles containing stage/product/type/type description (as necessary).

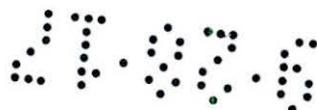
If your address has changed, please complete the enclosed Change of Address letter. It is important that the form be filled out completely and that all "REQUIRED" information is provided. If title is held jointly, BOTH PARTIES MUST SIGN, DATE, and include THE LAST 4 DIGITS OF SOCIAL SECURITY or TIN NUMBERS.

Should you have questions or concerns regarding your interest, please contact the Division Order Department at (866) 886-2613. For general questions or further education regarding ownership of oil & gas royalties, you may contact the National Association of Royalty Owners at (800) 558-0557 or on the web at [www.naro-us.org](http://www.naro-us.org).

Sincerely,

**Division Orders**  
**XTO ENERGY INC.**

enclosures



File No. MF 106582

\_\_\_\_\_ County

Division Order

Date Filed: 11-30-17

By V.H. George P. Bush, Commissioner

