

MF108562

State Lease MF108562 Control 56-029973 Base File County BRAZOS

✓ EXPIRED
DATE 12-11-09
LEASING BB-Blabase
MAPS
GIS AS

Survey HIGHWAYS & PUBLIC TRANSPORTATION DE
Block
Block Name
Township
Section/Tract
Land Part
Part Description HIGHWAY RIGHT-OF-WAY
Acres 4.18
Depth Below 0 Depth Above 0 Depth Other
Name ENERVEST OPERATING
Lease Date 12/11/2007
Primary Term 2 yrs
Bonus (\$) \$418.00
Rental (\$) \$0.00
Lease Royalty 0.2000

Leasing: BB
Analyst: MS
Maps:
GIS: ZC



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

CONTENTS OF FILE NO. MF-108662

- 1. Lease 10/30/07
 - 2. Letter, bonus, + fee 10/30/07
 - 3. Maps 10/30/07
 - 4. Gunsheet 10/30/07
 - 5. Deed 10/30/07
 - 6. Lease 10/30/07
 - 7. BIO letter 12/18/07
- ~~Scanned sm 6/14/13~~

The State of Texas

HROW Lease
Revised 8/06



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (108562)
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 **EnerVest Energy Partners, L.P.**, whose address is **1001 Fannin Street, Suite 80, Houston, TX 77002** hereinafter called "Lessee".

1. Lessor, in consideration of **Four Hundred Eighteen 00/100 (\$ 418.00)** 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 **Brazos** State of Texas, and is described as follows:

4.18 acres of land, more or less, known as, situated in said **Brazos** 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 **4.18 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 **two years (2), from December 11th, 2007** 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 **1/5** 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 **1/5** 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 casing head gas produced from said land (1) when sold by lessee **1/5** 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 **1/5** of such gas and casing head 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 there from 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.

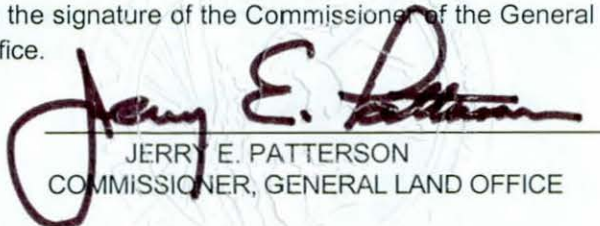
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well 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 2,500 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 there under 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: CLP

CC: [Signature]

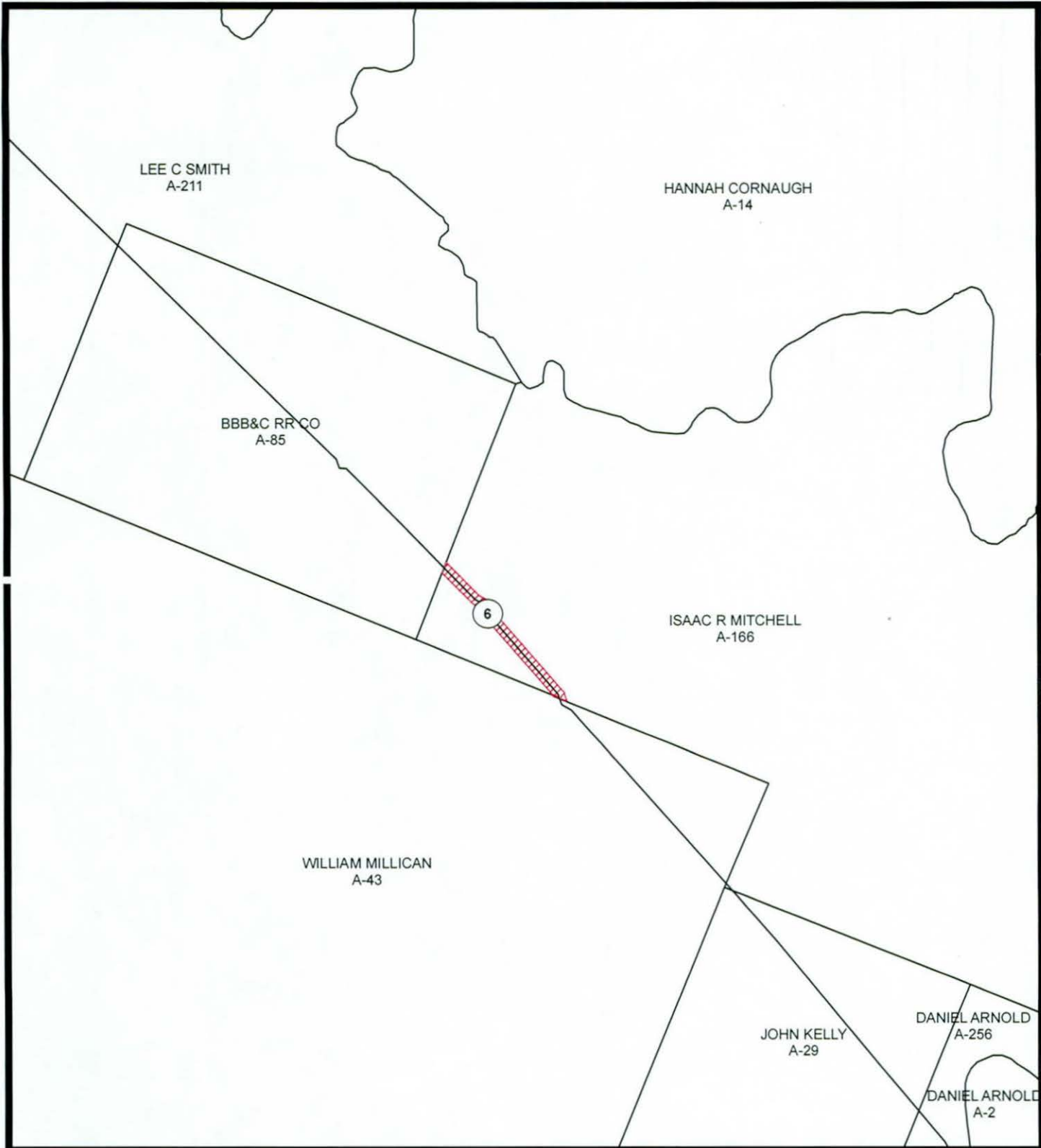
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated December 11th, 2007, by and between the State of Texas, as lessor, and EnerVest Energy Partners, L.P., as lessee, covering acreage to be leased in Brazos County, Texas, being part State Highway 6.

4.18 acres of land, more or less situated in the I.R. Mitchell League, A-166 Survey. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Brazos County, Texas:

Deed from William Gardner to the State of
Texas

dated 5/13/1931 and recorded in Vol. 80,
P. 549 of the Deed of Records, Brazos
County.



Map Showing
 A portion of a State Highway 6
 4.18 acres
 Approximately 1 miles northwest of Navasota
 Brazos County
 fl\12-07

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

GCS_North_American_1927
 0 500 1,000 Feet



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
 December 11, 2007

File No. NF-108562

Lead

Date Filed: 10/30/07

Jerry E. Patterson, Commissioner

By [Signature]

SPINDLER LAND & MINERALS

120 S. Washington
La Grange, TX 78945
979-968-9644 • Fax: 979-968-2944

★ Deed: map
↓
Descriptions

October 23, 2007

Mr. Drew Reed
State of Texas-General Land Office
Lease Administration
1700 N. Congress Ave., Room 600
Austin, TX 78701

Have Money
m-

100.00
1/5
2 yr laid up
shut in 25.00

RE: Lease proposal-4.18 acres, more or less,
Brazos County, Texas

Drew:

EnerVest Energy Partners, LP, successor to Anadarko E&P Company LP, is interested in leasing a certain tract of State highway minerals within the boundaries of a portion of State Highway 6 in Brazos County, Texas, located south of College Station, near Navasota, Texas.

Enclosed for your review are the following:

- plats of the acreage with dimensions and copy of right of way deed
- names and owners of adjacent tracts (or leases) to the highway tract (EXHIBIT "A")
- copies of acquired leases on either side of
- certification and title runsheet of subject land

Also enclosed is the \$100.00 processing fee, and bonus consideration for the 4.18 acre lease based on \$100.00 per acre (\$418.00). The lease will be taken under my services name of Spindler Land & Minerals, as Lessor with the address above, and later assigned to EnerVest.

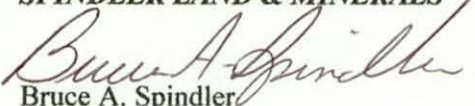
1001 Jannin St #80
Houston 77002

Mr. Drew Reed
October 23, 2007
Page 2

If any additional information is required, or should you have any questions regarding this application, please do not hesitate to call.

Sincerely,

SPINDLER LAND & MINERALS

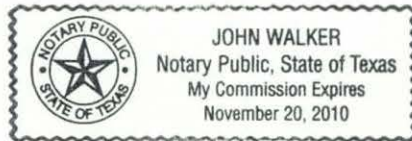

Bruce A. Spindler
Landman

bas/encl.

I certify that bonus consideration paid for the adjoining leases to the enclosed plat of proposed 4.18 acre State of Texas highway lease was \$75.00 to \$100.00 per acre.

Spindler Land & Minerals


Bruce A. Spindler, Agent



STATE OF TEXAS
COUNTY OF FAYETTE

This instrument was acknowledged before me on this 24th day of October, 2007 by Bruce A. Spindler, Agent for Spindler Land & Minerals.



Notary Public, State of Texas

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

Receiver Payment Form

Date: 10/30/07

Mail Code: 121

Check:

Cash: _____

RCR

Amount of Payment ~~\$418.00~~

OCT 31 2007

Account Holder Name Spindler Land & Minerals ✓

For Lease bonus 4.18 acs. Brazos Co.

Return Distribution Slip To Drew Reid

Received By: Cathrine Bundick

RECEIVED
OCT 31 AM 11:28

08004409

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

Receiver Payment Form

Date: 10/30/07

Mail Code: 121

Check:

Cash:

RCR

Amount of Payment ~~\$100.00~~

OCT 31 2007

Account Holder Name Spindler Land & Minerals ✓

For Processing Fee

Return Distribution Slip To Drew Reid

Received By: Cathrine Bundick

RECEIVED
OCT 31 AM 11:28
08004410

THIS DOCUMENT HAS A COLORED BACKGROUND AND MICROPRINTING. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.

Spindler Land & Minerals

120 S. Washington
La Grange, TX 78945
979-968-9644

State Bank
202 W Colorado
La Grange, TX 78945-2206
979-968-8451

594!

REFERENCE	DATE	CHECK NO.	AMOUNT
	10/24/2007	5945	**418.00

PAY *FOUR-HUNDRED-EIGHTEEN AND 00/100******

Dollars

**TO THE
ORDER
OF**

State of Texas-General Land Office
1700 N. Congress Ave., Room 600
Austin, TX 78701

Paul P. Spindler

MEMO Lease Bonus 4.18 acs., Brazos Co.



THIS DOCUMENT HAS A COLORED BACKGROUND AND MICROPRINTING. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.

Spindler Land & Minerals

120 S. Washington
La Grange, TX 78945
979-968-9644

State Bank
202 W Colorado
La Grange, TX 78945-2206
979-968-8451

5944

REFERENCE	DATE	CHECK NO.	AMOUNT
	10/24/2007	5944	**100.00

PAY *ONE-HUNDRED AND 00/100******

Dollars

**TO THE
ORDER
OF**

State of Texas-General Land Office
1700 N. Congress Ave., Room 600
Austin, TX 78701

Paul P. Spindler

MEMO Processing Fee



2.

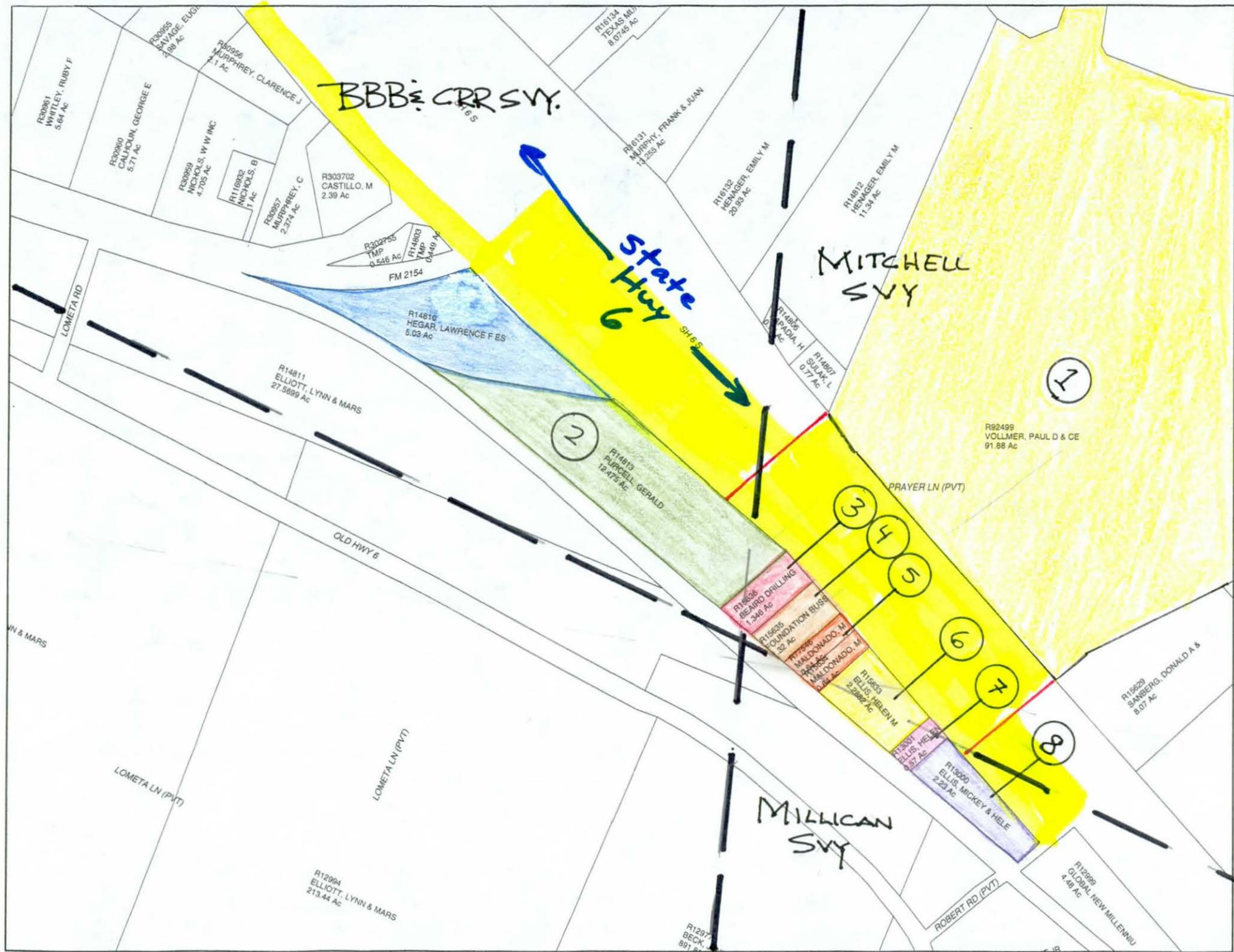
File No. MF 10 8562

Attor, bonus, + fee

Date Filed: 10/30/07

Jerry E. Patterson, Commissioner

By [Signature]



BBB: CRR SVY.

State Hwy 6

MITCHELL SVY

2

3

4

5

6

7

8

1

MILLICAN SVY

R30961 WHITLEY, RUBY F
5.64 AC

R02810 CALHOUN, GEORGE E
5.71 AC

R3889 NICHOLS, W W INC
4.705 AC

R11932 NICHOLS, B
1 AC

R30857 MURPHY, C
2.374 AC

R303702 CASTILLO, M
2.39 AC

R302755 TMP
0.546 AC

R14803 TMP
0.449 AC

FM 2154
R14810 HEGAR, LAWRENCE F ES
5.03 AC

R14811 ELLIOTT, LYNN & MARS
27.9699 AC

R14813 PURCELL, GERALD
12.475 AC

R14836 BEARD DRILLING
1.340 AC

R15625 FOUNDATION BUSSE
32 AC

R17346 MALDONADO, M
DARRIN
2.4 AC

R15403 ELLIS, HELEN M
2.2882 AC

R15301 ELLIS, HELEN
0.97 AC

R15000 ELLIS, MICKEY & HELE
2.23 AC

PRAYER LN (PVT)

R92499 VOLLMER, PAUL D & CE
91.88 AC

R15629 SANGER, DONALD A &
8.07 AC

LOMETA LN (PVT)

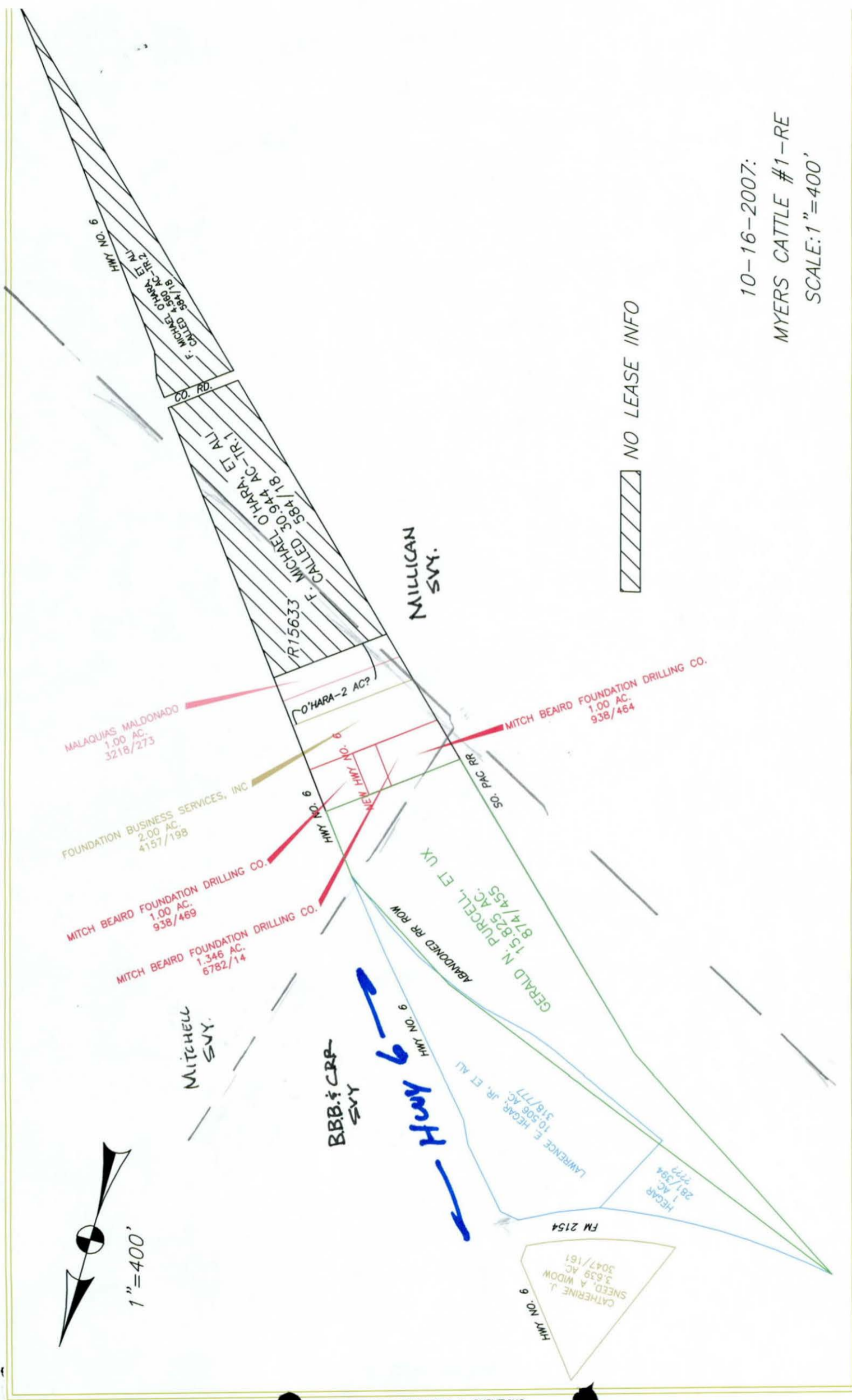
LOMETA LN (PVT)

R12904 ELLIOTT, LYNN & MARS
213.44 AC

R12977 BECK,
891.6 AC

ROBERT RD (PVT)

R12989 GLOBAL NEW MILLENNIUM
4.48 AC



10-16-2007:
 MYERS CATTLE #1-RE
 SCALE: 1"=400'

EV JOLLY I-H

Herman Hillman
Sta. 1588+30 to 1598+00
5.5 Ac. Deed
Vol. 80 Pg. 551.

Wm Gardner
Sta 1568+12 to 1586+30
Deed 4.18 Ac.
Vol. 80 Pg. 549

J.R. Mitchell Survey
Stewart & Greer
1586+36-1586+70
0.38 Ac. Deed
Vol. 80 pg. 550

A. Ritenhouse
Sta 1587+40 to 1588+30
Deed 0.25 Ac.
Vol 81 Pg. 131.

H & T.C. Railroad
Sta 1588+30 to 1610
Easement and permission
to borrow dirt.

Herman Hillman
Sta. 1607+00 to 1607+50
Deed 3.22 Ac.
Vol. 80 Pg. 551

Stewart & Greer
Sta 1607+50 to 1613+0
Deed 3.84 Ac.
Vol. 80 Pg. 550

B.B.C. R.R. Survey
1568+12
I.R. Mitchell Survey
1568+12
PC: T=107.5
D.T.
20° 9'
1° 0'75.0'

these switched??



OPEN

4.18
80/549

.38
80/550

713
615
1448

4-1 Y1102VE

OPEN

File No. MF 108562

Date Filed: 10/30/07
Jerry E. Patterson, Commissioner
By: [Signature]

3.

RUNSHEET

Prepared for
STATE OF TEXAS

October 18, 2007

The attached Runsheet is based on the indices and records of the offices of Brazos County Clerk and District Clerk and covers the time period from January 28, 1910 5:00 pm, through and including May 13, 1931 at 5:00 PM, at which time William Gardner conveyed to the State of Texas and covers the following tract of land described as follows:

4.18 acres of land more or less, located in the I. R. Mitchell League A-166, Brazos County, Texas, being described in that certain Deed dated May 13, 1931 from William Gardner to the State of Texas, recorded in Volume 80, Page 549 of the Deed Records, of Brazos County, Texas.

Insofar and only insofar as fee title into the subject lands by the State of Texas.

This Runsheet is subject to the following limiting conditions:

Any maps or plats attached to this Runsheet are included for the sole purpose of assisting the examiner in visualizing the property. We have not made a survey of the property and assume no responsibility in connection with such matters.

Possession of this Runsheet does not carry with it the right of publication, nor may it be used for any purpose by anyone but the addressee without the prior written consent of the undersigned and in any event, only with proper qualifications.

We are not required to give testimony or attendance in court by reason of preparation of this Runsheet with reference to the property in question unless previous arrangements have been made therefore.

This Runsheet is based on a search of the indices and review of the correctly indexed instruments of record in the offices of the County and District Clerks in Brazos County, Texas, and it is expressly understood that this Title Runsheet does not express any guarantee or warranty of title.

The Runsheet entries are presented chronologically by execution or effective date of the instrument.

This Run sheet is LIMITED in that we have expressly omitted certain Assignments and/or other documents affecting the non-current Oil, Gas and Mineral Leases included on this Runsheet. We have, however, included Assignments and/or other documents when they were placed of record immediately following the Oil, Gas and Mineral Lease or when they were found in the normal course of running the indices. Additionally, we have included any and all Releases of said Oil and Gas Leases correctly indexed. We have expressly omitted any and all assignments of interest and/or any and all liens, voluntary and/or involuntary, affecting Rights-of-Way.

Spindler Land & Minerals

By: *Nell R. Franklin*
Nell R. Franklin

WILLIAM GARDNER
4.18 ACRES, I. R. MITCHELL LEAGUE
BRAZOS COUNTY, TEXAS

<p>Brazos County Deed Records Deed 36/58 01/28/1910 05/23/1910</p>	<p>James C. White</p> <p>To</p> <p>W. W. Sangster</p> <p>1476 acres part of the I. R. Mitchell League, less and except 76 acres owned by Mrs. Lizzie Baker and also saved and excepted the right of way of the Houston and Texas Central Railroad.</p>
<p>Brazos County Deed Records Deed 61/10 03/06/1923 03/16/1923</p>	<p>W. W. Sangster</p> <p>To</p> <p>William Gardner</p> <p>1476 acres part of the I. R. Mitchell League, less and except 76 acres owned by Mrs. Lizzie Baker and also saved and excepted the right of way of the Houston and Texas Central Railroad.</p>
<p>Brazos County Deed Records Deed 80/549 05/13/1931 10/14/1931</p>	<p>William Gardner</p> <p>To</p> <p>State of Texas</p> <p>Conveys an undivided 2/3 interest in and to 4.18 acres part of the I. R. Mitchell League.</p> <p>NOTE TO THE EXAMINER: It should be noted that this instrument only conveys a 2/3 interest in and to this tract. The remaining 1/3 interest is jointly owned by Mrs. Carrie Gardner Lord and Tom Gardner.</p> <p>William Gardner, Carrie Gardner Lord and Tom Gardner aka T. E. Gardner, are heirs and devisees of Mrs. Mary Gardner Deceased.</p>

GARDNER CONVEYANCE TO STATE OF TEXAS

36/58 | JAMES C. WHITE
DEED | TO
1/28/1910 | W. W. SANGSTER
1476 AC
LESS
76 AC TO BAKER
LAND TO HTCRR

61/10 | W. W. SANGSTER
DEED | TO
3/6/1924 | WILLIAM GARDNER
1476 AC
LESS
76 AC TO BAKER
LAND TO HTCRR

80/549 | WILLIAM GARDNER
DEED | TO
5/13/1931 | STATE OF TEXAS
HIS 2/3 INT.

4.

File No. MF 108562
Bunsheet
Date Filed: 10/30/07
Jerry E. Patterson, Commissioner
By [Signature]

80-549

THE STATE OF TEXAS|

COUNTY OF BRAZOS | KNOW ALL MEN BY THESE PRESENTS: That William Gardner, of the County of Brazos State of Texas, for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars and other good and valuable considerations to us in hand paid by the State of Texas acting through the State Highway Commission receipt of which is hereby acknowledged and confessed have Granted sold and conveyed, and do by these presents Grant, sell and convey unto the State of Texas, the following described tract or parcel of land situated in the County of Brazos State of Texas, being more particularly described as follows: A tract of land out of the I. R. Mitchell Survey to be used for right of way purposes and described as follows: Beginning at a point on the West line of the Mitchell Survey which is 750 feet north of the Southwest corner of same and 50 feet from the center of the proposed highway at station 1568 plus 12; Thence S 36 - 53 E along a line parallel to and 50 feet from the center of the proposed highway a distance of 1788 feet to a point in a fence line; Thence N 15 degrees E along a fence and lane a distance of 100 feet to a point which is 50 feet from the center of the proposed highway; Thence N 36 - 53 W along a line parallel to and 50 feet from the center of the proposed highway a distance of 1640 feet; Thence due south along a survey line a distance of 124 feet to the place of beginning, containing 4.18 acres of land.

The Grantor herein owns an undivided two-thirds (2/3) of the 1400 acre tract out of which this 4.18 acres is taken and this deed conveys only the two-thirds (2/3) undivided interest of the grantor, the other undivided one-third (1/3) interest in said 1400 acres is owned by Mrs. Carrie Gardner Lord and Tom Gardner, jointly.

and it is further agreed that the said State of Texas, will fence said right of way, in consideration of the benefits above set out, will remove from the property above described, such fences, buildings and other obstructions as may be found upon said property.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and hereditaments thereunto in anywise belonging unto the said State of Texas, and its assigns;

and I hereby bind myself my heirs, executors and administrators to forever warrant and defend the rights and title to said premises unto the said State of Texas against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand, this the 13th day of May, A.D. 1931.

William Gardner

THE STATE OF TEXAS|

COUNTY OF GRIMES)| BEFORE ME, A. H. Spann a Notary Public in and for said County and State, on this day personally appeared William Gardner, known to me 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 13th day of May A.D. 1931.

(SEAL)

A. H. Spann, Notary Public, Grimes County, Texas

The foregoing is a true copy of the original instrument which was filed for record on the 14th day of Oct. A.D. 1931 at 5 o'clock p.m. and duly recorded on the 22nd day of Oct. A.D. 1931 at 11:45 o'clock a.m. to which I certify

Jess B. McGee, C. C. C. D. C.

Jess B. McGee, Deputy

File No. MF 108562

5.

[Signature]

Date Filed: 10/30/07

Jerry E. Patterson, Commissioner

By [Signature]

RECEIVED

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10th day of January 1994 between

PPD

PAUL VOLLMER, and wife, CECELIA VOLLMER
A.K.A. PAUL DEAN VOLLMER

PC
11

lessor (whether one or more), whose address is: 658 Prayer Lane, Navasota, Texas 77868 77840
and 3aker Exploration Company 001 Univ. Dr. E., Ste 106, College Station, TX lessee, WITNESSETH:

1. Lessor, in consideration of ---Ten (\$10) and more--- Dollars, recital 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, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Brazos, State of Texas, and is described as follows:

See attached Exhibit "A" for property description.

See attached Exhibit "B" for additional terms and conditions.

545304

[Handwritten signature]

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (as owned or claimed by lessee by limitation, prescription, possession, reversion or recorded instrument or (a) as to which lessee has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 97.48 acres, whether actually containing more or less, and the above recital of acreage in any tract 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. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of Two years from the date hereof, 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. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the usual one-eighth 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 one-eighth part of such oil at the well as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-eighth 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, one-eighth 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 one-eighth of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessor's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. 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 well existed. 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 tanks, and shall not be required to settle lease trouble or to market gas upon terms unacceptable to lessee. 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 or draft of lessee, as royalty, a sum equal to \$5.00 (Five) dollars for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the first 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, and may be deposited in the

11-1-94
\$5.00
(Five)

FIRST NATIONAL

at Bryan, Texas, or its successors, which shall continue as the depositories, regardless of changes in the ownership of said bank, to receive and hold for the lessor, or to pay or tender to the lessor, 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. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impose upon lessee a right to release as provided in paragraph 3 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.

4. 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, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 400 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilled, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. 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, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (a) to each separate tract within the unit if this lease covers separate tracts within the unit) that 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 exhausting 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 3 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 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.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest.

6. 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, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damage caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, however effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, however effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. 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 cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around such 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Taxes, levies, assessments, and charges of record shall be paid by lessee on said land against the claims of all persons whatsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys 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. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. 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 2 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 hereof 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.

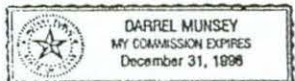
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

X Paul Dean Vollmer
 Paul Vollmer
 SS# [REDACTED]
 AKA Paul Dean Vollmer

X Cecelia Vollmer
 Cecelia Vollmer
 [REDACTED]

STATE OF TEXAS
 COUNTY OF Brewer
 This instrument was acknowledged before me on the 20th day of January, 1994,
 by Paul Vollmer, AKA Paul Dean Vollmer.

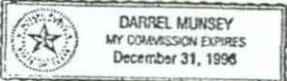
ACKNOWLEDGEMENT



[Signature]
 Notary Public, State of Texas
 Notary's name (printed):
 Notary's commission expires:

STATE OF TEXAS
 COUNTY OF Brewer
 This instrument was acknowledged before me on the 20th day of January, 1994,
 by Cecelia Vollmer.

ACKNOWLEDGEMENT



[Signature]
 Notary Public, State of Texas
 Notary's name (printed):
 Notary's commission expires:

STATE OF TEXAS
 COUNTY OF _____
 This instrument was acknowledged before me on the _____ day of _____, 19____,
 by _____
 of _____
 a _____ corporation, on behalf of said corporation.

CORPORATE ACKNOWLEDGEMENT

Notary Public, State of Texas
 Notary's name (printed):
 Notary's commission expires:

Producers 88 (7-88)-Paid Up
 With 440 Acres Pooling Provisions

No. _____
Oil, Gas and Mineral Lease
 FROM
PAUL VOLLMER, and wife,
 CECELIA VOLLMER
 TO
BAKER EXPLORATION COMPANY

Dated _____, 19____, at _____, County _____.

Term _____

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in _____ Book _____, Page _____, of the _____ records of this office.

VOL 2034 PAGE 2526

By _____, Deputy County Clerk.

When recorded return to
BAKER EXPLORATION COMPANY
 1001 University Dr., E. Ste
 College Station, TX 77840
 PHONE PRINTING & STATIONERY COMPANY
 212 Pease, Houston, Texas 77028 (713) 855-3139

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AGREEMENT TO EXTEND PRIMARY TERM

THE STATE OF TEXAS)
)
COUNTY OF BRAZOS)

CLERK
BRAZOS COUNTY COURTHOUSE
BY *[Signature]*
DEPUTY

WHEREAS, on the 10th day of January, 1994, Paul Vollmer et ux Cecelia Vollmer, as Lessor, executed an oil, gas and mineral lease in favor of Baker Exploration Company, as Lessee, recorded in Volume 2034 at Page 251, of the Official Records of Brazos County, Texas, covering and describing 97.480 acres of land, more or less, out of the I. R. Mitchell survey, Abstract 166 in Brazos County, Texas, and;

WHEREAS, it is the desire of the parties hereto that the primary term of said lease be extended pursuant to paragraph 30, wherein it states that the lease may be extended for a period of one year by payment to Lessors into their depository bank the amount of fifty (\$50.00) dollars per net mineral acre on or before January 10, 1996.

NOW, THEREFORE We, the undersigned, the present owners of the oil, gas and other minerals in, on and under said land, in consideration of the sum to Ten Dollars and other valuable considerations cash in hand paid by Baker Exploration Company, the receipt of which is hereby acknowledged, do hereby agree as follows:

- (a) That the primary term stipulated in Paragraph 2 of the said lease is hereby changed from two (2) years to Three (3) years from the date of said lease.
- (b) That the rentals due or to become due under the terms of said lease, as herein extended and amended, are hereby fully paid for the period ending January 10, 1997.

To effectuate the purposes and intent of the parties hereto, there is hereby leased and let unto Baker Exploration Company all the oil, gas and other minerals in and under said land for and during the term of said lease as herein amended and extended, and subject to the provisions thereof. Except as herein changed, the provisions of said lease and any recorded amendment thereto shall remain in full force and effect, and are hereby ratified, adopted and confirmed the same as if incorporated herein.

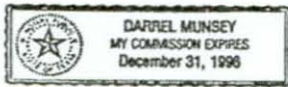
IN WITNESS WHEREOF this instrument is executed on this the 8th day of January, 1996.

[Signature]
Paul Vollmer

[Signature]
Cecelia Vollmer

STATE OF TEXAS)
COUNTY OF BRAZOS)

This instrument was acknowledged before me on the 8th day of January, 1996 by Paul Vollmer and Cecelia Vollmer.



[Signature]
Notary Public, State of Texas

AGREEMENT TO EXTEND PRIMARY TERM

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FILED

96 JAN -8 PM 2:16

THE STATE OF TEXAS)
COUNTY OF BRAZOS)

CLERK
BRAZOS COUNTY COURTHOUSE
BRYAN, TEXAS
DEPUTY

WHEREAS, on the 10th day of January, 1994, Paul Vollmer et ux Cecelia Vollmer, as Lessor, executed an oil, gas and mineral lease in favor of Baker Exploration Company, as Lessee, recorded in Volume 2034 at Page 257, of the Official Records of Brazos County, Texas, covering and describing 102.52 acres of land, more or less, out of the I. R. Mitchell survey, Abstract 166 in Brazos County, Texas, and;

WHEREAS, it is the desire of the parties hereto that the primary term of said lease be extended pursuant to paragraph 30, wherein it states that the lease may be extended for a period of one year by payment to Lessors into their depository bank the amount of fifty (\$50.00) dollars per net mineral acre on or before January 10, 1996.

NOW, THEREFORE We, the undersigned, the present owners of the oil, gas and other minerals in, on and under said land, in consideration of the sum to Ten Dollars and other valuable considerations cash in hand paid by Baker Exploration Company, the receipt of which is hereby acknowledged, do hereby agree as follows:

- (a) That the primary term stipulated in Paragraph 2 of the said lease is hereby changed from two (2) years to Three (3) years from the date of said lease.
- (b) That the rentals due or to become due under the terms of said lease, as herein extended and amended, are hereby fully paid for the period ending January 10, 1997.

To effectuate the purposes and intent of the parties hereto, there is hereby leased and let unto Baker Exploration Company all the oil, gas and other minerals in and under said land for and during the term of said lease as herein amended and extended, and subject to the provisions thereof. Except as herein changed, the provisions of said lease and any recorded amendment thereto shall remain in full force and effect, and are hereby ratified, adopted and confirmed the same as if incorporated herein.

IN WITNESS WHEREOF this instrument is executed on this the 8th day of January, 1996.

Paul Vollmer
Paul Vollmer

Cecelia Vollmer
Cecelia Vollmer

STATE OF TEXAS)
COUNTY OF BRAZOS)

This instrument was acknowledged before me on the 8th day of January, 1996 by Paul Vollmer and Cecelia Vollmer.



[Signature]
Notary Public, State of Texas

EXHIBIT "A"

A 97.48 acre tract, more or less, lying and being situated in the I. R. Mitchell Survey, Abstract 166, Brazos County, Texas, and being part of that 1192.86 acre tract described in a Deed from T. E. Gardner, Jr., et ux, Felicia W. Gardner to Paul Vollmer, dated December 21, 1955, recorded in Volume 171, page 514, Deed Records of Brazos County, Texas; and being more fully described by the following metes and bounds:

BEGINNING at a 1/2 inch iron rod found marking the west corner of said 1192.86 acre tract on the northeast Right-of-Way line of State Highway No. 6 (150' R.O.W.), said iron rod also marking the south corner of a 2.01 acre tract as described by a Deed to Larry E. Sulak, recorded in Volume 1759, page 335, of the Official Records of Brazos County, Texas;

THENCE: N 28° 01' 01" E along a northeast line of said 1192.86 acre tract for a distance of 1980.52 feet to a 5/8 inch iron rod set on the high bank of the Navasota River, said iron rod also marking the east corner of a called 12.33 acre tract as described by a Deed to Emily M. Henager, recorded in Volume 1110, page 5, Official Records of Brazos County, Texas;

THENCE: along the high bank of said Navasota River for the following calls:

- S 55° 19' 39" E for a distance of 160.48 feet to a point;
- N 73° 20' 21" E for a distance of 122.61 feet to a point;
- N 24° 11' 39" E for a distance of 288.54 feet to a point;
- S 86° 09' 09" E for a distance of 33.83 feet to a point;
- S 50° 35' 13" E for a distance of 62.35 feet to a point;
- S 14° 45' 35" E for a distance of 52.83 feet to a point;
- S 21° 29' 16" E for a distance of 43.33 feet to a point;
- S 14° 51' 47" W for a distance of 64.69 feet to a point;
- S 11° 38' 41" W for a distance of 161.75 feet to a point;
- S 24° 44' 32" E for a distance of 43.39 feet to a point;
- S 64° 55' 02" E for a distance of 385.41 feet to a point;
- S 73° 44' 06" E for a distance of 195.72 feet to a point;
- S 64° 08' 26" E for a distance of 182.98 feet to a point;
- S 55° 36' 54" E for a distance of 100.21 feet to a point;
- S 62° 41' 23" E for a distance of 173.97 feet to a point;

THENCE: through said 1192.86 acre tract for the following calls:

- S 08° 38' 50" W, at 26.57 feet past a 1/2 inch iron rod found for reference, continue on for a total distance of 1129.65 feet to a 1/2 inch iron rod found;
- S 09° 32' 26" W for a distance of 555.08 feet to a 5/8 inch iron rod set on a northwest line of a called 459.606 ac. tract as described in a Deed to Cullen Mancuso, recorded in Volume 1884, page 301, of the Official Records of Brazos County, Texas;

THENCE: S 68° 27' 42" W along said Northwest line for a distance of 384.54 feet to a 1/2 inch iron rod found marking the north corner of a called 10.00 acre tract as described by a Deed to Inferno Snuffers, Inc., recorded in Volume 1422, page 121, of the Official Public Records of Brazos County, Texas;

THENCE: along the northwest lines of said 10.00 acre tract for the following calls:

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BAKER EXPLORATION COMPANY
1001 University Dr., E., Ste
College Station, TX 77840
POLIND PRINTING & STATIONERY COMPANY
2325 Franklin, Houston, Texas 77057 (713) 869-3159

S 68° 27' 42" W for a distance of 645.46 feet to a
1/2 inch iron rod found;

S 53° 52' 28" W for a distance of 325.66 feet to a
concrete right-of-way marker found on the northeast
Right-of-Way line of said Highway No. 6, said marker
also marking the west corner of said 10 acre tract;

THENCE: S 49° 22' 07" E along said Right-of-Way for a distance
of 106.18 feet to a concrete right-of-way marker found;

THENCE: N 35° 58' 59" W along said Right-of-Way for a distance
of 1282.48 feet to the PLACE OF BEGINNING, containing 97.48 acres
of land.

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EXHIBIT "B"

OIL AND GAS LEASE ADDENDUM

The following agreements and provisions shall supersede and govern the provisions in the printed text of this lease to the contrary, and shall inure to the benefit of, and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns.

16. Notwithstanding anything herein to the contrary, this lease covers and includes only oil and/or gas, which for all purposes of this lease are defined as, and are limited to, oil, gas, casinghead gas and other gaseous substances, distillate condensates and associated hydrocarbon substances and all by-products of the foregoing and such sulphur as is produced through the wellbore, necessarily with and incidental to the production of any of the foregoing. This lease does not cover any other fissionable materials, iron ore, copper, lignite, coal or any minerals of any type, it being understood this lease is made for oil and gas purposes only.

17. Lessor's royalty shall be calculated free and clear of costs, expenses and deductions for exploration, drilling, development and production, including but not limited to, costs of dehydration, storage, compression, separation by mechanical means and stabilization of the hydrocarbons at the well, but shall bear its proportionate share of severance and other taxes based upon production and the actual, reasonable costs charged and deducted by arm length third parties to Lessee or its assigns in order to transport, compress, stabilize or treat the production off the leased premises in order to make the production saleable, or in order to get the production to a market.

18. Lessee shall initiate the payment of any royalties under this lease within one hundred twenty (120) days following the commencement of deliveries of oil or gas produced from the leased premises. If not paid within said one hundred twenty (120) days, royalties shall be deemed to be delinquent. Unless the failure of Lessee to timely commence royalty payments as provided herein is due to a legitimate title problem, the delay of royalty owners in executing and returning to Lessee appropriate title curative instruments, (but not division orders whose contents alter, amend, or add to this lease agreement), or some other circumstances reasonably beyond the control of Lessee, Lessee shall pay interest on the amount of delinquent royalty at the rate of ten percent (10%) per annum, or the highest interest rate then permitted by law, whichever is lesser, calculated from one hundred twenty (120) days following the commencement of deliveries of oil or gas and continuing until the date that the payment of royalties is initiated by Lessee. After royalty payments commence, royalty payments will be paid on a monthly basis, subject to previously described interest penalty for delays of payment. In the event title problems are shown to exist which necessitate curative, royalties payable shall be suspended only to the extent that they are adversely affected by such title problem or dispute. Division orders which alter, add to, or amend any provisions or language in this lease shall not be used as a basis for suspending royalty payments, and any payments suspended for such reason shall accrue interest as provided above.

19. Notwithstanding any provisions hereof to the contrary, it is expressly agreed and understood that Lessee's right to maintain this lease in force after the primary term by shut-in royalty payments under paragraph 3 shall not continue for a shut-in period of more than two (2) years after the commencement of the shut-in royalty payments.

20. Upon expiration of two (2) years beyond the primary term hereof, in the event this lease has been maintained in full force and effect and notwithstanding that there may be oil or gas production from the lease premises or property pooled therewith, Lessor may demand and shall be entitled to receive from Lessee an appropriate release in recordable form of all of Lessee's rights and estates hereunder in any and all zones, horizons, stratas and formations that are below one hundred (100) feet below the deepest producing interval at such time.

21. Lessor shall not be liable or responsible for, and shall be saved and held harmless by Lessee and its assignees from and against, any and all claims, actions, damages, and liabilities of every kind, type or description for injury to or death of any person or persons and for damage to or loss of property, arising out of or attributed, directly or indirectly, to the operations or performance of Lessee, its agents, servants, employees, and assignees under this lease. Further, Lessee and its assignees will reimburse Lessor for any and all reasonable expenses, including but not limited to attorney's fees, expended by lessor in the defense of any such actions, suits and claims.

22. In addition to the rights granted to Lessee in Paragraph 6 of the lease, Lessee is granted all rights necessary to pool and unitize the herein described property with other properties not the subject of this lease, prior to or after the completion of a well which is included within the description of such pooled or unitized unit, so as to utilize all conditions prescribed or permitted in the Texas Railroad Commission State Wide Rule 86 for horizontal wells or drainholes, or any Special Field rules or regulations which may be from time to time enacted by the Texas Railroad commission which would effect the herein described property and rights granted herein. Lessee is granted the right but not the obligation to form such pooled or unitized units necessary to obtain the maximum production allowable from his horizontal drainhole well or wells as the Texas Railroad Commission may prescribe or permit, plus a tolerance of ten percent (10%):

Lessee is granted the right to commingle the production of all products produced from the herein described property through which a horizontal drainhole may pass or penetrate with production from other properties within the designated pooled unit or unitized unit through which a horizontal drainhole may pass or penetrate. Lessee may also pool and unitize with the herein described property, land, minerals and leases through which a horizontal drainhole may not pass or penetrate, which for the purposes of computing its share of production shall be allocated on the same basis as if the horizontal drainhole had passed through or penetrated the minerals underlying its attributable acreage.

For the purposes of computing the share of production from the pooled unit that each interest owner shall be entitled to, there shall be allocated to each tract committed to the unit that pro rata portion of the production from the pooled unit which the number of surface acres of each tract or portion thereof which is committed to the pooled unit bears to the total numbers of surface acres included in the pooled unit.

23) Notwithstanding anything contained herein to the contrary, it is expressly agreed and understood that in the event that Lessee elects to pool or unitize and unitizes any of the leased premises, then all of the leased premises will be included in such pool or unit.

24) It is agreed and understood that Lessor's royalty is to be one-fifth (1/5th). Wherever the words one-eighth (1/8th) appear herein, the words one-eighth (1/8th) shall be omitted and the words one-fifth (1/5th) shall be substituted therefor.

25) Lessee agrees that it will conduct no operations on the surface of said land. It is further agreed and understood that Lessee shall have the right to drill and operate directional wells through and under said land, irrespective of the bottom hole locations of said wells. To this end, Lessor hereby grants to Lessor a subsurface easement for all purposes associated with such directional wells. Lessee agrees that the subsurface easement shall commence at and continue below the depth of three hundred (300) feet.

26) The primary term of this lease may be extended for a period of one year by payment to Lessors into their depository bank the amount of Fifty (\$50) Dollars per net mineral acre on or before January 10, 1996.

Paul Vollmer
Paul Vollmer

Cecelia Vollmer
Cecelia Vollmer

===This, EXHIBIT "B", begins with paragraph 16 and concludes with paragraph 26.
There are no paragraphs numbered 12 through 15 in either this Lease or EXHIBIT.===

PAID-UP OIL, GAS & MINERAL LEASE

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.

THIS LEASE AGREEMENT is made effective the 1st day of August, 2006, (the "effective date"), between **Gerald N. Purcell and wife, Laura S. Purcell**, as Lessor (whether one or more), whose address is **500 W. Washington Ave., Navasota, TX 77868**, and **ANADARKO E&P COMPANY LP**, as Lessee, whose address is **PO Box 1330, Houston, TX 77251-1330**.

1. **Description.** Lessor, in consideration of **Ten Dollars And No Cents** and other valuable consideration (**\$10.00** and **OVC**), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means, developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, nitrogen, carbon dioxide and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable covered minerals, including without limitation laying pipelines for gathering and/or transportation and construction of treating, separating, dehydration, processing or other facilities and grants the right to inject water or other produced liquids into non-freshwater bearing formations underlying the leased premises, the following described land (the "leased premises") in **BRAZOS** County, Texas, to-wit:

15.825 acres of land, more or less, located in the B.B.B. & C.R.R. Svy., A-84 and the I. R. Mitchell Svy., A-166, Brazos County, Texas, being described in that certain Deed dated April 15, 1986 from Cad N. Powell and wife, Amy Purcell Powell, to Gerald N. Purcell, recorded in Volume 874, Page 455, Official Records, Brazos County, Texas.

Lessee agrees that no drilling, mining or any operations of any kind will be conducted nor any structures or any type facilities will be constructed upon the surface of the leased premises without the written consent of the Lessors herein; but, the Lessee shall have the right to prospect, drill, mine and produce said minerals from said land by operations which it may conduct on adjoining or nearby lands through the drilling, operating, and maintaining of directional or horizontal wells on such adjoining or nearby lands, or by operations it may conduct upon lands with which the herein leased premises may be pooled.

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, said land shall be deemed to be comprised of **15.8250** acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of **two years** from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or lands pooled, unitized or otherwise combined therewith; or (b) Operations, as hereinafter defined, are being conducted upon the leased premises or lands pooled, unitized or otherwise combined therewith with no cessation of more than ninety (90) consecutive days; or (c) this lease is otherwise maintained in effect pursuant to the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in payments are required during the primary term.

3. **Royalty Payment.** Royalties on covered minerals produced and saved from the leased premises and used off the leased premises or lands pooled therewith or sold (whether to an affiliated or non-affiliated purchaser), shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons, the royalty shall be **3/16** of the market value at the mouth of the well of such production. (b) For natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas that are not separated at the primary separation facilities), the royalty shall be **3/16** of the market value at the mouth of the well of such production. (c) In calculating royalties on all production hereunder, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as may be imposed on production currently or at any point in the future. A proportionate share of costs incurred by Lessee in gathering, treating, dehydrating, compressing, processing, transporting or delivering such production, and any other costs of marketing or rendering marketable or more valuable the covered minerals, whether on the leased premises or off the leased premises may also be deducted in calculating royalties payable hereunder. (d) If, at the expiration of the primary term or at any time or times thereafter, there is any well on the leased premises or on lands pooled therewith, capable of producing covered minerals, 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. 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, flowlines, separator, and lease tank, and shall not be required to market such covered minerals upon terms unacceptable to Lessee. If at any time or times after the expiration of the primary term, all wells located upon the leased premises or lands pooled therewith (whether classified as oil wells or gas wells) are shut-in for a period of ninety (90) consecutive days, and during such time there are no other Operations being conducted on the leased premises or lands pooled therewith, then within thirty (30) days after the expiration of said ninety day period, Lessee covenants to pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered by this lease, and it shall be considered that covered minerals are being produced from the leased premises. Lessee shall make like payments or tenders of 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 shut-in provision. Each such payment or tender shall be made to the parties who at the time of the payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in, at, or its successors, which shall continue as the depository, regardless of changes in the ownership of 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. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay and/or properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 10 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each. Lessee shall have free use of oil, gas, water and other substances produced from said land, except water from Lessor's wells or ponds, for all Operations hereunder, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

4. **Operations.** Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean operations for and any of the following: dirt work, building of roads and locations, drilling, testing, completing, reworking, recompleting, deepening, plugging back, abandoning or repairing of a well in search of or in an endeavor to obtain, increase or restore and/or market or render marketable or more valuable production of oil, gas, sulphur or other covered minerals, and/or production, actual or constructive, of oil, gas, sulphur or other covered minerals.

5. **Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool, unitize or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool, unitize or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool, unitize or combine either before or after commencing Operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which Operations have theretofore been commenced. Operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such Operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations on the leased premises and references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such pooled unit, provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included with the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold or used off the leased premises or lands pooled or unitized therewith by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing covered minerals, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the free right of ingress and egress along with the right to conduct Operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations and any other Operations on the leased premises, lands pooled or unitized therewith or lands adjacent thereto, and the construction and

use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat, and transport production in connection with said wells. In connection with Lessee's Operations, Lessee's ancillary rights granted herein shall apply to both surface and subsurface of: (a) the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; (b) all lands pooled or unitized with the leased premises; and (c) any other lands contiguous or adjacent to the leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, in which Lessor now or hereafter has authority to grant such rights. Such ancillary rights include, but are not limited to, the right to use the subsurface of the leased premises in connection with a well to be drilled under but bottomed off the leased premises. No surface location for a well shall be located less than two hundred (200) feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent. In addition to the ancillary rights described above, Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within one (1) year following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty (60) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

9. **Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

10. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

11. **Regulation and Delay.** Lessee's obligations under the lease, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when Operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any terms of this lease when Operations are so prevented, delayed or interrupted.

12. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein 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, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event Lessee disputes that a breach has occurred and the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is cancelled 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 (40) 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. Lessee shall also have such easements on said land as are necessary to conduct Operations on the acreage so retained. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

13. **Existing Wellbores.** At no additional cost to Lessee, Lessor grants Lessee access to and the right to use, at Lessee's sole election, any existing well(s) and/or wellbore(s) on the leased premises. Lessee's election to reenter and use an existing well and/or wellbore shall be considered the same as the drilling of a new well on the leased premises. This provision shall not apply to existing water wells on the leased premises.

14. **Miscellaneous.**

(a) **Entire Agreement.** This lease represents the entire agreement between Lessor and Lessee with respect to the leased premises and supersedes and replaces all prior agreements, both oral and written, between the parties with respect to the leased premises. This lease is not intended to give rise to any implied obligations not otherwise expressly contained in this lease and any implied covenants not consistent with the express provisions of this lease are hereby negated and renounced. This lease may only be amended by a subsequent written instrument.

(b) **Captions.** The captions used in the lease are solely for the convenience of the parties hereto and shall have no significance, separate and apart, from the terms and provisions of the lease.

(c) **Severability.** If any term or other provision of this lease is invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this lease shall nevertheless remain in full force and effect.

(d) **Choice of Law.** THIS LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (EXCLUSIVE OF ANY PRINCIPLES OF CONFLICTS OF LAWS WHICH WOULD DIRECT APPLICATION OF THE SUBSTANTIVE LAWS OF ANOTHER JURISDICTION).

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not the lease has been executed by all parties named herein as Lessor.

LESSOR: *Gerald N. Purcell*
Gerald N. Purcell

LESSOR: *Laura S. Purcell*
Laura S. Purcell

STATE OF TEXAS)
COUNTY OF BRAZOS)

This instrument was acknowledged before me this 8th day of August, 2006, by Gerald N. Purcell and wife, Laura S. Purcell

My Commission Expires _____

BRUCE A. SPINDLER
Notary Public, State of Texas
My Commission Expires Sept. 28, 2008

Bruce A. Spindler Notary Public

PAID-UP OIL, GAS & MINERAL LEASE

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.

THIS LEASE AGREEMENT is made effective the 8th day of August, 2007 (the "effective date"), between Mitch Beaird Foundation Drilling Company, Inc., as Lessor (whether one or more), whose address is 26962 State Highway 6 South, Navasota, TX 77868, and SPINDLER LAND & MINERALS, as Lessee, whose address is 120 S. Washington Street, LaGrange, TX 78945.

1. **Description.** Lessor, in consideration of **Ten Dollars And No Cents** and other valuable consideration (\$10.00 and OVC), in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means, developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, nitrogen, carbon dioxide and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable covered minerals, including without limitation laying pipelines for gathering and/or transportation and construction of treating, separating, dehydration, processing or other facilities and grants the right to inject water or other produced liquids into non-freshwater bearing formations underlying the leased premises, the following described land (the "leased premises") in BRAZOS County, Texas, to-wit:

2.00 acres of land, more or less, located in the I. R. Mitchell Svy., A-166, Brazos County, Texas, being described in that certain Deed dated July 8, 2005 from W.W. Nichols, Inc., to Beaird Drilling Services, Inc. recorded in Volume 6782, Page 14, Official Records, Brazos County, Texas.

Lessee agrees that no drilling, mining or any operations of any kind will be conducted nor any structures or any type facilities will be constructed upon the surface of the leased premises without the written consent of the Lessors herein; but, the Lessee shall have the right to prospect, drill, mine and produce said minerals from said land by operations which it may conduct on adjoining or nearby lands through the drilling, operating, and maintaining of directional or horizontal wells on such adjoining or nearby lands, or by operations it may conduct upon lands with which the herein leased premises may be pooled.

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, said land shall be deemed to be comprised of **2.0000** acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of **two years** from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or lands pooled, unitized or otherwise combined therewith; or (b) Operations, as hereinafter defined, are being conducted upon the leased premises or lands pooled, unitized or otherwise combined therewith with no cessation of more than ninety (90) consecutive days; or (c) this lease is otherwise maintained in effect pursuant to the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in payments are required during the primary term.

3. **Royalty Payment.** Royalties on covered minerals produced and saved from the leased premises and used off the leased premises or lands pooled therewith or sold (whether to an affiliated or non-affiliated purchaser), shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons, the royalty shall be **1/5** of the market value at the mouth of the well of such production. (b) For natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas that are not separated at the primary separation facilities), the royalty shall be **1/5** of the market value at the mouth of the well of such production. (c) In calculating royalties on all production hereunder, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as may be imposed on production currently or at any point in the future. A proportionate share of costs incurred by Lessee in gathering, treating, dehydrating, compressing, processing, transporting or delivering such production, and any other costs of marketing or rendering marketable or more valuable the covered minerals, whether on the leased premises or off the leased premises may also be deducted in calculating royalties payable hereunder. (d) If, at the expiration of the primary term or at any time or times thereafter, there is any well on the leased premises or on lands pooled therewith, capable of producing covered minerals, 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. 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, flowlines, separator, and lease tank, and shall not be required to market such covered minerals upon terms unacceptable to Lessee. If at any time or times after the expiration of the primary term, all wells located upon the leased premises or lands pooled therewith (whether classified as oil wells or gas wells) are shut-in for a period of ninety (90) consecutive days, and during such time there are no other Operations being conducted on the leased premises or lands pooled therewith, then within thirty (30) days after the expiration of said ninety day period, Lessee covenants to pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered by this lease, and it shall be considered that covered minerals are being produced from the leased premises. 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 shut-in provision. Each such payment or tender shall be made to the parties who at the time of the payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in, at or its successors, which shall continue as the depository, regardless of changes in the ownership of 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. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay and/or properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 10 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each. Lessee shall have free use of oil, gas, water and other substances produced from said land, except water from Lessor's wells or ponds, for all Operations hereunder, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

4. **Operations.** Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean operations for and any of the following: dirt work, building of roads and locations, drilling, testing, completing, reworking, recompleting, deepening, plugging back, abandoning or repairing of a well in search of or in an endeavor to obtain, increase or restore and/or market or render marketable or more valuable production of oil, gas, sulphur or other covered minerals, and/or production, actual or constructive, of oil, gas, sulphur or other covered minerals.

5. **Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool, unitize or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool, unitize or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool, unitize or combine either before or after commencing Operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which Operations have theretofore been commenced. Operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such Operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations on the leased premises and references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included with the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold or used off the leased premises or lands pooled or unitized therewith by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing covered minerals, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the free right of ingress and egress along with the right to conduct Operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations and any other Operations on the leased premises, lands pooled or unitized therewith or lands adjacent thereto, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by

Lessee to discover, produce, store, treat, and transport production in connection with said wells. In connection with Lessee's Operations, Lessee's ancillary rights granted herein shall apply to both surface and subsurface. (a) the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; (b) all lands pooled or unitized with the leased premises; and (c) any other lands contiguous or adjacent to the leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, in which Lessor now or hereafter has authority to grant such rights. Such ancillary rights include, but are not limited to, the right to use the subsurface of the leased premises in connection with a well to be drilled under but bottomed off the leased premises. No surface location for a well shall be located less than two hundred (200) feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent. In addition to the ancillary rights described above, Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within one (1) year following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty (60) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

9. **Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

10. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

11. **Regulation and Delay.** Lessee's obligations under the lease, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when Operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any terms of this lease when Operations are so prevented, delayed or interrupted.

12. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein 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, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event Lessee disputes that a breach has occurred and the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is cancelled 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 (40) 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. Lessee shall also have such easements on said land as are necessary to conduct Operations on the acreage so retained. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

13. **Existing Wellbores.** At no additional cost to Lessee, Lessor grants Lessee access to and the right to use, at Lessee's sole election, any existing well(s) and/or wellbore(s) on the leased premises. Lessee's election to reenter and use an existing well and/or wellbore shall be considered the same as the drilling of a new well on the leased premises. This provision shall not apply to existing water wells on the leased premises.

14. **Miscellaneous.**
(a) **Entire Agreement.** This lease represents the entire agreement between Lessor and Lessee with respect to the leased premises and supersedes and replaces all prior agreements, both oral and written, between the parties with respect to the leased premises. This lease is not intended to give rise to any implied obligations not otherwise expressly contained in this lease and any implied covenants not consistent with the express provisions of this lease are hereby negated and renounced. This lease may only be amended by a subsequent written instrument.

(b) **Captions.** The captions used in the lease are solely for the convenience of the parties hereto and shall have no significance, separate and apart, from the terms and provisions of the lease.

(c) **Severability.** If any term or other provision of this lease is invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this lease shall nevertheless remain in full force and effect.

(d) **Choice of Law.** THIS LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (EXCLUSIVE OF ANY PRINCIPLES OF CONFLICTS OF LAWS WHICH WOULD DIRECT APPLICATION OF THE SUBSTANTIVE LAWS OF ANOTHER JURISDICTION).

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not the lease has been executed by all parties named herein as Lessor.

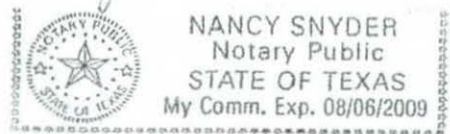
LESSOR:

Mitch Beard Foundation Drilling Company, Inc.
By: _____
Mitch Beard, President

LESSOR:

STATE OF TEXAS
COUNTY OF Brazos
This instrument was acknowledged before me this 10th day of August, 2007, by Mitch Beard, President of Mitch Beard Foundation Drilling Company, Inc., a Texas corporation, on behalf of said corporation

My Commission Expires: _____, Notary Public



PAID-UP OIL, GAS & MINERAL LEASE

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.

THIS LEASE AGREEMENT is made effective the 1st day of August, 2006, (the "effective date"), between **Foundation Business Services, Inc., a Texas corporation**, as Lessor (whether one or more), whose address is **1330 Lake Robbins Drive, The Woodlands, TX 77380**, and **ANADARKO E&P COMPANY LP**, as Lessee, whose address is **PO Box 1330, Houston, TX 77251-1330**.

1. Description. Lessor, in consideration of **Ten Dollars And No Cents and other valuable consideration (\$10.00 and OVC)**, in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means, developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, nitrogen, carbon dioxide and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable covered minerals, including without limitation laying pipelines for gathering and/or transportation and construction of treating, separating, dehydration, processing or other facilities and grants the right to inject water or other produced liquids into non-freshwater bearing formations underlying the leased premises, the following described land (the "leased premises") in **BRAZOS** County, Texas, to-wit:

2.00 acres of land, more or less, located in the I. R. Mitchell Svy., A-166, Brazos County, Texas, being described in that certain Foreclosure Sale Deed dated May 1, 2001 from J. W. Paving, Inc., to Foundation Business Services, Inc. recorded in Volume 4157, Page 198, Official Records, Brazos County, Texas.

Lessee agrees that no drilling, mining or any operations of any kind will be conducted nor any structures or any type facilities will be constructed upon the surface of the leased premises without the written consent of the Lessors herein; but, the Lessee shall have the right to prospect, drill, mine and produce said minerals from said land by operations which it may conduct on adjoining or nearby lands through the drilling, operating, and maintaining of directional or horizontal wells on such adjoining or nearby lands, or by operations it may conduct upon lands with which the herein leased premises may be pooled.

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, said land shall be deemed to be comprised of **2.0000** acres, whether it actually comprises more or less.

2. Term of Lease. This lease shall be in force for a primary term of **two years** from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or lands pooled, unitized or otherwise combined therewith; or (b) Operations, as hereinafter defined, are being conducted upon the leased premises or lands pooled, unitized or otherwise combined therewith with no cessation of more than ninety (90) consecutive days; or (c) this lease is otherwise maintained in effect pursuant to the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in payments are required during the primary term.

3. Royalty Payment. Royalties on covered minerals produced and saved from the leased premises and used off the leased premises or lands pooled therewith or sold (whether to an affiliated or non-affiliated purchaser), shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons, the royalty shall be **1/5** of the market value at the mouth of the well of such production. (b) For natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas that are not separated at the primary separation facilities), the royalty shall be **1/5** of the market value at the mouth of the well of such production. (c) In calculating royalties on all production hereunder, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as may be imposed on production currently or at any point in the future. A proportionate share of costs incurred by Lessee in gathering, treating, dehydrating, compressing, processing, transporting or delivering such production, and any other costs of marketing or rendering marketable or more valuable the covered minerals, whether on the leased premises or off the leased premises may also be deducted in calculating royalties payable hereunder. (d) If, at the expiration of the primary term or at any time or times thereafter, there is any well on the leased premises or on lands pooled therewith, capable of producing covered minerals, 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. 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, flowlines, separator, and lease tank, and shall not be required to market such covered minerals upon terms unacceptable to Lessee. If at any time or times after the expiration of the primary term, all wells located upon the leased premises or lands pooled therewith (whether classified as oil wells or gas wells) are shut-in for a period of ninety (90) consecutive days, and during such time there are no other Operations being conducted on the leased premises or lands pooled therewith, then within thirty (30) days after the expiration of said ninety day period, Lessee covenants to pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered by this lease, and it shall be considered that covered minerals are being produced from the leased premises. 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 shut-in provision. Each such payment or tender shall be made to the parties who at the time of the payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in, at, or its successors, which shall continue as the depository, regardless of changes in the ownership of 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. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay and/or properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 10 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each. Lessee shall have free use of oil, gas, water and other substances produced from said land, except water from Lessor's wells or ponds, for all Operations hereunder, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

4. Operations. Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean operations for and any of the following: dirt work, building of roads and locations, drilling, testing, completing, reworking, recompleting, deepening, plugging back, abandoning or repairing of a well in search of or in an endeavor to obtain, increase or restore and/or market or render marketable or more valuable production of oil, gas, sulphur or other covered minerals, and/or production, actual or constructive, of oil, gas, sulphur or other covered minerals.

5. Pooling. Lessee shall have the continuing and recurring right, but not the obligation, to pool, unitize or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool, unitize or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool, unitize or combine either before or after commencing Operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which Operations have theretofore been commenced. Operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such Operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations on the leased premises and references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such pooled unit, provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included with the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold or used off the leased premises or lands pooled or unitized therewith by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. Ancillary Rights. In exploring for, developing, producing and marketing covered minerals, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the free right of ingress and egress along with the right to conduct Operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations and any other Operations on the leased premises, lands pooled or unitized therewith or lands adjacent thereto, and the construction and

use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat, and transport production in connection with said wells. In connection with Lessee's Operations, Lessee's ancillary rights granted herein shall apply to both surface and subsurface of: (a) the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; (b) all lands pooled or unitized with the leased premises; and (c) any other lands contiguous or adjacent to the leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, in which Lessor now or hereafter has authority to grant such rights. Such ancillary rights include, but are not limited to, the right to use the subsurface of the leased premises in connection with a well to be drilled under but bottomed off the leased premises. No surface location for a well shall be located less than two hundred (200) feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent. In addition to the ancillary rights described above, Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within one (1) year following the expiration thereof.

7. Ownership Changes. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty (60) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. Warranty of Title. Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

9. Payment Reductions. If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

10. Release of Lease. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

11. Regulation and Delay. Lessee's obligations under the lease, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when Operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any terms of this lease when Operations are so prevented, delayed or interrupted.

12. Breach or Default. An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein 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, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event Lessee disputes that a breach has occurred and the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is cancelled 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 (40) 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. Lessee shall also have such easements on said land as are necessary to conduct Operations on the acreage so retained. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

13. Existing Wellbores. At no additional cost to Lessee, Lessor grants Lessee access to and the right to use, at Lessee's sole election, any existing well(s) and/or wellbore(s) on the leased premises. Lessee's election to reenter and use an existing well and/or wellbore shall be considered the same as the drilling of a new well on the leased premises. This provision shall not apply to existing water wells on the leased premises.

14. Miscellaneous.

(a) **Entire Agreement.** This lease represents the entire agreement between Lessor and Lessee with respect to the leased premises and supersedes and replaces all prior agreements, both oral and written, between the parties with respect to the leased premises. This lease is not intended to give rise to any implied obligations not otherwise expressly contained in this lease and any implied covenants not consistent with the express provisions of this lease are hereby negated and renounced. This lease may only be amended by a subsequent written instrument.

(b) **Captions.** The captions used in the lease are solely for the convenience of the parties hereto and shall have no significance, separate and apart, from the terms and provisions of the lease.

(c) **Severability.** If any term or other provision of this lease is invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this lease shall nevertheless remain in full force and effect.

(d) **Choice of Law.** THIS LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (EXCLUSIVE OF ANY PRINCIPLES OF CONFLICTS OF LAWS WHICH WOULD DIRECT APPLICATION OF THE SUBSTANTIVE LAWS OF ANOTHER JURISDICTION).

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not the lease has been executed by all parties named herein as Lessor.

LESSOR:
Foundation Business Services, Inc.
By: Scott Cummings, President
Scott Cummings, President

LESSOR:
TAX I.D. # Will provide in June.

STATE OF TEXAS)
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me this 13th day of August, 2006, by Scott Cummings, President of Foundation Business Services, Inc., a Texas corporation on behalf of said corporation.

My Commission Expires: 2/7/2010

Maria E. Amador, Notary Public



PAID-UP OIL, GAS & MINERAL LEASE

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.

THIS LEASE AGREEMENT is made effective the 15th day of September, 2006, (the "effective date"), between Malaguas Maldonado and wife, Maria Maldonado, as Lessor (whether one or more), whose address is 618 Farquhar, Navasota, TX 77868, and ANADARCO E&P COMPANY LP, as Lessee, whose address is PO Box 1330, Houston, TX 77251-1330.

1. **Description.** Lessor, in consideration of **Ten Dollars And No Cents and other valuable consideration (\$10.00 and OVC)**, in hand paid, of the royalties herein provided and the covenants herein contained, hereby grants, leases and lets exclusively to Lessee, for the purpose of exploring for, geophysically or by other means, developing, producing and marketing oil and gas of any nature or kind, along with all hydrocarbon and nonhydrocarbon substances, whether liquid or gaseous, produced in association therewith including sulphur, helium, nitrogen, carbon dioxide and other commercial gases as well as hydrocarbon gases (collectively referred to herein as "covered minerals"), and marketing or rendering more marketable or more valuable covered minerals, including without limitation laying pipelines for gathering and/or transportation and construction of treating, separating, dehydration, processing or other facilities and grants the right to inject water or other produced liquids into non-freshwater bearing formations underlying the leased premises, the following described land (the "leased premises") in BRAZOS County, Texas, to-wit:

2.00 acres of land, more or less, located in the L. R. Mitchell Svy., A-166, Brazos County, Texas, being described in that certain Deed dated September 25, 1999 from Shirley A. Wheelock, recorded in Volume 3618, Page 240, Official Records, Brazos County, Texas, and that certain Deed dated August 5, 1998 from Bobby Harville, et al, recorded in Volume 3218, Page 273, Official Records, Brazos County, Texas.

Lessee agrees that no drilling, mining or any operations of any kind will be conducted nor any structures or any type facilities will be constructed upon the surface of the leased premises without the written consent of the Lessors herein; but, the Lessee shall have the right to prospect, drill, mine and produce said minerals from said land by operations which it may conduct on adjoining or nearby lands through the drilling, operating, and maintaining of directional or horizontal wells on such adjoining or nearby lands, or by operations it may conduct upon lands with which the herein leased premises may be pooled.

This lease also covers accretions and any small strips or parcels of land now or hereafter acquired or claimed by Lessor which are contiguous or adjacent to the leased premises whether or not such parcels are known to exist by Lessor or Lessee, and for the aforementioned consideration, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, said land shall be deemed to be comprised of 2.0000 acres, whether it actually comprises more or less.

2. **Term of Lease.** This lease shall be in force for a primary term of two years from the effective date of this lease, and for as long thereafter as either: (a) any covered minerals are being produced from the leased premises or lands pooled, unitized or otherwise combined therewith; or (b) Operations, as hereinafter defined, are being conducted upon the leased premises or lands pooled, unitized or otherwise combined therewith with no cessation of more than ninety (90) consecutive days; or (c) this lease is otherwise maintained in effect pursuant to the provisions hereof. This lease is a "paid-up" lease requiring no rentals be paid to Lessor. Further, no shut-in payments are required during the primary term.

3. **Royalty Payment.** Royalties on covered minerals produced and saved from the leased premises and used off the leased premises or lands pooled therewith or sold (whether to an affiliated or non-affiliated purchaser), shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons, the royalty shall be 3/16 of the market value at the mouth of the well of such production. (b) For natural gas of any nature or kind (including casinghead gas) and all other covered minerals (including liquid hydrocarbons suspended in gas that are not separated at the primary separation facilities), the royalty shall be 3/16 of the market value at the mouth of the well of such production. (c) In calculating royalties on all production hereunder, Lessee may deduct Lessor's proportionate part of any taxes such as ad valorem, production, severance and excise taxes or other similar taxes as may be imposed on production currently or at any point in the future. A proportionate share of costs incurred by Lessee in gathering, treating, dehydrating, compressing, processing, transporting or delivering such production, and any other costs of marketing or rendering marketable or more valuable the covered minerals, whether on the leased premises or off the leased premises may also be deducted in calculating royalties payable hereunder. (d) If, at the expiration of the primary term or at any time or times thereafter, there is any well on the leased premises or on lands pooled therewith, capable of producing covered minerals, 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. 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, flowlines, separator, and lease tank, and shall not be required to market such covered minerals upon terms unacceptable to Lessee. If at any time or times after the expiration of the primary term, all wells located upon the leased premises or lands pooled therewith (whether classified as oil wells or gas wells) are shut-in for a period of ninety (90) consecutive days, and during such time there are no other Operations being conducted on the leased premises or lands pooled therewith, then within thirty (30) days after the expiration of said ninety day period, Lessee covenants to pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered by this lease, and it shall be considered that covered minerals are being produced from the leased premises. 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 shut-in provision. Each such payment or tender shall be made to the parties who at the time of the payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in, at, or its successors, which shall continue as the depository, regardless of changes in the ownership of 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. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Lessee's failure to pay and/or properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. Nothing herein shall impair Lessee's right to release any portion of the leased premises as provided in paragraph 10 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each. Lessee shall have free use of oil, gas, water and other substances produced from said land, except water from Lessor's wells or ponds, for all Operations hereunder, and Lessor's royalty shall be computed after deducting any produced oil or gas so used.

4. **Operations.** Whenever used in this lease, the word "Operations" (unless specified to the contrary) shall mean operations for and any of the following: dirt work, building of roads and locations, drilling, testing, completing, reworking, recompleting, deepening, plugging back, abandoning or repairing of a well in search of or in an endeavor to obtain, increase or restore and/or market or render marketable or more valuable production of oil, gas, sulphur or other covered minerals, and/or production, actual or constructive, of oil, gas, sulphur or other covered minerals.

5. **Pooling.** Lessee shall have the continuing and recurring right, but not the obligation, to pool, unitize or otherwise combine all or any part of the leased premises or interest therein with any other lands, leases or interests, as to any or all depths or zones, and as to any or all covered minerals, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently explore, develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands, leases or interests. A unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed eighty (80) acres plus a maximum acreage tolerance of ten percent (10%), and for an oil well which is a horizontal completion or a gas well shall not exceed six hundred forty (640) acres plus a maximum acreage tolerance of ten percent (10%); provided that larger units may be formed for an oil well or a gas well, whether or not horizontally completed, in order to conform to any well spacing or density pattern permitted by any governmental authority having jurisdiction over such matters. The terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or by regulations of the governmental authority which has jurisdiction over such matters. The term "horizontal completion" shall mean an oil well or a gas well in which the horizontal component of the gross completion interval exceeds one hundred (100) feet in length. Lessee may pool, unitize or combine land covered by this lease or any portions thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units formed as to any other stratum or strata, and oil units need not conform as to area with gas units. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit, and the effective date of pooling shall be the date of filing unless provided otherwise in such declaration. Lessee wholly at its option may exercise its authority to pool, unitize or combine either before or after commencing Operations for or completing an oil or gas well on lands lying within a unit and any unit may include, but is not required to include, lands or leases upon which a well producing or capable of producing oil or gas in paying quantities has theretofore been completed, or upon which Operations have theretofore been commenced. Operations anywhere on a unit which includes all or any part of the leased premises, regardless of whether such Operations were commenced before or after the execution of this lease or the instrument designating the pooled unit, shall be treated for all purposes (except the payment of royalties on production from the pooled unit) as if they were Operations on the leased premises and references in this lease to production from or Operations on the leased premises shall be deemed to include production from or Operations on any portion of such pooled unit; provided that if after creation of a pooled unit a well is drilled on land within the unit area (other than the leased premises) which well is not classified as the type of well for which the unit was created (oil, gas or other minerals as the case may be), such well shall be considered a dry hole for purposes of applying the additional drilling and reworking provisions hereof. If a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, with respect to all lands which are included with the unit (other than the lands on which the well is located), the date of such reclassification shall be considered as the date of cessation of production for purposes of applying the provisions of this lease covering additional drilling and reworking. The production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent that such proportion of unit production is sold or used off the leased premises or lands pooled or unitized therewith by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall, without the joinder of Lessor, have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority, or court order, or when to do so would, in the judgment of Lessee, promote the conservation of covered minerals in and under and that may be produced from the leased premises. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and the effective date of revision shall be the date of filing unless provided otherwise in such declaration. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly, and such adjustment shall be made effective as of the effective date of the revision. Lessee may at any time dissolve any unit formed hereunder by filing a written declaration describing the unit, and the effective date of dissolution shall be the date of filing unless provided otherwise in such declaration. 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 with consequent allocation of production as herein provided. As used herein 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. Pooling hereunder shall not constitute a cross-conveyance of interests.

6. **Ancillary Rights.** In exploring for, developing, producing and marketing covered minerals, in primary or enhanced recovery, Lessor hereby grants and conveys to Lessee the free right of ingress and egress along with the right to conduct Operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations and any other Operations on the leased premises, lands pooled or unitized therewith or lands adjacent thereto, and the construction and

use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat, and transport production in connection with said wells. In connection with Lessee's Operations, Lessee's ancillary rights granted herein shall apply to both surface and subsurface of: (a) the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; (b) all lands pooled or unitized with the leased premises; and (c) any other lands contiguous or adjacent to the leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, in which Lessor now or hereafter has authority to grant such rights. Such ancillary rights include, but are not limited to, the right to use the subsurface of the leased premises in connection with a well to be drilled under but bottomed off the leased premises. No surface location for a well shall be located less than two hundred (200) feet from any house or barn now on the leased premises or other lands used by Lessee hereunder without Lessor's consent. In addition to the ancillary rights described above, Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within one (1) year following the expiration thereof.

7. **Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty (60) days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons, either jointly or separately, in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

8. **Warranty of Title.** Lessor hereby warrants and agrees to defend title to the interest conveyed to Lessee hereunder. Lessee, at its option, may pay or discharge any tax, mortgage or lien existing, levied or assessed against the leased premises and, in the event that it does so, Lessee shall be subrogated to the rights of the party to whom payment is made and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties or shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

9. **Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced proportionately to the amount that Lessor's interest in the leased premises bears to the entire mineral estate in the leased premises. To the extent any royalty or other payment attributable to the mineral interest covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

10. **Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the leased premises or any depths or zones thereunder, and shall thereafter be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

11. **Regulation and Delay.** Lessee's obligations under the lease, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells. Notwithstanding the provisions of paragraph 2 above, when Operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control (commonly referred to as "force majeure"), this lease shall not terminate because of such prevention or delay and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any terms of this lease when Operations are so prevented, delayed or interrupted.

12. **Breach or Default.** An alleged breach or default by Lessee of any obligation hereunder or the failure of Lessee to satisfy any condition or limitation contained herein 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, and no litigation shall be initiated by Lessor with respect to any alleged breach or default by Lessee hereunder, for a period of at least ninety (90) days after Lessor has given Lessee written notice fully describing the breach or default, and if Lessee does not dispute the breach, then only if Lessee fails to remedy or commence to remedy the breach or default within such period. In the event Lessee disputes that a breach has occurred and the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. If this lease is cancelled 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 (40) 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. Lessee shall also have such easements on said land as are necessary to conduct Operations on the acreage so retained. Nothing in this instrument or in the relationship created hereby shall be construed to establish a fiduciary relationship, a relationship of trust or confidence or a principal-agent relationship between Lessor and Lessee for any purpose. Lessee's standard of conduct shall be that of a reasonable prudent operator.

13. **Existing Wellbores.** At no additional cost to Lessee, Lessor grants Lessee access to and the right to use, at Lessee's sole election, any existing well(s) and/or wellbore(s) on the leased premises. Lessee's election to reenter and use an existing well and/or wellbore shall be considered the same as the drilling of a new well on the leased premises. This provision shall not apply to existing water wells on the leased premises.

14. **Miscellaneous.**

(a) **Entire Agreement.** This lease represents the entire agreement between Lessor and Lessee with respect to the leased premises and supersedes and replaces all prior agreements, both oral and written, between the parties with respect to the leased premises. This lease is not intended to give rise to any implied obligations not otherwise expressly contained in this lease and any implied covenants not consistent with the express provisions of this lease are hereby negated and renounced. This lease may only be amended by a subsequent written instrument.

(b) **Captions.** The captions used in the lease are solely for the convenience of the parties hereto and shall have no significance, separate and apart, from the terms and provisions of the lease.

(c) **Severability.** If any term or other provision of this lease is invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this lease shall nevertheless remain in full force and effect.

(d) **Choice of Law.** THIS LEASE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (EXCLUSIVE OF ANY PRINCIPLES OF CONFLICTS OF LAWS WHICH WOULD DIRECT APPLICATION OF THE SUBSTANTIVE LAWS OF ANOTHER JURISDICTION).

IN WITNESS WHEREOF, this lease is executed effective the date first written above, and upon execution shall be binding upon the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not the lease has been executed by all parties named herein as Lessor.

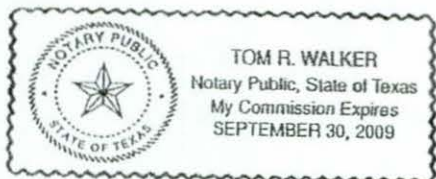
LESSOR:
Malaquias Maldonado
Malaquias Maldonado

LESSOR:
Maria C. Maldonado
Maria Maldonado

STATE OF TEXAS)
COUNTY OF BRAZOS

This instrument was acknowledged before me this 20 day of September, 2006, by Malaquias Maldonado and wife, Maria Maldonado

My Commission Expires: 9/30/09 Tom R. Walker, Notary Public



6.

File No. MF 108562

[Signature]

Date Filed: 10/30/07

Jerry B. Patterson, Commissioner

By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

December 18th, 2007

Mr. Bruce Spindler
Agent for EnerVest Energy Partners, LP
120 S. Washington
LaGrange, TX 78945

Dear Mr. Spindler,

Re: State of Texas HROW Lease # **MF108562**

Enclosed you will find an original executed Highway Right-of-Way Lease for Brazos County.

Please refer to this lease number in all future correspondence concerning this lease. Thank you for your assistance in this request.

Please review Section 4c regarding pooling, and ensure the GLO receives a copy of any unit designation on this lease.

If you have any questions please feel free to contact my direct phone number, or email listed below, or you may contact Drew Reid at 512-475-1534. Please send us a certified copy of this lease after recording

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

7.

File No. MF 108562

SD letter

Date Filed: 12/18/07

Jerry E. Patterson, Commissioner

By 