

MF108681

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF108681	56-031407		ROBERTSON

✓ EXPIRED  
 DATE 2-19-11  
 LEASING Bellman  
 MAPS \_\_\_\_\_  
 GIS WIC

<i>Survey</i>	HIGHWAYS & PUBLIC TRANSPORTATION DE	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>	HIGHWAY RIGHT-OF-WAY	
<i>Acres</i>	6.352	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
0	0	
<i>Name</i>	BURLINGTON RESOURCES OIL & GAS COM	
<i>Lease Date</i>	2/19/2008	
<i>Primary Term</i>	3 yrs	
<i>Bonus (\$)</i>	\$1,905.60	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2500	

*Leasing:* [Signature]  
*Analyst:* [Signature]  
*Maps:* \_\_\_\_\_  
*GIS:* ZLS



**STOP**  
**CAUTION**

ents in this file have been  
 n Table of Contents order  
 and scanned.

help keep documents in  
 tent order and let the  
 Lab know when new  
 nts are added to this file.

you for your assistance.

CONTENTS OF FILE NO. MF- 108681

- 1. Lease 11/29/07
- 2. Letter 11/29/07
- 3. Maps 11/29/07
- 4. Waiver 11/29/07
- 5. Deed 11/29/07
- 6. Leases 11/29/07
- 7. Ags. + bonus 12/6/07
- 8. NO letter 2/19/08
- 9. Certified Copy of Lease 3/25/08

Scanned 7/23/08 CA

- 10. First Amendment to Pooled Unit. 10/10/08
- 11. Email - Canceled Unit 11-19-08
- 12. Certified Certified #ROW lease. 11/16/09

scanned 8/19/09 LA

Scanned 6/15/13 JA

See MF 106592 #20 Ags #9517  
 Corral Hills & Burlington  
 to TMO 2-3-16

scanned PF 3-1-16

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (108681)  
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 **Burlington Resources Oil & Gas Co., LP**, whose address is **PO Box 2197, Houston, TX 77252-2197** hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Nine Hundred Five 60/100 (\$ 1,905.60)** 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 **Robertson** State of Texas, and is described as follows:

**6.352 acres** of land, more or less, known as, situated in said **Robertson** 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 **6.352 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 **three years, from February 19<sup>th</sup>, 2008** 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 **1/4** 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 **1/4** 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 **1/4** 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 **1/4** 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.

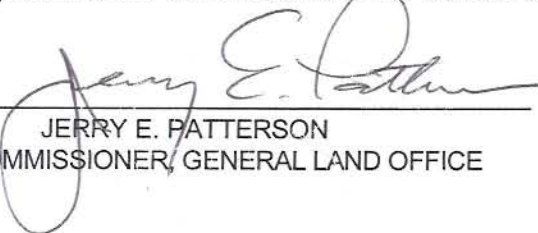
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

CC: 

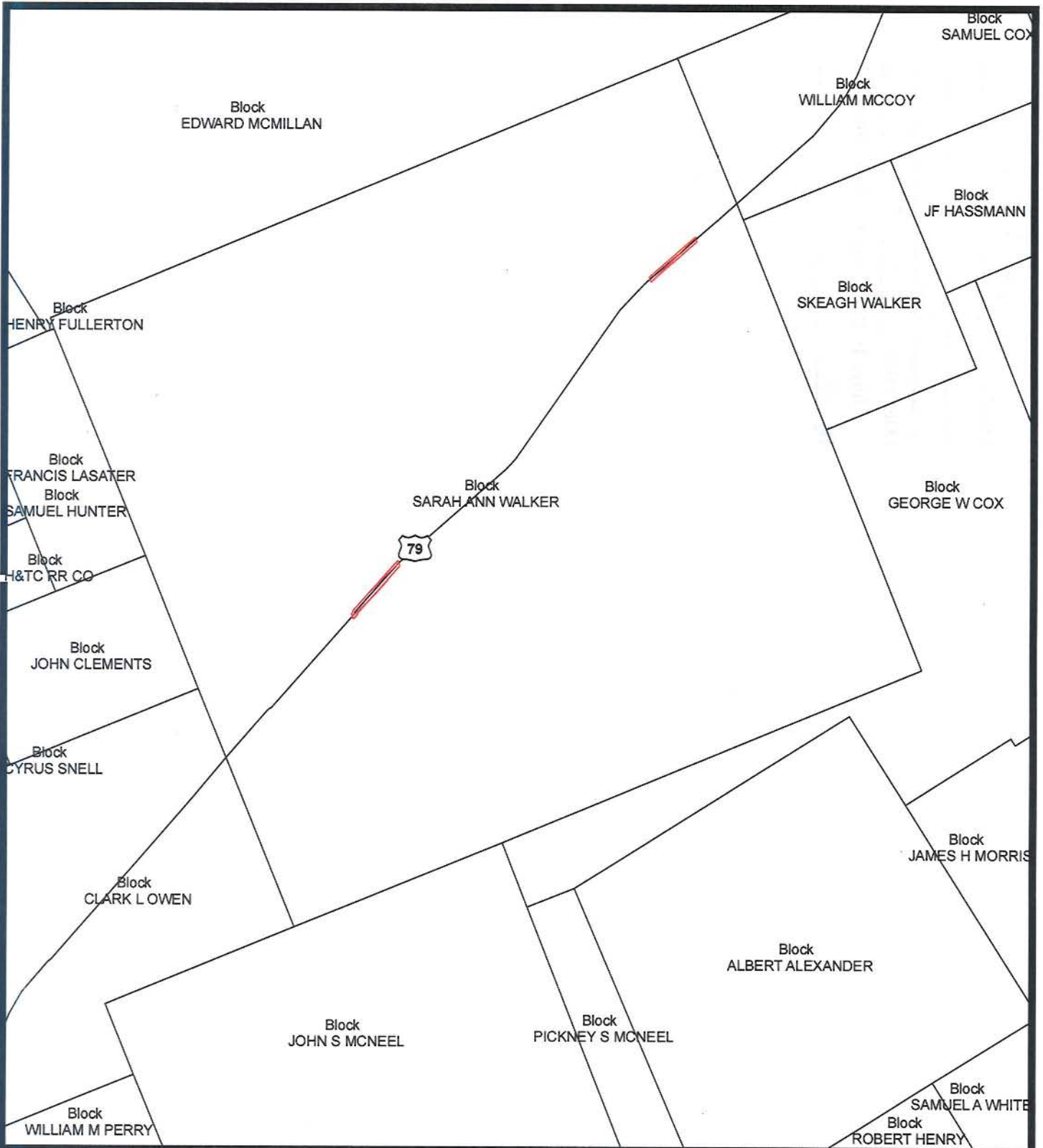
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 19<sup>th</sup>, 2007, by and between the State of Texas, as lessor, and Burlington Resources Oil and Gas Co. LP, as lessee, covering acreage to be leased along US Highway 69 in Robertson County, Texas.

6.352 acres of land, more or less, situated in the Sarah Ann Walker Survey, A-357. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Robertson County, Texas:

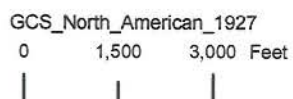
Deed from John Watson to the State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 581 of the Deed of Records, Robertson  
County.

Deed from Nathan Jones estate to the County  
of Robertson, State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 573 of the Deed of Records, Robertson  
County.



Map Showing  
 A portion of State Highway 79  
 6.352 acres  
 Approximately 1 mile southwest of Franklin  
 Robertson County  
 ft02-08

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



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



Map Compiled By:  
 Ferrel Taylor  
 Information Systems - GIS  
 February 19, 2008

1.

File No. MF 708681

*[Signature]*

Date Filed: 11/30/07

Jerry E. Patterson, Commissioner

*[Signature]*

# TERRA SOURCE, LLC

CHARLES W. NOWLIN, CPL

P. O. Box 731  
Franklin, Texas 77856  
979-828-1280  
FAX: 979-828-1310

*Need: map  
↓  
Desc.*

November 20, 2007

*Have  
no money coming 11-29/1  
m-*

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

*300.00  
14  
3 1/2 Pads  
Total 25.00*

Re: Proposed Oil And Gas Lease covering 6.352 acres,  
U. S. Hwy 79 ROW, Sarah Ann Walker Sur., A-357; Robertson  
County, Texas

Dear Drew:

Relative to our recent conversations concerning the referenced unleased portions of State of Texas Right-of-Way along US Hwy. 79 in Robertson County, Texas, I am transmitting, for your review, various documents and copies.

On July 25, 2006, the Commissioner for the General Land Office executed an Oil and Gas Lease to Burlington Resources Oil & Gas Co. LP covering 69.736 acres of land in Robertson County, Texas. A copy of that lease, No. M-106592, recorded in Vol. 961, Page 701 of the Official Public Records of Robertson County is enclosed.

At the time Burlington Resources made application to lease the 69.736 acres of land, the referenced 6.352 acres in two tracts of 2.975 acres and 3.377 acres was not eligible for leasing under the claim of "preferential right to lease" since another company, XTO Energy Inc. was the Lessee on acreage adjacent to the 2.975 acres and the 3.377 acres. XTO has since waived, in writing, their preferential right to lease this acreage. See # 4 below.

In addition to a copy of the current lease, I am enclosing the following supporting information:

1. A numbered plat of acreage covered by the Burlington lease with tracts to the adjacent acreage outlined in purple and labeled A, B. & C.
2. Copies of current OGML's in favor of XTO Energy, Inc. covering the tracts adjacent to the referenced unleased 6.352 acres.
3. Copies of the Deeds with metes and bounds descriptions and plats for the subject 2.975 acres and 3.377 acres.
4. Original Waiver of Notice and Preferential Right to Lease signed by XTO Energy Inc.

From our recent telephone conversations, it is my understanding that there is a possibility that, in situations such as this one, the leasing process may be expedited by your office. If that is the case, please advise me as to any additional information you will need.

Drew Reid  
November 20, 2007  
Page 2

Terms for our previous lease with the GLO were \$300.00 per acre bonus and a 1/5<sup>th</sup> royalty for a three (3) year primary term, which were the best terms given in the area at that time. Subsequent to the date of the first lease we have paid, in the area, \$300.00 per acre bonus, and a 1/4<sup>th</sup> royalty for a three (3) year primary term lease.

Regarding our initial lease covering 69.736 acres, I told you by phone that the acreage total for that lease would need to be increased by 0.853 of an acre due to an oversight in the descriptions for tracts 5 and 7. Please let me know by what method you would like to add this 0.853 of an acre to the lease.

OK

Please call me @ 979-690-6156 or 979-828-1280 if you have any questions.

Sincerely,

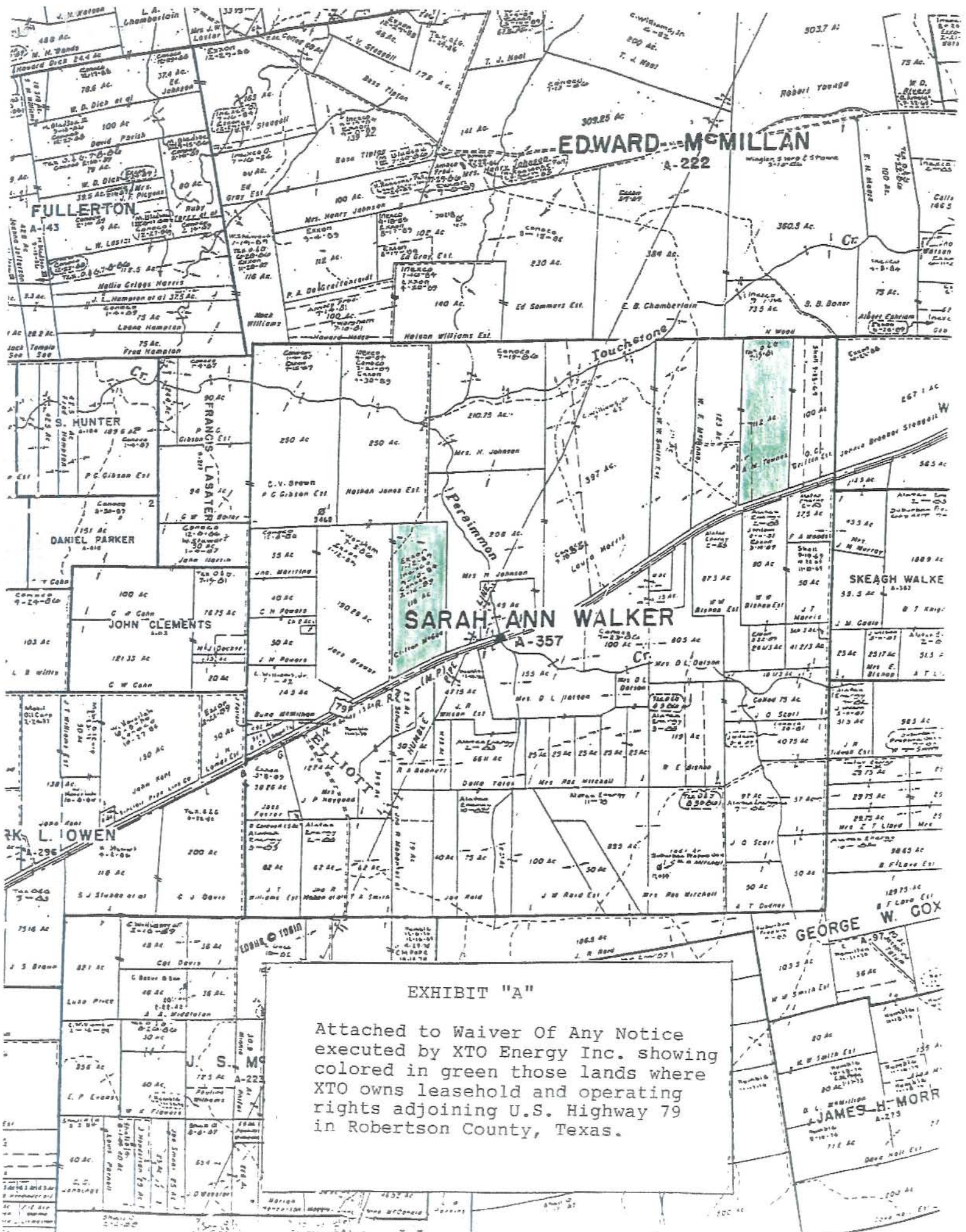


Charles W. Nowlin, CPL

Attach.

2.

File No. MF 708681  
Seller  
Date Filed: 11/29/07  
By [Signature] Merry E. Patterson, Commissioner



**EDWARD McMILLAN**  
A-222

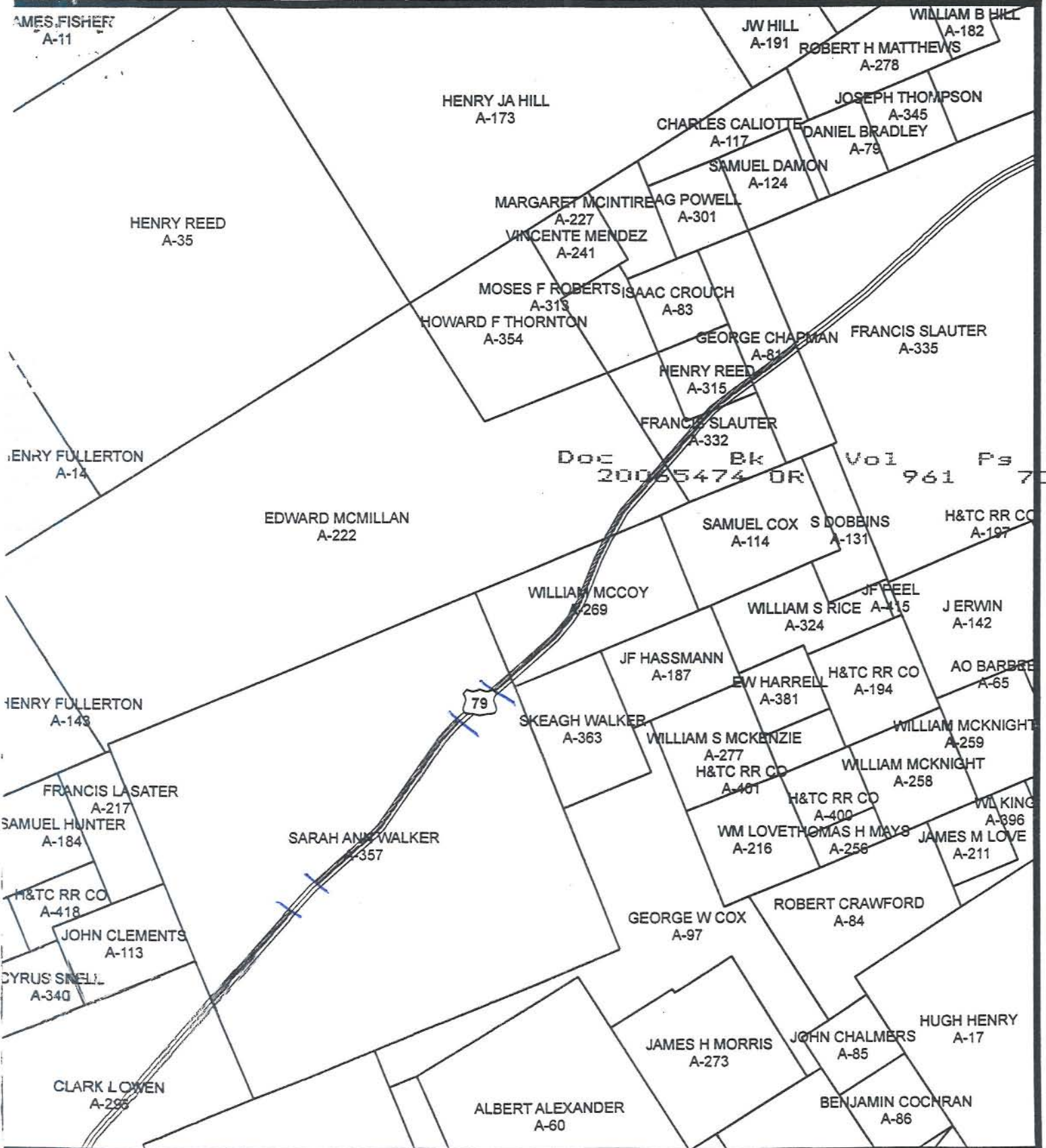
**SARAH ANN WALKER**  
A-357

**GEORGE W. GOX**  
A-97

**EXHIBIT "A"**

Attached to Waiver of Any Notice  
executed by XTO Energy Inc. showing  
colored in green those lands where  
XTO owns leasehold and operating  
rights adjoining U.S. Highway 79  
in Robertson County, Texas.

**JAMES H. MORR**  
A-273



Map Showing  
 A portion of State Highway 79  
 69.736 acres  
 Located in Franklin  
 Robertson County  
 ft107-06

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

GCS\_North\_American\_1927  
 0 3,500 7,000 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  
 July 25, 2006

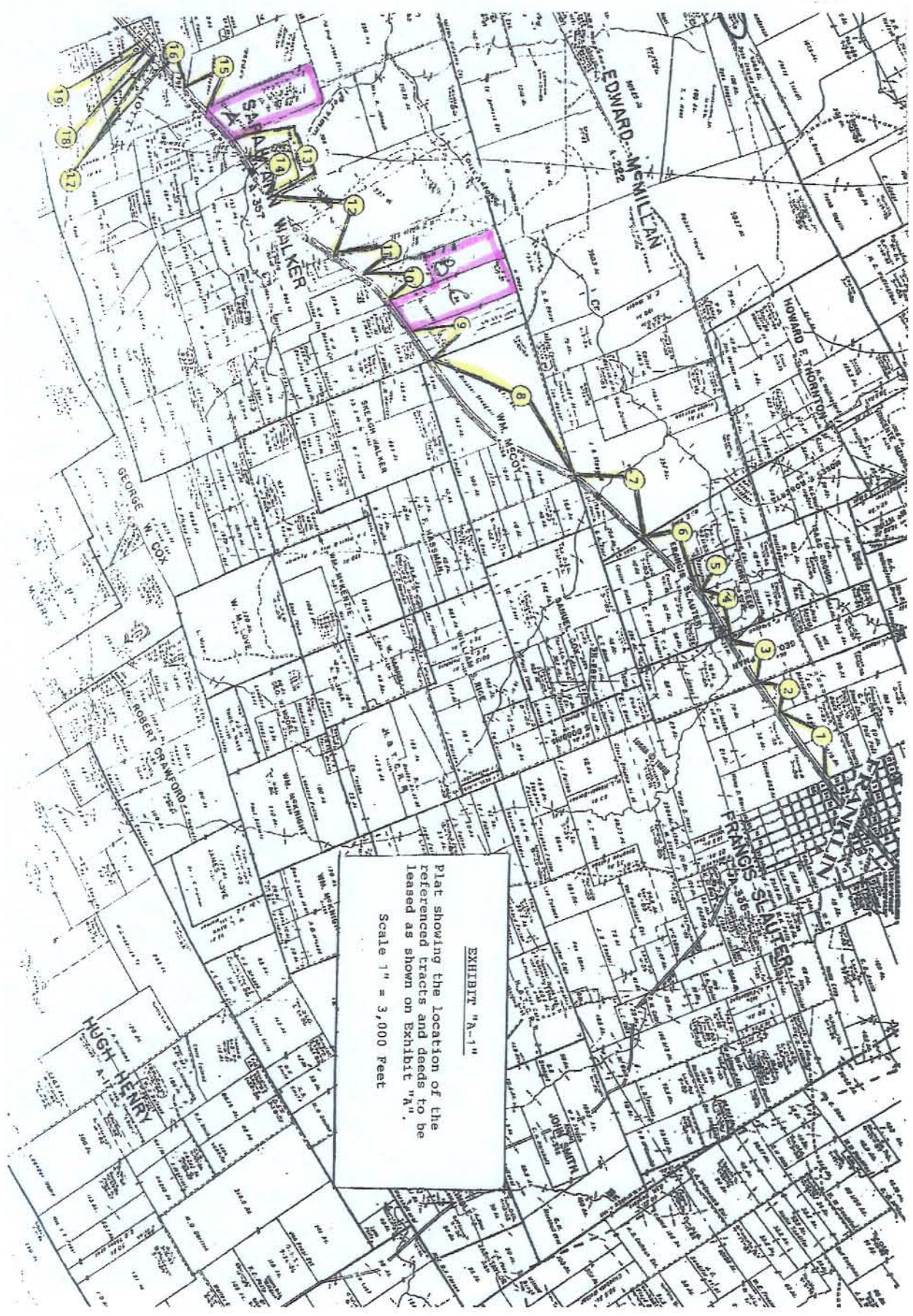
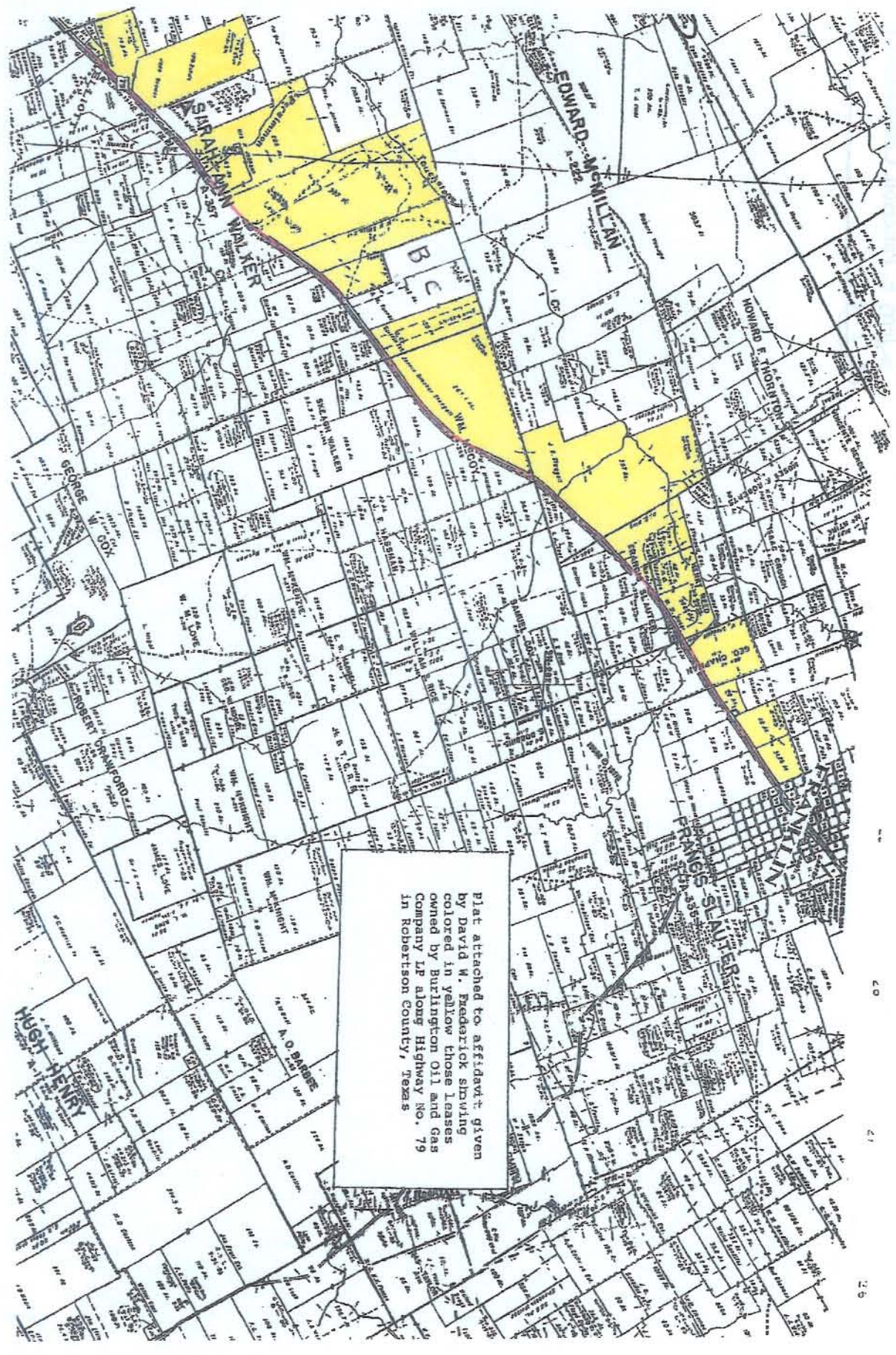


EXHIBIT "A-1"  
Plat showing the location of the  
referenced tracts and deeds to be  
leased as shown on Exhibit "A".  
Scale 1" = 3,000 Feet



Plat attached to affidavit given by David W. Frederick showing colored in yellow those leases owned by Burlington Oil and Gas Company LP along Highway No. 79 in Robertson County, Texas

3.

File No. MF 708681

[Signature]

Date Filed: 4/29/07

Jerry E. Patterson, Commissioner

[Signature]

WAIVER OF NOTICE AND PREFERENTIAL RIGHT TO LEASE

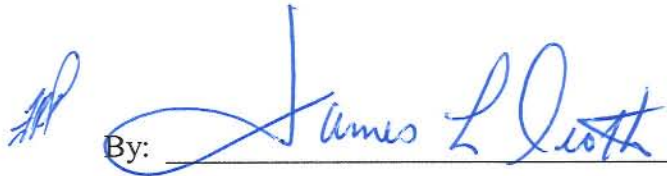
STATE OF TEXAS           §

COUNTY OF TARRANT   §

The undersigned company, being the owner of leasehold and operating rights in the lands adjoining and offsetting those portions of U. S. Highway 79 in Robertson County, Texas, as depicted on the plat attached as Exhibit "A" hereto and incorporated herein by reference, does hereby waive its preferential right to lease and to receive notice from the State of Texas pursuant to House Bill 918 of the granting of an Oil and Gas Lease by the State of Texas affecting and covering the portion of said highway as depicted on Exhibit "A".

EXECUTED this the 8<sup>th</sup> day of Nov, 2007.

XTO ENERGY INC.

 By: James L. Death

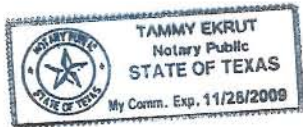
Printed Name: James L. Death

Title: Sr. Vice President - Land

THE STATE OF TEXAS §

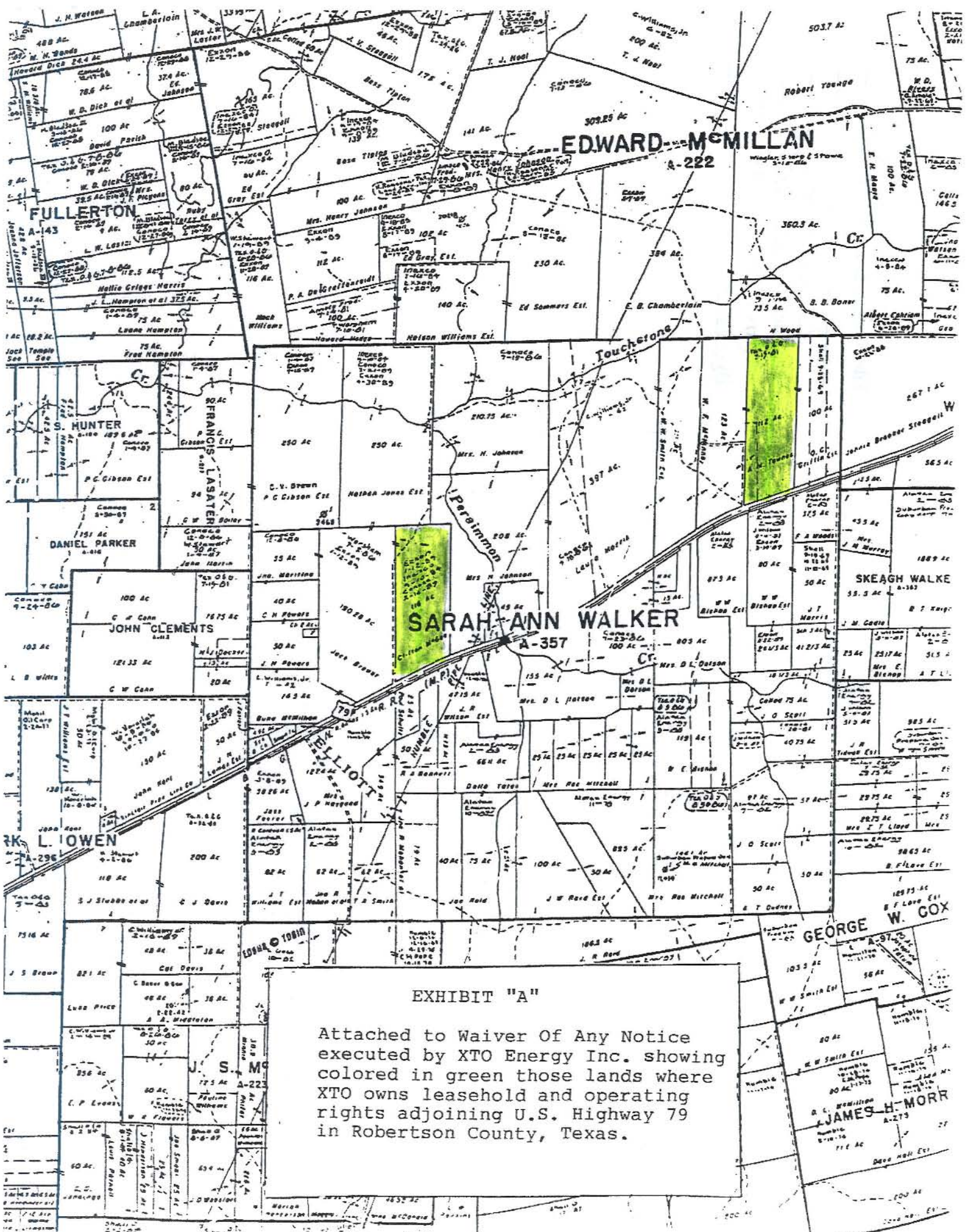
COUNTY OF TARRANT §

This instrument was acknowledged before me this 8<sup>th</sup> day of November, 2007 by James L. Death, as Sr. Vice President - Land of XTO Energy Inc., a Delaware Corporation on behalf of said corporation.



(SEAL)

Tammy Ekruat  
Notary Public in and for the State of Texas



**EXHIBIT "A"**

Attached to Waiver Of Any Notice executed by XTO Energy Inc. showing colored in green those lands where XTO owns leasehold and operating rights adjoining U.S. Highway 79 in Robertson County, Texas.

**JAMES H. MORR**  
A-273

2.

File No. MF 708681  
Wainer  
Date Filed: 11/29/07  
By Jerry E. Patterson, Commissioner

2.975  
Vol 118  
Page 581

Deed  
Attached



2975 Acres ROW out of 112.0 Ac 5

STATE OF TEXAS |  
County of Robertson |

Before me, Julia Slagle, a notary public in and for said County and State, on this d  
personally appeared J. C. Waltmon, known to me (or proved to me on the oath of \_\_\_ )  
to be the person whose name is subscribed to the foregoing instrument and acknowledged to  
me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 7th day of Sept. A. D. 1938.

Julia Slagle, Notary Public,  
Robertson County, Texas.

(Seal)

Filed for record at 3:15 o'clock P. M., April 20, 1939, and duly recorded at 3:20 o'clock  
P. M., April 24, 1939.

BY Claise Noles DEPUTY. Gene Morgan COUNTY CLERK.

8% & 8% & 8% & 8% & 8% & 8% & 8% & 8%

STATE OF TEXAS |  
County of Robertson |

KNOW ALL MEN BY THESE PRESENTS:

THAT John Watson of the County of Robertson in the State of Texas, for and in  
consideration of the sum of Double rendition. Owner will replace fences, barn and tanks,  
Total \$125.00 Dollars to us in hand paid by the State of Texas, acting through the  
State Highway Commission, receipt of which is hereby acknowledged, have this day sold,  
and do by these presents grant, bargain, sell and convey unto the State of Texas all that  
certain tract or parcel of land situated in the County of Robertson, State of Texas, and  
being part of a survey originally granted to \_\_\_ by Patent No. \_\_\_ Vol. \_\_\_ Abstract No. \_\_\_  
and being a part of a tract of \_\_\_ acres conveyed by \_\_\_ to \_\_\_ by deed dated the \_\_\_ day  
of \_\_\_ 19\_\_\_ and recorded in Volume No. \_\_\_ page No. \_\_\_ of the Deed Records of \_\_\_ County,  
Texas; said tract or parcel of land herein conveyed, being subject to lien(s) held by:  
\_\_\_ and being more particularly described as follows, to-wit:

The land herein conveyed is a part of and out of the S. A. Walker Survey in Robertso  
County, Texas. A strip of land on the North side of the I-GN RR 1296 feet long and 100  
feet wide as surveyed by the Resident Engineer of the Texas State Highway Department and  
more particularly described as follows:

Beginning at a point where the center line of the present location of Highway No. 43  
crosses the North property line of John Watson, same being the South property line of  
O. C. Griffin same being survey station 112/90,

Thence S. 20-00 E. 32 feet to the North R-O-W line of the I-GN RR,

Thence S. 51-05 W. 930 feet to a point 30 feet to the left of and at right angles  
to the beginning of a 1 degree curve to the left whose central angle is 14-22,

Thence 30 feet to the left of and parallel to said 1 degree curve to the left 358  
feet to the South property line of John Watson, same being survey station 125/80,

Thence N. 20-00 W. 105 feet, to a point 70 feet to the left of a 1 degree curve on  
the center line whose central angle is 14-22,

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VOL. PAGE

Thence 70 feet to the left of and parallel to said 1 degree curve on the center line  
342 feet to end of said curve,

Thence N. 51.05 E. 962 feet,

Thence S. 20-00 E. 73 feet to the place of beginning and containing 2.975 acres of  
land, more or less.

Total area of this deed 2.975 acres

Total area of present right-of-way 1.781 acres

Total amount of new right-of-way 1.194 acres

And it is further agreed that the said Robertson County 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 John Watson hereby binds his 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 our hands, this the 10th day of October, A. D. 1938.

J. T.A. Watson.

Floy Watson.

STATE OF TEXAS        |

County of Robertson |

Before me, W. W. Smith, a notary public in and for said County and State, on this day  
personally appeared J. T. A. Watson, known to me (or proved to me on the oath of \_\_\_)  
to be the person whose name is subscribed to the foregoing instrument and acknowledged  
to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 10th day of Oct. A. D. 1938.

(No Seal Shown)

W. W. Smith, Notary Public,

Robertson County, Texas.

STATE OF TEXAS        |

County of Robertson |

Before me, W. W. Smith, a notary public in and for said County and State on this  
day personally appeared Mrs. Floy Watson, wife of J. T. A. Watson, known to me to be the  
person whose name is subscribed to the foregoing instrument, and having been examined by  
me privily and apart from her husband, and having the same fully explained to her, she the  
said \_\_\_ acknowledged such instrument to be her act and deed, and declared that she had  
willingly signed the same for the purposes and consideration therein expressed, and that  
she did not wish to retract it.

Given under my hand and seal of office, this the 10th day of Oct. A. D. 1938.

(No Seal Shown)

W. W. Smith, Notary Public,

Robertson County, Texas.

3.377  
VOL 118  
PAGE 573

Need  
Attached



VOL 118  
PAGE 573  
Deed  
Records

STATE OF TEXAS            I  
County of Robertson    I       KNOW ALL MEN BY THESE PRESENTS;

THAT Nathan Jones estate of the County of Robertson, in the State of Texas, for and in consideration of the sum of \$10.00 damage & double Rendition \$21.60 Total \$31.60 Dollars, to us in hand paid by the State of Texas, acting through the State Highway Commission, receipt of which is hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey unto the State of Texas all that certain tract or parcel of land situated in the County of Robertson, State of Texas, and being part of a survey originally granted to \_\_\_ by Patent No. \_\_\_ Vol. \_\_\_ Abstract No. \_\_\_ and being a part of \_\_\_ acres conveyed by \_\_\_ to \_\_\_ by deed dated the \_\_\_ day of \_\_\_ 19\_\_\_ and recorded in Volume No. \_\_\_ page No. \_\_\_ of the Deed Records of \_\_\_ County, Texas; said tract or parcel of land herein conveyed, being subject to lien(s) held by: \_\_\_\_\_ and being more particularly described as follows, to-wit:

The land herein conveyed is a part of and out of the S. A. Walker Survey in Robertson County, Texas.

A strip of land on the North side of the present location of Highway No. 43 as surveyed by the Resident Engineer of the Texas State Highway Department and more particularly described as follows:

Beginning at a point where the center line of the present location of Highway No. 43 crosses the North Property line of Caroline Jones, same being survey station 208,

Thence S. 20-00 E. 32 feet,

Thence 30 feet to the left of and parallel to a 1-30-degree curve on the center line whose central angle is 8-30, to the left, 408 feet to the end of said curve,

Thence S. 42-57 W. 1065 feet to a point on the South property line of Caroline Jones S. 21-30 W. 32 feet from survey station 223/59, same being the North R-O-W line of a neighbor road between Caroline Jones, and O. H. McCollum,

Thence N. 21-30 W. 110 feet along the South property line of Caroline Jones,

Thence N. 42-57 E. 1018 feet to a point 70 feet to the left of and at right angles to the beginning of a 1-30 degree curve to the right whose central angle is 8-30 thence 70 feet to the left and at right angles to said 1-30 degree curve on the center line 455 feet,

Thence S. 20-00 E. 73 feet to the place of beginning and containing 3.377 acres of land more or less. Total area of this deed 3.377 acres.

And it is further agreed that the said Robertson County 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 \_\_\_ hereby binds \_\_\_ 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 10th day of October, A. D. 1938.

Caroline Jones.



5.

File No. M F 708681  
Joe  
Date Filed: 4/29/07  
By: Jerry E. Patterson, Commissioner

# The State of Texas



Accepted for Filing in:  
Robertson County  
On: Sep 06, 2006 at 02:58P  
By: Carol Bancroft

## Austin, Texas

COPY

PAID-UP  
OIL AND GAS LEASE NO. M-106592  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

20065474 OR Vol 1 Page 71

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 Burlington Resources Oil & Gas Co., L.P. whose address is 171 Texas Ave., Suite 2100, Houston, TX 77002 hereinafter called "Lessee".

1. Lessor, in consideration of Twenty Thousand Nine Hundred Twenty and 00/100 ( \$ 20,920.00), 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 Robertson State of Texas, and is described as follows:

69.736 acres of land, more or less, situated in said Robertson 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 69.736 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 three years (3) from July 25th, 2006 hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal 1/5th 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 1/5th part of such oil at the wells as of the day it is run to the pipe line or storage tanks. Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil; (b.) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by lessee 1/5th 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 1/5th of such gas and casinghead gas.

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

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

(e.) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of \$300.00. 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.

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

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

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

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

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

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

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

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

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

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

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

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

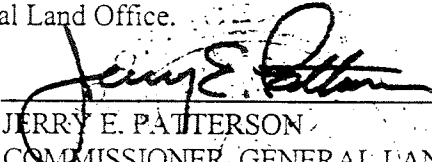
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

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

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

15. FORFEITURE: If Lessee shall fail or refuse to make payment of any sum within thirty (30) days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, or refuse the proper authority access to the records pertaining to operations, or if Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if this lease is pooled or assigned and the unit designation or assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease. However, nothing herein shall be construed as waiving the automatic termination of this lease by operations of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

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

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

Approved:

ML: DE

DC: DE

CC:

EXHIBIT "A"

<u>TRACT REFERENCE</u>	<u>GRANTOR</u>	<u>ACRES</u>	<u>DATE OF DEED</u>	<u>RECORDED</u>
1	John C. Mitchell, et ux	3.01	6/24/31	103/167
2	Walter Cook, et ux	1.51	8/22/31	103/86
3	John C. Mitchell, et ux	1.90	6/24/31	103/167
4	R.P. Massey, et ux	2.51	6/27/31	103/165
5	George Weir, et ux	.62	1/22/32	103/196
6	Alex King, et ux	3.17	8/12/31	103/104
7	D.M. Reagan, et ux	5.832	10/8/38	118/599
8	D.M. Reagan, et ux	1.110	5/29/41	123/571
9	John Brooker	18.776	2/27/39 Ack.	118/574
10	O.C. Griffin, et ux	2.916	9/8/38	118/597
11	W.F. McKinney	3.057	10/10/38	118/588
12	W.W. Smith, et ux	3.000	9/8/38	118/585
13	Mrs. Dan Morris	8.989	10/10/38	118/598
14	Mrs. Henry Johnson, et vir	2.716	10/28/38 Ack.	118/591
15	Mrs. D.L. Dotson	3.147	9/24/38	118/590
	O.H. McCollum	3.306	10/18/38	118/611

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File No. \_\_\_\_\_

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Date Filed: \_\_\_\_\_

Jerry E. Patterson, Commissioner

By \_\_\_\_\_

(A)

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 11<sup>th</sup> day of May, 2005, between

NELSON WILLIAMS, III, as his sole and separate property

Accepted for Filing in:

Robertson County

On: May 26, 2005 at 05:13P

By: Carol Bancroft

11903 Vicdale, Houston, Texas 77031

Lessor (whether one or more), whose address is:

XTO Energy Inc., 810 Houston Street, Ft. Worth, TX 76102

Lessee, WITNESSETH:

and Ten Dollars And No Cents Dollars (\$ 10.00),

1. Lessor in consideration of \_\_\_\_\_ in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Robertson County, Texas, to-wit:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR A DESCRIPTION OF LANDS HEREIN LEASED:**

**SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL PROVISIONS:**

**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: 1) YOUR SOCIAL SECURITY NUMBER OR 2) YOUR DRIVERS'S LICENSE NUMBER**

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term Three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 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 wells 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 for gas and casinghead gas produced from said land (1) when sold by lessee, one-eighth of the amount realized by lessee, computed at the month of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized from said land, one-tenth either in kind or value at the well or mine at lessee'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 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 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. 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 one dollar (\$1.00) for each acre of land then covered hereby. 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, and may be deposited in

the Pay Directly to Lessor Bank at 11903 Vicdale, Houston, Texas 77031 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender 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. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest 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 as provided above with consequent allocation of production as above 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. If at the expiration of the primary term, oil, gas, or other minerals is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

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

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that 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 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. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

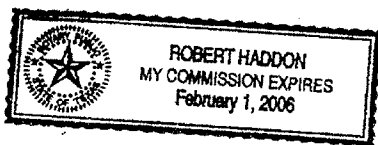
IN WITNESS WHEREOF this instrument is executed on the date first above written.

Nelson Williams III  
 NELSON WILLIAMS, III

\_\_\_\_\_  
 SOCIAL SECURITY #/TAX I.D. #

STATE OF TEXAS }  
 COUNTY OF ROBERTSON }

This instrument was acknowledged before me on the 11 day of May, 2005, by Nelson Williams, III.



Robert Haddon  
 Notary Public, State of Texas

Doc 20053467 Bk OR Vol 903 Ps 656

Attached to and made a part of that certain Oil and Gas Lease dated May 11, 2005 by and between Nelson Williams, III, as Lessor, and XTO Energy, Inc., as Lessee, covering 366.00 acres, more or less, in two (2) tracts in the Sarah Ann Walker Survey, A-357, Robertson County, Texas.

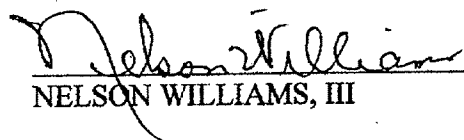
**Exhibit "A"**

366.00 acres of land, more or less, a part of the Sarah Ann Walker Survey, A-357, Robertson County, Texas, said 366.00 acres, more or less, being described as the following two (2) tract of land to-wit:

Tract 1: 250.00 acres of land, more or less, a part of the Sarah Ann Walker Survey, A-357, Robertson County, Texas, said 250.00 acres, more or less, being the same land described in that certain Deed dated January 1, 1898 from Daniel Parker and P. C. Gibson to Nathan Jones and recorded in Volume 38, Page 242, Deed Records of Robertson County, Texas.

Tract 2: 116.00 acres of land, more or less, a part of the Sarah Ann Walker Survey, A-357, Robertson County, Texas said 116.00 acres, more or less, being the same land described in that certain Deed dated November 30, 1889 from J. D. Marrow to Nathan Jones and recorded in Volume 22, Page 488, Deed Records of Robertson County, Texas.

SIGNED FOR IDENTIFICATION:

  
\_\_\_\_\_  
NELSON WILLIAMS, III

Doc                      Bk                      Vol                      Pg  
20053467      OR                      903                      657

Attached to and made a part of that certain Oil and Gas Lease dated May 11, 2005 by and between Nelson Williams, III, as Lessor, and XTO Energy, Inc., as Lessee, covering 366.00 acres, more or less, in two (2) tracts in the Sarah Ann Walker Survey, A-357, Robertson County, Texas.

**Exhibit "B"**

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

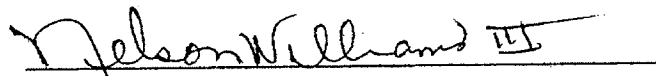
11. It is agreed and understood that iron ore, coal, and gravel are excepted and not included in this lease.

12. Notwithstanding any provision herein to the contrary, upon the later to occur of (i) the expiration of the primary term of this Lease (or the expiration of any extension or renewal thereof), or (ii) upon the expiration of sixty (60) days following the completion of the last well drilled on the leased premises or acreage pooled therewith (whether completed as a well capable of production in paying quantities or as a dry hole), operations for which were commenced during the primary term, this Lease shall terminate as to any lands not included in a pooled unit, proration unit for a lease well or other unit from which any well located thereon is producing or may be capable of producing in paying quantities, or upon which drilling, reworking or other operations calculated to restore production are being pursued as herein provided. After the expiration of the primary term of this Lease, if production on any pooled, proration or other unit permanently ceases from any cause either voluntary or involuntary (and if this Lease is not otherwise being maintained), this Lease shall terminate as to the lands included in such unit unless Lessee within sixty (60) days thereafter commences reworking operations or the actual drilling of a new well thereon. In such event, this Lease will continue in effect as to such unit so long as such drilling or reworking is prosecuted with no cessation of such operations for more than sixty (60) consecutive days until production is restored.

13. It is agreed and understood that wherever the designation "one-eighth" (1/8) appears in paragraph three (3) hereof, the same shall be deleted and the designation "one-fifth" (1/5) shall be substituted therefore.

14. Lessee agrees to use reasonable care in its operations on the leased premises, and within a reasonable period of time after the completion of any drilling operations on the leased premises, Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as reasonably practicable, and shall pay Lessor in full for all actual damages to crops, livestock, land or improvements situated on the leased premises caused by Lessee's operations.

SIGNED FOR IDENTIFICATION:

  
NELSON WILLIAM, III

12 ac

(B)

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 2nd day of February, 2006, between

Accepted for Filing in:  
Robertson County  
On: May 10, 2006 at 02:59P  
By: Carol Bancroft

James S. Griffin and wife, Linda A. Griffin

Lessor (whether one or more), whose address is: 258 Chimney Rock Road, Houston, Texas 77024-5600  
and XTO Energy Inc., 810 Houston Street, Ft. Worth, TX. 76102 Lessee, WITNESSETH:

and Ten Dollars And No Cents Dollars (\$ 10.00 ),  
1. Lessor in consideration of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ ),  
in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Robertson County, Texas, to-wit:

**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:  
1) YOUR SOCIAL SECURITY NUMBER OR 2) YOUR DRIVER'S LICENSE NUMBER.**

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF LANDS HEREIN LEASED.

SEE EXHIBIT "B" ATTACHED FOR ADDITIONAL PROVISIONS OF LEASE.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term Three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

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Pay Directly to Lessor Bank at 258 Chimney Rock Road, Houston, Texas 77024-5600  
or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender 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. 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 owners of this lease, severally as to acreage owned by each.

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Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest 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 as provided above with consequent allocation of production as above 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. If at the expiration of the primary term, oil, gas, or other minerals is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

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

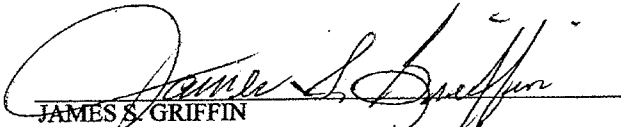
8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that 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 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. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.


10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

This Correction Lease is given in lieu of and in correction of, that certain Oil, Gas, and Mineral Lease between Lessors, James S. Griffin and wife, Linda A. Griffin and Lessee, XTO Energy Inc., and recorded in Volume 937, Page 505 of the Official Public Records of Robertson County, Texas, wherein the Notary acknowledgement on page two (2) of said lease was not executed correctly.

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

  
 \_\_\_\_\_  
 JAMES S. GRIFFIN

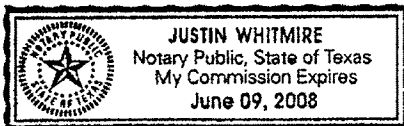
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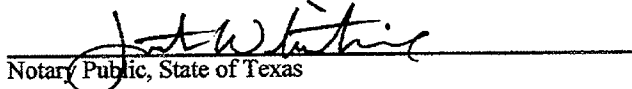
  
 \_\_\_\_\_  
 LINDA A. GRIFFIN

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 Tax I.D. #/S.S.#

STATE OF TEXAS }  
 COUNTY OF HARRIS}

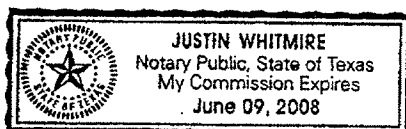
This instrument was acknowledged before me on the 1 day of May, 2006, by James S. Griffin.

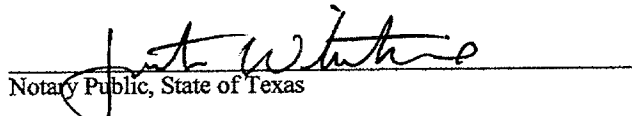


  
 \_\_\_\_\_  
 Notary Public, State of Texas

STATE OF TEXAS }  
 COUNTY OF HARRIS}

This instrument was acknowledged before me on the 1 day of May, 2006, by Linda A. Griffin.



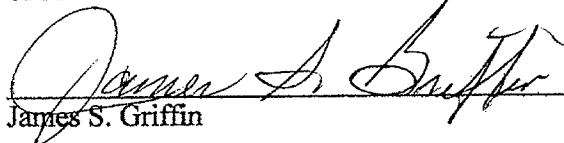
  
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 Notary Public, State of Texas

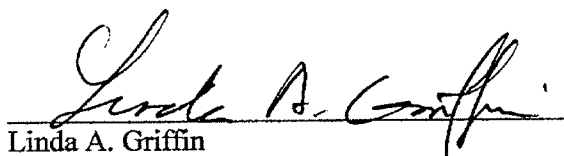
Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 2, 2006, by and between James S. Griffin and wife, Linda A. Griffin as Lessor, and XTO Energy Inc., as Lessee, covering 12.0 acres of land, more or less, out of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas.

**Exhibit "A"**

12 Acres of land, more or less, a part of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas. Said 12 acres of land, more or less, being the same lands described as Tract 2 in that certain Warranty Deed dated November 23, 1966 from Park J. Henderson et ux, Pearl Henderson to James S. Griffin and recorded in Volume 230, Page 638 of the Deed Records in Robertson County, Texas

SIGNED FOR IDENTIFICATION:

  
James S. Griffin

  
Linda A. Griffin

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Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 2, 2006, by and between James S. Griffin and wife, Linda A. Griffin as Lessor, and XTO Energy Inc., as Lessee, covering 12.0 acres of land, more or less, out of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas.

**Exhibit "B"**

The following agreements and provisions shall supersede and govern the provisions in the printed form 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.

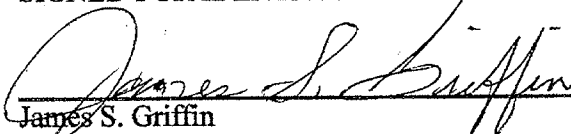
11. It is agreed and understood that iron ore, coal, and gravel are excepted and not included in this lease.

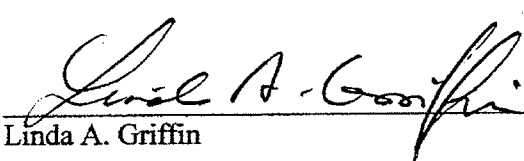
12. Notwithstanding anything to the contrary herein contained, drilling or reworking operations on or production from a pooled unit or units established under the provisions of printed paragraph 4 hereof, which includes a portion or portions of the leased premises and other land, shall maintain this lease in force only as to land included in such unit or units; however, this lease may be maintained in force as to any portion of the leased premises covered hereby and not included in such unit or units in any manner provided for herein.

13. It is agreed and understood that wherever the designation "one-eighth" (1/8) appears in paragraph three (3) hereof, the same shall be deleted and the designation "one-fifth" (1/5) shall be substituted therefore.

14. Lessee agrees to use reasonable care in its operations on the leased premises, and within a reasonable period of time after the completion of any drilling operations on the leased premises, Lessee shall proceed with reasonable diligence to restore the surface of the leased premises to as near its original condition as reasonably practicable, and shall pay Lessor in full for all actual damages to crops, livestock, land or improvements situated on the leased premises caused by the Lessee's operations.

SIGNED FOR IDENTIFICATION:

  
James S. Griffin

  
Linda A. Griffin

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69ac

(B)

# OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 2nd day of February, 2006, between

James S. Griffin and wife, Linda A. Griffin

Accepted for Filing in:  
Robertson County  
On: May 10, 2006 at 02:59P  
By: Carol Bancroft

Lessor (whether one or more), whose address is: 258 Chimney Rock Road, Houston, Texas 77024-5600  
and XTO Energy Inc., 810 Houston Street, Ft. Worth, TX. 76102, Lessee, WITNESSETH:  
Ten Dollars And No Cents Dollars (\$ 10.00)

1. Lessor in consideration of in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Robertson County, Texas, to-wit:

**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:  
1) YOUR SOCIAL SECURITY NUMBER OR 2) YOUR DRIVER'S LICENSE NUMBER.**

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR DESCRIPTION OF LANDS HEREIN LEASED.

SEE EXHIBIT "B" ATTACHED FOR ADDITIONAL PROVISIONS OF LEASE.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term Three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 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 wells 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 for 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, one-eighth of the amount realized from the sale of gasoline or other products extracted therefrom and one-eighth of the amount realized from the sale of residus gas after deducting the amount used for plant fuel and/or compression; (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 lessee'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 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 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. 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 one dollar (\$1.00) for each acre of land then covered hereby. 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, and may be deposited in the Bank at 258 Chimney Rock Road, Houston, Texas 77024-5600 or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender 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. 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 owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit, and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from land covered by this lease whether or not the well or wells be located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis - that is to say, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest 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 as provided above with consequent allocation of production as above 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.

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5. If at the expiration of the primary term, oil, gas, or other minerals is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

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


8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that 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 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. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.


10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

This Correction Lease is given in lieu of and in correction of, that certain Oil, Gas, and Mineral Lease between Lessors, James S. Griffin and wife, Linda A. Griffin and Lessee, XTO Energy Inc., and recorded in Volume 937, Page 501 of the Official Public Records of Robertson County, Texas, wherein the Notary acknowledgement on page two (2) of said lease was not executed correctly.

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

  
 \_\_\_\_\_  
 JAMES S. GRIFFIN

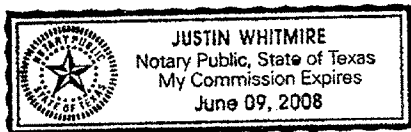
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 Tax I.D. #/S.S.#:

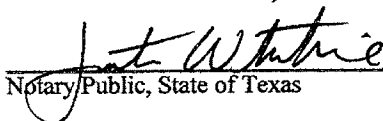
  
 \_\_\_\_\_  
 LINDA A. GRIFFIN

\_\_\_\_\_  
 Tax I.D. #/S.S.#

STATE OF TEXAS }  
 COUNTY OF HARRIS}

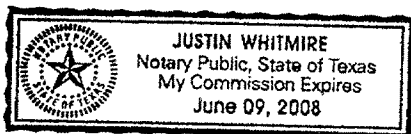
This instrument was acknowledged before me on the 1 day of May, 2006, by James S. Griffin.



  
 \_\_\_\_\_  
 Notary Public, State of Texas

STATE OF TEXAS }  
 COUNTY OF HARRIS}

This instrument was acknowledged before me on the 1 day of May, 2006, by Linda A. Griffin.



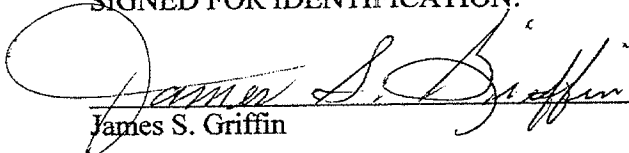
  
 \_\_\_\_\_  
 Notary Public, State of Texas

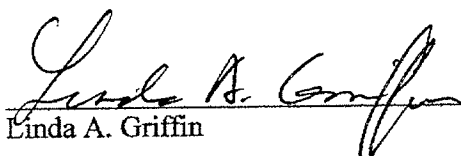
Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 2, 2006, by and between James S. Griffin and wife, Linda A. Griffin as Lessor, and XTO Energy Inc., as Lessee, covering 69.0 acres of land, more or less, out of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas.

Exhibit "A"

69.0 Acres of land, more or less, a part of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas. Said 69.0 acres of land, more or less, being the same lands described as Tract 1 in that certain Warranty Deed dated November 23, 1966 from Park J. Henderson et ux, Pearl Henderson to James S. Griffin and recorded in Volume 230, Page 638 of the Deed Records in Robertson County, Texas

SIGNED FOR IDENTIFICATION:

  
James S. Griffin

  
Linda A. Griffin

Doc                      Bk                      Vol                      Pg  
20063046 OR                      949                      265

(C)

MEMORANDUM OF OIL AND GAS LEASE

Accepted for Filing in:  
Robertson County  
On: Oct 26, 2004 at 03:24P  
By: Maxine Lattimore

THE STATE OF TEXAS  
COUNTY OF ROBERTSON

KNOW ALL MEN BY THESE PRESENTS:

That RICHARD J. WATSON, (herein referred to as "Lessor") whose address is P. O. Box 277, Franklin, Texas 77856-0277, and XTO ENERGY INC., whose address is 810 Houston Street, Fort Worth, Texas 76102 (hereinafter referred to as "Lessee"), hereby acknowledge and give notice that Lessor has executed and delivered to Lessee an Oil, Gas and Mineral Lease dated October 4, 2004 (hereinafter referred to as the "Lease"), under the terms of which Lessor has granted, leased and let exclusively unto Lessee and Lessee's successors and assigns (subject to each and all of the terms and provisions thereof), for the sole and only purpose of investigating, exploring, prospecting, drilling and operating for, developing and producing oil and gas (for the purposes thereof, references to "oil and gas" includes oil, gas casinghead gas and the by-products thereof, and such other hydrocarbon substances, carbon dioxide, helium, sulphur and other minerals as produced in association with, incidental to and as a part of the production of oil or gas, herein "Associated Minerals"), on the land situated in Robertson County, Texas, described to wit:

99.17 acres, more or less out of the Sarah Ann Walker Survey, Abstract No. 357, Robertson County, Texas, being all the same land described by metes and bounds in Exhibit "A" in that certain Warranty Deed dated November 1, 2002 from R. J. Watson, individually and as Executor of the Estate of Mildred Lucress Watson, Deceased, Cause No. 0006675, Robertson County, Texas to Richard J. Watson, said deed being recorded in Volume 826, Page 36 of the Official Public Records of Robertson County, Texas.

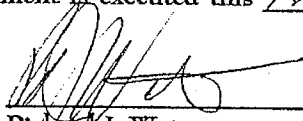
Subject to the other terms and provision thereof, the Lease provides for a primary term of three (3) years from and after the date of said oil, gas and mineral lease, and as long thereafter as oil and/or gas, together with any Associated Minerals, is produced from the Lease Premises in paying quantities, or as long as the Lease may be continued in force and effect under the other terms and provisions thereof.

Lessor and Lessee hereby refer to the Lease for all of its terms and provisions and incorporate the same herein by reference as fully as if it were copied at length herein. The original executed lease is in the possession of Lessee in their office, whose address is 810 Houston Street, Fort Worth, Texas 76102.


This Memorandum of Oil and Gas Lease shall not be deemed to enlarge, restrict or change the rights of any of the parties to the Lease, but is for the purpose of giving record notice of the existence of the Lease in lieu of recording it at length. In the event of any conflict, the terms and provisions contained in the Lease shall control and prevail over the terms and provisions of this Memorandum of Oil and Gas Lease.

Doc                    Bk                    Vol                    Pg  
20045240    OR                    881                    715

IN WITNESS WHEREOF, this instrument is executed this 12<sup>th</sup> day of October, 2004.

  
Richard J. Watson

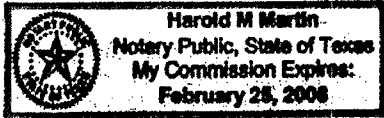
XTO ENERGY INC.

By: Edwin S. Ryan, Jr.   
Edwin S. Ryan, Jr.  
Senior Vice President - Land

STATE OF TEXAS

COUNTY OF ROBERTSON

This instrument was acknowledged before me on the 12<sup>th</sup> day of October, 2004, by Richard J. Watson.



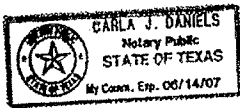
Harold M. Martin  
Notary Public, State of Texas

Doc 20045240 Bk OR Vol 881 Pg 716

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 19<sup>th</sup> day of October, 2004, by EDWIN S. RYAN, JR., Senior Vice President-Land of XTO ENERGY INC., on behalf of said corporation.



Carla Daniels  
Notary Public, State of Texas

6.

File No MF 708681  
Sealed  
Date Filed: 11/29/07  
By Jerry F. Paterson, Commissioner

**TERRA**  
**SOURCE**

DORSEY, NOWLIN, ROBBINS, CPL

POST OFFICE BOX 4394  
BRYAN, TEXAS 77805  
OF: 979 690 6156  
CELL: 979 229 4221  
FAX: 979 690 9987  
[cwnowlin@earthlink.net](mailto:cwnowlin@earthlink.net)

CHARLES W. NOWLIN  
CERTIFIED PROFESSIONAL LANDMAN

RECEIVED  
07 DEC - 5 PM 2015

08006757



Attn  
Drew  
Kend

121

**TERRASOURCE LLC**  
P.O. BOX 433 PH. 979-690-6156  
WELLBORN, TX 77881

1106

*DATE* Dec. 03, 2007

88-230/1131  
325264001

*Pay to the order of* General Land Office - State of Texas

~~\$ 2,034.19~~

Two thousand, thirty four and 19/100ths -----

*NUMBERS* Security Features Included. Details on Back.

**FIRST NATIONAL BANK**  
ST 17862  
BRYAN/COLLEGE STATION  
www.fnb.com • 979-729-1111

OGML, 6.352 ac, Sarah Walker, A-357  
Robertson County, Texas

*Chale W. Nowlin*

⑈001106⑈



# TERRA SOURCE, LLC

CHARLES W. NOWLIN, CPL

P. O. Box 731  
Franklin, Texas 77856  
979-828-1280  
FAX:979-828-1310

December 3, 2007

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

Re: Proposed Oil And Gas Lease covering 6.352 acres, in favor of Burlington Resources Oil & Gas Company LP U. S. Hwy 79 ROW, Sarah Ann Walker Sur., A-357; Robertson County, Texas

Dear Drew:

Pursuant to our latest conversation regarding the referenced unleased Hwy. 79 ROW, find enclosed a check in the amount of \$2,034.19 for the following:

\$1,905.60	Bonus consideration @ \$300.00 per net mineral acre.
100.00	Processing Fee
28.59	Sales fee of 1.5% on Bonus

Also enclosed is a copy of my letter to you dated November 20, 2007.

The descriptions of the State properties comprising the referenced 6.352 acres are as follows:

2.975 acres described in a Deed dated October 10, 1938, from John Watson a/k/a J.T.A. Watson and wife, Floy Watson to the State of Texas, and recorded in Volume 118, Page 581 of the Deed Records, Robertson County, Texas.

3.377 acres described in a Deed dated October 10, 1938, from the Estate of Nathan Jones to the State of Texas, and recorded in Volume 118, Page 573 of the Deed Records, Robertson County, Texas.

Based on my understanding of agreement, the terms of the new lease covering the referenced 6.352 acres are \$300.00 per net mineral acre bonus, 3 year primary term, and a 25% royalty on the GLO lease form.

Since the last lease, Burlington's address has changed to **P. O. Box 2197, Houston, TX 77252-2197.**

Please forward the original lease to me after execution by the General Land Office. I will send you a copy of the executed, recorded lease for your records.

If you have questions or need other information, please advise. Thanks for your help!

Sincerely,



Charles W. Nowlin

Enc.

cc: Kevin Countryman, Burlington Resources

# TERRA SOURCE, LLC

CHARLES W. NOWLIN, CPL

P. O. Box 731  
Franklin, Texas 77856  
979-828-1280  
FAX: 979-828-1310

**FILE COPY**

November 20, 2007

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

Re: Proposed Oil And Gas Lease covering 6.352 acres,  
U. S. Hwy 79 ROW, Sarah Ann Walker Sur., A-357; Robertson  
County, Texas

Dear Drew:

Relative to our recent conversations concerning the referenced unleased portions of State of Texas Right-of-Way along US Hwy. 79 in Robertson County, Texas, I am transmitting, for your review, various documents and copies.

On July 25, 2006, the Commissioner for the General Land Office executed an Oil and Gas Lease to Burlington Resources Oil & Gas Co. LP covering 69.736 acres of land in Robertson County, Texas. A copy of that lease, No. M-106592, recorded in Vol. 961, Page 701 of the Official Public Records of Robertson County is enclosed.

At the time Burlington Resources made application to lease the 69.736 acres of land, the referenced 6.352 acres in two tracts of 2.975 acres and 3.377 acres was not eligible for leasing under the claim of "preferential right to lease" since another company, XTO Energy Inc. was the Lessee on acreage adjacent to the 2.975 acres and the 3.377 acres. XTO has since waived, in writing, their preferential right to lease this acreage. See # 4 below.

In addition to a copy of the current lease, I am enclosing the following supporting information:

1. A numbered plat of acreage covered by the Burlington lease with tracts to the adjacent acreage outlined in purple and labeled A, B. & C.
2. Copies of current OGML's in favor of XTO Energy, Inc. covering the tracts adjacent to the referenced unleased 6.352 acres.
3. Copies of the Deeds with metes and bounds descriptions and plats for the subject 2.975 acres and 3.377 acres.
4. Original Waiver of Notice and Preferential Right to Lease signed by XTO Energy Inc.

From our recent telephone conversations, it is my understanding that there is a possibility that, in situations such as this one, the leasing process may be expedited by your office. If that is the case, please advise me as to any additional information you will need.

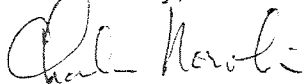
Drew Reid  
November 20, 2007  
Page 2

Terms for our previous lease with the GLO were \$300.00 per acre bonus and a 1/5<sup>th</sup> royalty for a three (3) year primary term, which were the best terms given in the area at that time. Subsequent to the date of the first lease we have paid, in the area, \$300.00 per acre bonus, and a 1/4<sup>th</sup> royalty for a three (3) year primary term lease.

Regarding our initial lease covering 69.736 acres, I told you by phone that the acreage total for that lease would need to be increased by 0.853 of an acre due to an oversight in the descriptions for tracts 5 and 7. Please let me know by what method you would like to add this 0.853 of an acre to the lease.

Please call me @ 979-690-6156 or 979-828-1280 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Charles W. Nowlin".

Charles W. Nowlin, CPL

Attach.

7.

File No. MF 708681

John V. Berry

Date Filed: 12/6/87

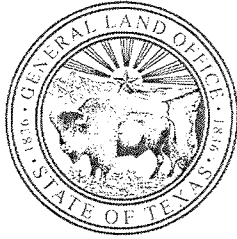
Jerry E. Patterson, Commissioner

By 

97008128

708681

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 19<sup>th</sup>, 2008

Mr. Charles W. Nowlin  
Agent for Burlington Resources  
PO Box 731  
Franklin, TX 77856

Dear Mr. Nowlin,

Re: State of Texas HROW Lease # **MF108681**

Enclosed you will find an original executed Highway Right-of-Way Lease for Robertson 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 the recorded unit designation on this lease. Please send copies of the recorded Unit Designations and plats to my attention as soon as possible.**

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.

Best regards,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd  
Energy Resources  
Mineral Leasing  
512-463-6521  
beverly.boyd@glo.state.tx.us

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

8.

File No. MF 708681

JTO letters

Date Filed: 7/9/08

Jerry E. Peterson, Commissioner

By: 

# The State of Texas

HROW Lease  
Revised 8/06



Accepted for Filings into  
Robertson County  
On: Mar 10, 2008 at 01:34P  
By: Maxine Lattimore

## Austin, Texas

**PAID-UP  
OIL AND GAS LEASE NO. (108681)  
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 **Burlington Resources Oil & Gas Co., LP**, whose address is **PO Box 2197, Houston, TX 77252-2197** hereinafter called "Lessee".

1. Lessor, in consideration of **One Thousand Nine Hundred Five 60/100 (\$ 1,905.60)** 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 **Robertson** State of Texas, and is described as follows:

**6.352 acres** of land, more or less, known as, situated in said **Robertson** 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 **6.352 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 **three years, from February 19<sup>th</sup>, 2008** 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 **1/4** 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 **1/4** 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 **1/4** 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 **1/4** of such gas and casing head gas.

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Vol 1020 Pg 373

(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.

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20081744 OR 1026 534

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.

Doc Bk Vol Pg  
20081944 OR 1026 335

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.

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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

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 19<sup>th</sup>, 2007, by and between the State of Texas, as lessor, and Burlington Resources Oil and Gas Co. LP, as lessee, covering acreage to be leased along US Highway 69 in Robertson County, Texas.

6.352 acres of land, more or less, situated in the Sarah Ann Walker Survey, A-357. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Robertson County, Texas:

Deed from John Watson to the State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 581 of the Deed of Records, Robertson  
County.

Deed from Nathan Jones estate to the County  
of Robertson, State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 573 of the Deed of Records, Robertson  
County.

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Block SAMUEL COX

Block EDWARD MCMILLAN

Block WILLIAM MCCOY

Block JF HASSMANN

Block HENRY FULLERTON

Block SKEAGH WALKER

Block FRANCIS LASATER

Block SARAH ANN WALKER

Block GEORGE W COX

Block SAMUEL HUNTER

Block H&TC RR CO

Block JOHN CLEMENTS



Block CYRUS SNELL

Block JAMES H MORRIS

Block CLARK L OWEN

Block ALBERT ALEXANDER

Block JOHN S MCNEEL

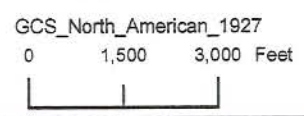
Block PICKNEY S MCNEEL

Block WILLIAM M PERRY

Block SAMJELA WHITE  
Block ROBERT HENRY

Map Showing  
A portion of State Highway 79  
6.352 acres  
Approximately 1 mile southwest of Franklin  
Robertson County  
ft\02-08

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

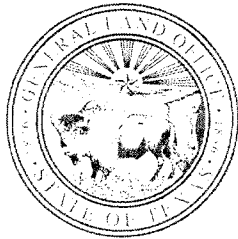


The Texas General Land Office  
makes no representations or  
warranties regarding the accuracy  
or completeness of the information  
depicted on the map or the data  
from which it was produced.  
This map is NOT suitable for  
navigational purposes and does  
not purport to depict or establish  
boundaries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



Map Compiled By:  
Ferrel Taylor  
Information Systems - GIS  
February 19, 2008

T E X A S



G E N E R A L L A N D O F F I C E

JERRY PATTERSON, COMMISSIONER

February 19<sup>th</sup>, 2008

Mr. Charles W. Nowlin  
Agent for Burlington Resources  
PO Box 731  
Franklin, TX 77856

**Dear Mr. Nowlin,**

Re: State of Texas HROW Lease # **MF108681**

Enclosed you will find an original executed Highway Right-of-Way Lease for Robertson 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 the recorded unit designation on this lease. Please send copies of the recorded Unit Designations and plats to my attention as soon as possible.**

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.

Best regards,

A handwritten signature in cursive script that reads "Beverly Boyd".

Beverly Boyd  
Energy Resources  
Mineral Leasing  
512-463-6521  
beverly.boyd@glo.state.tx.us

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)



# TERRA SOURCE, LLC

CHARLES W. NOWLIN, CPL

P. O. Box 731  
Franklin, Texas 77856  
979-828-1280  
FAX: 979-828-1310

March 18, 2008

Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress Avenue  
Austin, TX 78701-1495

Attn: Ms. Beverly Boyd  
Energy Resources  
Mineral Leasing

Re: Copy of Recorded Oil and Gas Lease No. (108681)  
6.352 acres, Sarah Ann Walker Survey, A-357,  
Robertson County, Texas

Dear Ms. Boyd:

Pursuant to your instructions in a letter dated February 19, 2008, find enclosed a copy of the referenced Oil and Gas Lease recorded in Volume 1026, Page 533 of the Official Records of Robertson County, Texas.

A copy of your letter is enclosed for reference.

Sincerely,



Charles W. Nowlin, CPL  
Agent for Burlington Resources

Enc.



#9

File No. MF108681

Certified Copy of Deed

Date Filed: 3-25-08

Jerry E. Patterson, Commissioner

By B. Boyd

**DO NOT DESTROY**



**Texas General Land Office  
UNIT AGREEMENT MEMO**

PA08-213

Unit Number 4380  
 Operator Name CHESAPEAKE OPERATING INC Effective Date 3/19/2008  
 TaxID: [REDACTED] Unitized For Oil & Gas  
 Unit Name McCormick Gas Unit Unit Term 0 Months

County1 Robertson  
 County2  
 County3  
 RRC District: 05  
 Unit Type: Permanent

	Old Unit Number	Inactive Status Date
County 1	0	
County 2	0	
County 3	0	
RRC District	0	
Unit Type	0	

State Royalty Interest: 0.0045113636364  
 State Part in Unit: 0.0180454545455

Unit Depth Above Well: Other  
 Below Depth 0 Formation: Bossier Formation  
 Above Depth 15876 Participation Basis: Surface Acreage  
 [If Exclusions Apply: See Remarks]

*Not on  
State Lease  
11-19-08*

MF Number MF108681 Tract Number 5  
 Lease Acres 6.352 / Total Unit Acres 352 =

Tract Participation: 0.0180455 X  
 Lease Royalty 0.25 =

Manual Tract Participation: [ ] 0 | See Remark  
 Manual Tract Royalty: [ ] 0 |

Tract Royalty Reduction No  
 Tract Royalty Rate 0  
 Tract On-Line Date:

API Number

RRC Number

Remarks:

HROW Unit - All depths above Bossier Formation as seen the Chesapeake McCormick No. 1 Well @ 15,876'

Prepared By:

B Boyd

Prepared Date:

10-3-08

GLO Base Updated By:

B Boyd

GLOBase Date:

10-3-08

RAM Approval By:

J King

RAM Approval Date:

10-10-08

GIS By:

JB

GIS Date:

Mineral Maps By:

Mineral Maps Date:

**FIRST AMENDMENT TO  
DECLARATION OF POOLED UNIT  
MCCORMICK GAS UNIT**

Accepted for Filing in:  
Robertson County  
On: May 22, 2008 at 01:01P  
By: Sarah Tepera

STATE OF TEXAS                    )  
                                          )     KNOW ALL PERSONS BY THESE PRESENTS:  
COUNTY OF ROBERTSON        )

Reference is made to that Declaration of Pooled Unit for the McCormick Gas Unit, dated March 6, 2008, recorded in Volume 1028, Page 220 of the Official Records of Robertson County, Texas. Such Declaration is incorporated herein for all purposes.

RECITALS

WHEREAS, each of the Leases authorizes the undersigned Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

WHEREAS, the purpose of this Amendment is to include the lease from James Sidney Morris and wife, Sylvia Morris to Burlington Resources Oil & Gas Company, L.P. dated October 20, 2004, recorded at Volume 887, Page 430 of the Official Public Records of Robertson County, Texas into the Amended McCormick Gas Unit.

WHEREAS, this purpose of this Amendment is to correct the recording information for the lease from James Sidney Morris, Jr., et ux, Rosette D. Morris to Burlington Resources Oil & Gas Company, L.P., dated October 21, 2004, recorded at Volume 887, Page 426 of the Official Public Records of Robertson County, Texas.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.
2. Description of Unit Area. The Unit Area (herein so called) shall consist of **352.00** acres, more or less, being the lands which are more particularly described and depicted on Exhibit "B" and Exhibit "C", which are attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying from the surface of the earth down to the stratigraphic equivalent of the base of the Bossier Formation, as seen at a depth of 15,876' on the electric log of the Chesapeake McCormick No. 1 Well located in the Pedro Periera, Jose De Jesus & Mariano Grande 11 – League, A-32, Robertson County, Texas. This Declaration of Pooled Unit covers all oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well on the lands within the Unit.
3. Unit Name. The pooled unit created hereby shall be known as the "**McCormick Gas Unit**".
4. Additional Interest; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, such interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.
5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein,

including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.

6. Dissolution of Unit. The pooled unit formed hereby may be dissolved by Chesapeake Operating, Inc., acting as the Operator of the pooled unit, at any time by an instrument filed for record in Cherokee County, Texas, after any failure to establish unit production or after cessation of operations upon the pooled unit.

7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, and shall have the effect of pooling such party's undivided ownership interest in the leases covered hereby, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

Except as amended hereby, said Declaration remains in full force and effect.

EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of the date of first production from the McCormick 1 well.

**Chesapeake Exploration, L.L.C.,**  
an Oklahoma limited liability company

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

Henry J. Hood, Senior Vice President –  
Land and Legal & General Counsel

**Burlington Resources Oil & Gas  
Company LP  
By: BROG GP, INC., Its Sole General  
Partner**

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

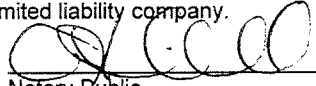
David W. Twomey, Attorney-in-Fact

Doc 20083694 Ek OR Vol 1036 Ps 401

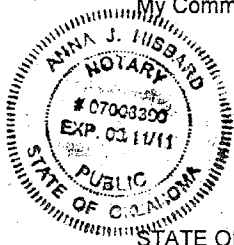
**ACKNOWLEDGMENTS**

STATE OF OKLAHOMA     )  
                                  )     §  
COUNTY OF OKLAHOMA    )

This instrument was acknowledged before me on this 3<sup>rd</sup> day of April, 2008 by Henry J. Hood, as Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 9/11/2011

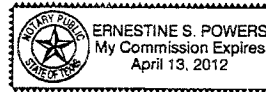


STATE OF TEXAS         )  
                                  )     §  
COUNTY OF HARRIS     )

This instrument was acknowledged before me on this 8<sup>th</sup> day of May, 2008 by David W. Twomey, Attorney-in-Fact on behalf of Burlington Resources Oil & Gas Company LP.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 4-13-2012



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20083694 OR       1036       402

**EXHIBIT "A"**

**Attached to and made part of that certain First Amended Declaration of Pooled Unit for the McCormick Gas Unit.**

**Schedule of Leases**

**Lease No:** TX2750008-001  
**Lessor:** Janice Sue Moore Howk, et al.  
**Lessee:** Chris Zander  
**Lease Date:** January 14, 2005  
**Recorded:** Memorandum at Volume 889, Page 144, Official Records Robertson County, Texas

**Lease No:** TX2750029-001  
**Lessor:** Jimmie John Boswell  
**Lessee:** Energy Horizontons  
**Lease Date:** October 24, 2007  
**Recorded:** Memorandum at Volume 1009, Page 365, Official Records Robertson County, Texas

**Lessor:** James B. McCormick, and wife, Kimberly R. McCormick  
**Lessee:** Michael D. Dixon  
**Date:** October 12, 2000  
**Recorded:** Volume 769, Page 241, Official Records Robertson County, Texas

**Lessor:** James B. McCormick, Jr., Kimberly R. McCormick, Verla Bates and Claudie Ellison  
**Lessee:** Michael D. Dixon  
**Date:** October 12, 2000  
**Recorded:** Vol. 768, Page 303, Official Records Robertson County, Texas

**Lessor:** Tom G. Holmes, Tony S. Boykin, Meredith Manning, & Stephen A. Boykin  
**Lessee:** Michael D. Dixon  
**Date:** August 18, 2000  
**Recorded:** Vol. 764, Page 551, Official Records Robertson County, Texas

**Lessor:** Darryl W. McCormick and wife, Holly J. McCormick  
**Lessee:** Michael D. Dixon  
**Date:** October 16, 2000  
**Recorded:** Vol. 768, Page 308, Official Records Robertson County, Texas

**Lessor:** Patricia Miller, a.k.a. Patricia M. Miller, a.k.a. Pat Miller  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** June 23, 2006  
**Recorded:** Vol. 957, Page 180, Official Records of Robertson County, Texas

**Lessor:** Dana R. McNair and wife, Mary Elda McNair  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 887, Page 408, Official Public Records Robertson County, Texas

**Lessor:** Sam H. Morris et ux, Leoma Morris  
**Lessee:** Burlington Resources Oil & Gas Company, L.P.  
**Date:** October 20, 2004  
**Recorded:** Vol. 887, Page 411, Official Records Robertson County, Texas

**Lessor:** Connie Crisp et vir., C.J. Crisp  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 887, Page 414, Official Records Robertson County, Texas

**Lessor:** James Sidney Morris, Jr. et ux, Rosette D. Morris  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 20, 2004  
**Recorded:** Vol. 887, Page 426, Official Records Robertson County, Texas

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**Lessor:** Sidney Joe Hoffman  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 21, 2004  
**Recorded:** Vol. 887, Page 440, Official Records Robertson County, Texas

**Lessor:** Jerry M. Hoffman  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 908, Page 28, Official Records Robertson County, Texas

**Lessor:** Connie Crisp and husband, C.J. Crisp  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 887, Page 417, Official Records Robertson County, Texas

**Lessor:** James Sidney Morris and wife, Sylvia Morris  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 20, 2004  
**Recorded:** Vol. 887, Page 430, Official Records Robertson County, Texas

Insofar as said leases cover the tracts as described on Exhibit "B", attached to and made a part of the Declaration of Pooled Unit.

**End of Exhibit "A"**

Doc 20083694 Bk OR Vol 1036 Pg 404

Exhibit "B"

Attached to and made a part of that certain First Amendment to Declaration of Pooled Unit for the McCormick Gas Unit.

Being 352.000 acres of land, more or less, situated in the Pedro Perelra, Jose de Jesus & Mariano Grande 11-League Grant, Abstract 32, Robertson County, Texas, consisting of all or portions of the following parent tracts:

- 1) That certain 29.7-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 471, Page 709 (surveyed and found to contain 34.688 acres, more or less, inside the McCormick GU 1);
- 2) That certain 0.8-acre tract more fully described in a Warranty Deed recorded in Volume 200, Page 58 (surveyed and found to contain 0.949 acres, more or less, inside the McCormick GU 1);
- 3) That certain 4.1-acre tract more fully described in a Warranty Deed recorded in Volume 288, Page 542 (surveyed and found to contain 3.501 acres, more or less, inside the McCormick GU 1);
- 4) That certain 40.00-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 753, Page 80 (surveyed and found to contain 41.799 acres, more or less, inside the McCormick GU 1);
- 5) That certain 21.06-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 753, Page 88 (surveyed and found to contain 21.180 acres, more or less, inside the McCormick GU 1);
- 6) That certain 79.375-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 536, Page 615 (surveyed and found to contain 38.283 acres, more or less, inside the McCormick GU 1);
- 7) That certain 1.5-acre tract more fully described in a Warranty Deed recorded in Volume 304, Page 980 (surveyed and found to contain 1.717 acres, more or less, inside the McCormick GU 1);
- 8) That certain 110.64-acre tract more fully described in a Warranty Deed recorded in Volume 777, Page 201 (surveyed and found to contain 32.174 acres, more or less, inside the McCormick GU 1); and
- 9) That certain 440.77-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 752, Page 687 (surveyed and found to contain 177.709 acres, more or less, inside the McCormick GU 1);

Deed Records, Robertson County, Texas, and more particularly described as follows, to-wit:

**BEGINNING** at a ½-inch diameter iron rod found by a fence corner post at grid coordinates X=3,214,114.51 and Y=518,454.92 for Corner #10 of the RACHUI #1-R GAS UNIT of record in Volume 706, Page 723, Deed Records, Robertson County, Texas, an exterior corner of the hereinabove described parent Tract 9, and the most westerly corner hereof;

**THENCE** N 55° 34' 15" E, with fence and a northwesterly line of said parent Tract 9, at 432.13 feet a ½-inch diameter iron rod found by a fence corner post at grid coordinates X=3,214,470.94 and Y=518,699.24 for said Gas Unit's Corner #9, an interior corner of said parent Tract 9, and a point of deflection hereof;

**THENCE** N 55° 50' 18" E, with fence, at 715.9 feet pass a fence corner post on the southwest line of right-of-way of County Road 342 or the McCormick Road, and at a total distance of 732.87 feet an interior corner of this tract on its centerline and the southwest line of the hereinabove described parent Tract 8 at grid coordinates X=3,215,077.36 and Y=519,110.77;

**THENCE** N 55° 22' 28" W, with the centerline of said road and southwest line of said parent Tract 8, at 69.84 feet its most westerly corner and an exterior corner of this tract at grid coordinates X=3,215,019.89 and Y=519,150.45;

**THENCE** N 55° 13' 02" E, with the northwest line of said parent Tract 8, at 22.4 feet pass a fence corner post on the northeast line of right-of-way of said road, and at a total distance of 1085.96 feet the most northerly corner of this tract at grid coordinates X=3,215,911.81 and Y=519,769.96;

**THENCE** S 34° 46' 58" E, over and across said Parent Tract 8, at 1975.58 feet an interior corner of this tract on the centerline of said road at grid coordinates X=3,217,038.80 and Y=518,147.39;

**THENCE** with the centerline of said road N 69° 21' 49" E, 19.86 feet; N 75° 57' 20" E, 114.31 feet; N 89° 33' 43" E, 111.10 feet; S 83° 24' 00" E, 129.19 feet; S 70° 42' 44" E, 101.94 feet; S 60° 33' 53" E, 348.72 feet; S 66° 20' 00" E, 136.73 feet; S 76° 30' 02" E, 76.24 feet; S 82° 02' 05" E, 439.36 feet; and S 77° 44' 38" E, at 51.04 feet an exterior corner of the hereinabove described parent Tract 6 and an interior corner of this tract at grid coordinates X=3,218,491.99 and Y=517,818.68;

**THENCE** N 55° 09' 11" E, with the occupied interior northwesterly line of said parent Tract 6, at 26.7 feet pass a fence corner post on the northeast line of right-of-way of said County Road 342 or the McCormick Road, and at a total distance of 555.26 feet, Corner #24 of the heretofore unrecorded BR/BOYD GAS UNIT, and an exterior corner of this tract at grid coordinates X=3,218,947.70 and Y=518,135.94;

Exhibit "B" to  
First Amendment to Declaration of  
Pooled Unit for the McCormick Gas Unit.  
Field Notes

THENCE S 33° 47' 26" E, with a southwesterly line said BR/BOYD GAS UNIT, at 1016.67 feet said Gas Unit's Corner #23 under fence and southeast line of said parent Tract 6 and an exterior corner of this tract at grid coordinates X=3,219,513.13 and Y=517,291.01;

THENCE S 56° 12' 34" W, with fence and southeast line of said parent Tract 6 and a northwesterly line of the BR/BOYD GAS UNIT, at 418.1 feet pass fence corner post on the northeast line of right-of-way of County Road 342 or the McCormick Road, and at a total distance of 438.42 feet said Gas Unit's Corner #22 on the apparent centerline of said road and an interior corner of this tract at grid coordinates X=3,219,148.78 and Y=517,047.18;

THENCE S 33° 45' 48" E, with the apparent centerline of said road, at 1539.68 feet said Gas Unit's Corner #21 on a northwesterly line of the T-BAR-X/SMITH GAS UNIT of record in Volume 872, Page 579, Deed Records, Robertson County, Texas, and the most easterly corner hereof at grid coordinates X=3,220,004.47 and Y=515,767.18;

THENCE S 54° 32' 41" W, with a northwesterly line of said T-BAR-X/SMITH GAS UNIT, at 30.6 feet pass a fence corner post on the southwest line of right-of-way of said County Road 342, at 1588.3 feet pass a fence corner post on the northerly line of right-of-way of Farm-To-Market Road 2446, at 1812.0 feet pass fence and southerly line of right-of-way of FM 2446, and at a total distance of 2644.41 feet said Gas Unit's Corner #17 and the most southerly corner of this tract at grid coordinates X=3,217,850.41 and Y=514,233.25;

THENCE N 34° 39' 31" W, with a northeasterly line of said Gas Unit, at 366.5 feet pass fence and southerly line of right-of-way of FM 2446, and at a total distance of 420.76 feet said Gas Unit's Corner #16 and an interior corner of this tract at grid coordinates X=3,217,611.13 and Y=514,579.35;

THENCE S 78° 22' 15" W, with a northwesterly line of said Gas Unit, at 600.31 feet said Gas Unit's Corner #15 and an exterior corner of this tract at grid coordinates X=3,217,023.14 and Y=514,458.34;

THENCE N 34° 03' 21" W, with the most northerly northeast line of said Gas Unit, at 53.85 feet pass a 3/8-inch diameter iron rod found by a fence corner post on the northerly line of right-of-way of FM 2446, and at a total distance of 894.06 feet said Gas Unit's Corner #14 and an exterior corner of this tract on a southeasterly line of the aforementioned RACHUI #1-R GAS UNIT at grid coordinates X=3,216,522.46 and Y=515,199.07;

THENCE N 55° 21' 14" E, with a southeasterly line of said RACHUI #1-R GAS UNIT, at 33.83 feet a 1/2-inch diameter iron rod found by a fence corner post for said Gas Unit's Corner #20 and an interior corner of this tract at grid coordinates X=3,216,550.30 and Y=515,218.30;

THENCE with fence and northeast line of said Gas Unit, N 29° 33' 22" W, at 348.59 feet a 1/2-inch diameter iron rod found by a fence corner post; N 33° 58' 35" W, at 1093.64 feet a 1/2-inch diameter iron rod found under fence; N 34° 15' 17" W, at 622.86 feet a 1/2-inch diameter iron rod found by a fence corner post; and N 35° 01' 20" W, at 573.99 feet a 1/2-inch diameter iron rod found by a fence corner post for said Gas Unit's Corner #13 and an interior corner of this tract at grid coordinates X=3,215,087.17 and Y=517,413.33;

THENCE S 66° 52' 27" W, continuing with fence and a northwesterly line of said Gas Unit, at 180.66 feet a fence corner post at grid coordinates X=3,214,921.03 and Y=517,342.38 for its Corner #12 and an exterior corner hereof;

THENCE N 35° 58' 21" W, continuing with fence and northeast line of said Gas Unit, at 1374.12 feet the POINT OF BEGINNING and containing 352.000 acres, more or less.

This survey is referenced to the Texas State Plane Coordinate System, Central Zone, NAD-27. Coordinate values are shown in U.S. Feet. A Plat of Survey dated February 22, 2008 accompanies these Field Notes. Both represent a survey made on the ground for a Mineral Unit. As such, said survey does not comply with Minimum Standards of Practice for a Land Boundary Survey as set forth by TBPLS. Ownership lines were established from limited field measurements and those records supplied by the client. This work is strictly intended for the use of Chesapeake Exploration, L.L.C.

Juan Tijerina, RPLS #5051, Texas, February 22, 2008





PLAN SCALE  
 SCALE: 1"=2000'

2000'	0	1000'	2000'
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DRAWN BY:	DATE:	REVISED BY:	DATE:
LL	1/30/08	SSJ	02/25/08
CHECKED BY:	DATE:		

OPERATOR:  
 CHESAPEAKE EXPLORATION, L.L.C.  
 DATE: January 30, 2008  
 JOB#: 2072059  
 FILENAME: T:\2007\2072059\PLANS\McCormick GU Detail.dwg



## GAS UNIT EXHIBIT

McCORMICK GU 1  
 PEDRO PEREIRA, JOSE DE JESUS, & MARIANO GRANDE LEAGUE, A-32  
 ROBERTSON COUNTY, TEXAS

DECLARATION OF POOLED UNIT  
MCCORMICK GAS UNIT

Accepted for Filing in:  
Robertson County  
On: Mar 19, 2008 at 03:57P  
By: Carol Bancroft

STATE OF TEXAS                    )  
                                          )        KNOW ALL PERSONS BY THESE PRESENTS:  
COUNTY OF ROBERTSON        )

This Declaration of Pooled Unit is executed by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

WHEREAS, each of the Leases authorizes the lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion, which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.

2. Description of Unit Area. The Unit Area (herein so called) shall consist of **352.00** acres, more or less, being the lands which are more particularly described and depicted on Exhibit "B" and Exhibit "C", which are attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying from the surface of the earth down to the stratigraphic equivalent of the base of the Bossier Formation, as seen at a depth of 15,876' on the electric log of the Chesapeake McCormick No. 1 Well located in the Pedro Periera, Jose De Jesus & Mariano Grande 11 - League, A-32, Robertson County, Texas. This Declaration of Pooled Unit covers all oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well on the lands within the Unit.

3. Unit Name. The pooled unit created hereby shall be known as the "**McCormick Gas Unit.**"

4. Additional Interest; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, such interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.

5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein, including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the

Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.

6. Dissolution of Unit. The pooled unit formed hereby may be dissolved by the undersigned, acting as the Operator of the pooled unit, at any time by an instrument filed for record in Robertson County, Texas, after any failure to establish unit production or after cessation of operations upon the pooled unit.

7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, and shall have the effect of pooling such party's undivided ownership interest in the leases covered hereby, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

The pooled unit created hereby shall be effective from and after the date this Designation of Pooled Unit is filed in the Office of the County Clerk of Robertson County, Texas, until and unless subsequently amended.

Dated this 6th day of March, 2008.

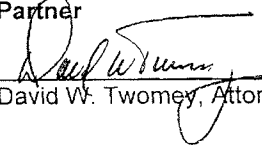
Chesapeake Exploration, L.L.C.,  
an Oklahoma limited liability company

By:

  
Henry J. Hood, Senior Vice President -  
Land and Legal & General Counsel

Burlington Resources Oil & Gas  
Company LP  
By: BROG GP, INC., Its Sole General  
Partner

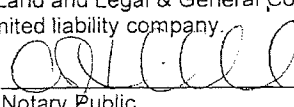
By:

  
David W. Twomey, Attorney-in-Fact

ACKNOWLEDGMENTS

STATE OF OKLAHOMA    )  
                                  )    Doc            Bk            Vol            Pg  
                                  )    §    20082224 OR        1028        221  
COUNTY OF OKLAHOMA    )

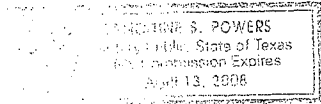
This instrument was acknowledged before me on this 6<sup>th</sup> day of March, 2008 by Henry J. Hood, as Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 9-11-2011

STATE OF TEXAS     §  
                                  §  
COUNTY OF HARRIS   §

On this 17<sup>th</sup> day of March 2008, before me appeared David W. Twomey, to me personally known, who, being by me duly sworn, did say that he is the Attorney-in-Fact of BROG GP Inc., a Delaware corporation, the sole General Partner of Burlington Resources Oil & Gas Company LP, and said David W. Twomey acknowledged said instrument to be the free act and deed of said corporation.



Ernestine S. Powers  
Notary Public In and For  
The State of Texas

Doc           Bk           Vol           Pg  
20082224 OR       1028       222

EXHIBIT "A"

Attached to and made part of that certain Declaration of Pooled Unit for the McCormick Gas Unit, dated the 6<sup>th</sup> day of March 2008.

Schedule of Leases

Lease No: TX2750008-001  
Lessor: Janice Sue Moore Howk, et al.  
Lessee: Chris Zander  
Lease Date: January 14, 2005  
Recorded: Memorandum at Volume 889, Page 144, Official Records Robertson County, Texas

Lease No: TX2750029-001  
Lessor: Jimmie John Boswell  
Lessee: Energy Horizons  
Lease Date: October 24, 2007  
Recorded: Memorandum at Volume 1009, Page 365, Official Records Robertson County, Texas

Lessor: James B. McCormick, and wife, Kimberly R. McCormick  
Lessee: Michael D. Dixon  
Date: October 12, 2000  
Recorded: Volume 769, Page 241, Official Records Robertson County, Texas

Lessor: James B. McCormick, Jr., Kimberly R. McCormick, Verla Bates and Claudie Ellison  
Lessee: Michael D. Dixon  
Date: October 12, 2000  
Recorded: Vol. 768, Page 303, Official Records Robertson County, Texas

Lessor: Tom G. Holmes, Tony S. Boykin, Meredith Manning, & Stephen A. Boykin  
Lessee: Michael D. Dixon  
Date: August 18, 2000  
Recorded: Vol. 764, Page 551, Official Records Robertson County, Texas

Lessor: Darryl W. McCormick and wife, Holly J. McCormick  
Lessee: Michael D. Dixon  
Date: October 16, 2000  
Recorded: Vol. 768, Page 308, Official Records Robertson County, Texas

Lessor: Patricia Miller, a.k.a. Patricia M. Miller, a.k.a. Pat Miller  
Lessee: Burlington Resources Oil & Gas Company, LP  
Date: June 23, 2006  
Recorded: Vol. 957, Page 180, Official Records of Robertson County, Texas

Lessor: Dana R. McNair and wife, Mary Elda McNair  
Lessee: Burlington Resources Oil & Gas Company, LP  
Date: October 15, 2004  
Recorded: Vol. 887, Page 408, Official Public Records Robertson County, Texas

Lessor: Sam H. Morris et ux, Leoma Morris  
Lessee: Burlington Resources Oil & Gas Company, L.P.  
Date: October 20, 2004  
Recorded: Vol. 887, Page 411, Official Records Robertson County, Texas

Lessor: Connie Crisp et vir., C.J. Crisp  
Lessee: Burlington Resources Oil & Gas Company, LP  
Date: October 15, 2004  
Recorded: Vol. 887, Page 414, Official Records Robertson County, Texas

Lessor: James Sidney Morris, Jr. et ux, Rosette D. Morris  
Lessee: Burlington Resources Oil & Gas Company, LP  
Date: October 20, 2004  
Recorded: Vol. 887, Page 430, Official Records Robertson County, Texas

**Lessor:** Sidney Joe Hoffman  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 21, 2004  
**Recorded:** Vol. 887, Page 440, Official Records Robertson County, Texas

**Lessor:** Jerry M. Hoffman  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 908, Page 28, Official Records Robertson County, Texas

**Lessor:** Connie Crisp and husband, C.J. Crisp  
**Lessee:** Burlington Resources Oil & Gas Company, LP  
**Date:** October 15, 2004  
**Recorded:** Vol. 887, Page 417, Official Records Robertson County, Texas

Insofar as said leases cover the tracts as described on Exhibit "B", attached to and made a part of the Declaration of Pooled Unit.

**End of Exhibit "A"**

Doc 20082224 Bk OR Vol 1028 Pg 224

**EXHIBIT "B" TO  
DECLARATION OF POOLED UNIT  
FOR THE  
McCORMICK GU 1  
FIELD NOTES**

Being 352.000 acres of land, more or less, situated in the Pedro Pereira, Jose de Jesus & Mariano Grande 11-League Grant, Abstract 32, Robertson County, Texas, consisting of all or portions of the following parent tracts:

- 1) That certain 29.7-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 471, Page 709 (surveyed and found to contain 34.688 acres, more or less, inside the McCormick GU 1);
- 2) That certain 0.8-acre tract more fully described in a Warranty Deed recorded in Volume 200, Page 58 (surveyed and found to contain 0.949 acres, more or less, inside the McCormick GU 1);
- 3) That certain 4.1-acre tract more fully described in a Warranty Deed recorded in Volume 288, Page 542 (surveyed and found to contain 3.501 acres, more or less, inside the McCormick GU 1);
- 4) That certain 40.00-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 753, Page 80 (surveyed and found to contain 41.799 acres, more or less, inside the McCormick GU 1);
- 5) That certain 21.06-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 753, Page 88 (surveyed and found to contain 21.180 acres, more or less, inside the McCormick GU 1);
- 6) That certain 79.375-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 536, Page 615 (surveyed and found to contain 38.283 acres, more or less, inside the McCormick GU 1);
- 7) That certain 1.5-acre tract more fully described in a Warranty Deed recorded in Volume 304, Page 980 (surveyed and found to contain 1.717 acres, more or less, inside the McCormick GU 1);
- 8) That certain 110.64-acre tract more fully described in a Warranty Deed recorded in Volume 777, Page 201 (surveyed and found to contain 32.174 acres, more or less, inside the McCormick GU 1); and
- 9) That certain 440.77-acre tract more fully described in a Warranty Deed with Vendor's Lien recorded in Volume 752, Page 687 (surveyed and found to contain 177.709 acres, more or less, inside the McCormick GU 1);

Deed Records, Robertson County, Texas, and more particularly described as follows, to-wit:

**BEGINNING** at a ½-inch diameter iron rod found by a fence corner post at grid coordinates X=3,214,114.51 and Y=518,454.92 for Corner #10 of the RACHUI #1-R GAS UNIT of record in Volume 706, Page 723, Deed Records, Robertson County, Texas, an exterior corner of the hereinabove described parent Tract 9, and the most westerly corner hereof;

**THENCE** N 55° 34' 15" E, with fence and a northwesterly line of said parent Tract 9, at 432.13 feet a ½-inch diameter iron rod found by a fence corner post at grid coordinates X=3,214,470.94 and Y=518,699.24 for said Gas Unit's Corner #9, an interior corner of said parent Tract 9, and a point of deflection hereof;

**THENCE** N 55° 50' 18" E, with fence, at 715.9 feet pass a fence corner post on the southwest line of right-of-way of County Road 342 or the McCormick Road, and at a total distance of 732.87 feet an interior corner of this tract on its centerline and the southwest line of the hereinabove described parent Tract 8 at grid coordinates X=3,215,077.36 and Y=519,110.77;

**THENCE** N 55° 22' 28" W, with the centerline of said road and southwest line of said parent Tract 8, at 69.84 feet its most westerly corner and an exterior corner of this tract at grid coordinates X=3,215,019.89 and Y=519,150.45;

**THENCE** N 55° 13' 02" E, with the northwest line of said parent Tract 8, at 22.4 feet pass a fence corner post on the northeast line of right-of-way of said road, and at a total distance of 1085.96 feet the most northerly corner of this tract at grid coordinates X=3,215,911.81 and Y=519,769.96;

**THENCE** S 34° 46' 58" E, over and across said Parent Tract 8, at 1975.56 feet an interior corner of this tract on the centerline of said road at grid coordinates X=3,217,038.80 and Y=518,147.39;

**THENCE** with the centerline of said road N 69° 21' 49" E, 19.86 feet; N 75° 57' 20" E, 114.31 feet; N 89° 33' 43" E, 111.10 feet; S 83° 24' 00" E, 129.19 feet; S 70° 42' 44" E, 101.94 feet; S 60° 33' 53" E, 348.72 feet; S 66° 20' 00" E, 136.73 feet; S 76° 30' 02" E, 76.24 feet; S 82° 02' 05" E, 439.36 feet; and S 77° 44' 38" E, at 51.04 feet an exterior corner of the hereinabove described parent Tract 6 and an interior corner of this tract at grid coordinates X=3,218,491.99 and Y=517,818.68;

**THENCE** N 55° 09' 11" E, with the occupied interior northwesterly line of said parent Tract 6, at 26.7 feet pass a fence corner post on the northeast line of right-of-way of said County Road 342 or the McCormick Road, and at a total distance of 555.26 feet, Corner #24 of the heretofore unrecorded BR/BOYD GAS UNIT, and an exterior corner of this tract at grid coordinates X=3,218,947.70 and Y=518,135.94;

EXHIBIT "B" TO  
DECLARATION OF POOLED UNIT  
FOR THE  
McCORMICK GU 1  
FIELD NOTES

THENCE S 33° 47' 26" E, with a southwesterly line said BR/BOYD GAS UNIT, at 1016.67 feet said Gas Unit's Corner #23 under fence and southeast line of said parent Tract 6 and an exterior corner of this tract at grid coordinates X=3,219,513.13 and Y=517,291.01;

THENCE S 56° 12' 34" W, with fence and southeast line of said parent Tract 6 and a northwesterly line of the BR/BOYD GAS UNIT, at 418.1 feet pass fence corner post on the northeast line of right-of-way of County Road 342 or the **McCormick Road**, and at a total distance of 438.42 feet said Gas Unit's Corner #22 on the apparent centerline of said road and an interior corner of this tract at grid coordinates X=3,219,148.78 and Y=517,047.18;

THENCE S 33° 45' 48" E, with the apparent centerline of said road, at 1539.68 feet said Gas Unit's Corner #21 on a northwesterly line of the T-BAR-X/SMITH GAS UNIT of record in Volume 872, Page 579, Deed Records, Robertson County, Texas, and the most easterly corner hereof at grid coordinates X=3,220,004.47 and Y=515,767.18;

THENCE S 54° 32' 41" W, with a northwesterly line of said T-BAR-X/SMITH GAS UNIT, at 30.6 feet pass a fence corner post on the southwest line of right-of-way of said **County Road 342**, at 1588.3 feet pass a fence corner post on the northerly line of right-of-way of **Farm-To-Market Road 2446**, at 1812.0 pass fence and southerly line of right-of-way of FM 2446, and at a total distance of 2644.41 feet said Gas Unit's Corner #17 and the most southerly corner of this tract at grid coordinates X=3,217,850.41 and Y=514,233.25;

THENCE N 34° 39' 31" W, with a northeasterly line of said Gas Unit, at 366.5 feet pass fence and southerly line of right-of-way of FM 2446, and at a total distance of 420.76 feet said Gas Unit's Corner #16 and an interior corner of this tract at grid coordinates X=3,217,611.13 and Y=514,579.35;

THENCE S 78° 22' 15" W, with a northwesterly line of said Gas Unit, at 600.31 feet said Gas Unit's Corner #15 and an exterior corner of this tract at grid coordinates X=3,217,023.14 and Y=514,458.34;

THENCE N 34° 03' 21" W, with the most northerly northeast line of said Gas Unit, at 53.85 feet pass a 3/8-inch diameter iron rod found by a fence corner post on the northerly line of right-of-way of FM 2446, and at a total distance of 894.06 feet said Gas Unit's Corner #14 and an exterior corner of this tract on a southeasterly line of the aforementioned RACHUI #1-R GAS UNIT at grid coordinates X=3,216,522.46 and Y=515,199.07;

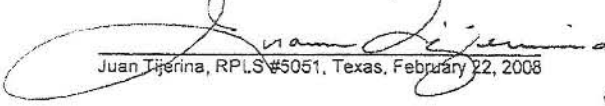
THENCE N 55° 21' 14" E, with a southeasterly line of said RACHUI #1-R GAS UNIT, at 33.83 feet a 1/2-inch diameter iron rod found by a fence corner post for said Gas Unit's Corner #20 and an interior corner of this tract at grid coordinates X=3,216,550.30 and Y=515,218.30;

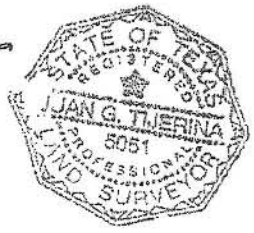
THENCE with fence and northeast line of said Gas Unit, N 29° 33' 22" W, at 348.59 feet a 1/2-inch diameter iron rod found by a fence corner post; N 33° 58' 35" W, at 1093.64 feet a 1/2-inch diameter iron rod found under fence; N 34° 15' 17" W, at 622.86 feet a 1/2-inch diameter iron rod found by a fence corner post; and N 35° 01' 20" W, at 573.99 feet a 1/2-inch diameter iron rod found by a fence corner post for said Gas Unit's Corner #13 and an interior corner of this tract at grid coordinates X=3,215,087.17 and Y=517,413.33;

THENCE S 66° 52' 27" W, continuing with fence and a northwesterly line of said Gas Unit, at 180.86 feet a fence corner post at grid coordinates X=3,214,921.03 and Y=517,342.38 for its Corner #12 and an exterior corner hereof;

THENCE N 35° 56' 21" W, continuing with fence and northeast line of said Gas Unit, at 1374.12 feet the **POINT OF BEGINNING** and containing 352.000 acres, more or less.

This survey is referenced to the Texas State Plane Coordinate System, Central Zone, NAD-27. Coordinate values are shown in U.S. Feet. A Plat of Survey dated February 22, 2008 accompanies these Field Notes. Both represent a survey made on the ground for a Mineral Unit. As such, said survey does not comply with Minimum Standards of Practice for a Land Boundary Survey as set forth by TBPLS. Ownership lines were established from limited field measurements and those records supplied by the client. This work is strictly intended for the use of Chesapeake Exploration, L.L.C.

  
Juan Tijerina, RPLS #5051, Texas, February 22, 2008



Doc 20082224 Bk OR Vol 1028 Ps 226



10.

File No. WF 108681  
First Amendment to  
Soled Unit  
Date Filed: 10/10/08  
Jerry Patterson, Commissioner

[Signature]

**From:** Beverly Boyd  
**To:** Stimson, Lannie  
**CC:** amy.banu@chk.com  
**Date:** 11/19/2008 10:18 AM  
**Subject:** Fwd: RE: MF108681

Lannie, Drew and I met today and after talking with Bill Prior at Chesapeake we determined that this unit is NOT on any state lease. I have canceled unit in GLOBase and made the lease status active. The lease is still in its primary term and Burlington is still the lessee.

Let me know if you need anything else from me.  
Beverly Boyd  
512-463-6521

>>> Lannie Stimson 11/18/2008 1:46 PM >>>  
Beverly,

I had asked Amy for a contact with her land department. She sent me this reply if you want to find out what they're talking about. Thanks.  
Lannie

>>> Amy Banu <amy.banu@chk.com> 11/18/2008 12:35 PM >>>  
Penny Macias or one of her people. Her number is (405) 879-3140 and her email is [penny.macias@chk.com](mailto:penny.macias@chk.com)

Amy Banu  
Regulatory Reporting  
Chesapeake Operating, Inc.  
Phone: 405-879-3143  
Fax: 405-810-2608  
Email: [amy.banu@chk.com](mailto:amy.banu@chk.com)

-----Original Message-----

From: Lannie Stimson [<mailto:Lannie.Stimson@GLO.STATE.TX.US>]  
Sent: Tuesday, November 18, 2008 11:59 AM  
To: Amy Banu  
Subject: Re: MF108681

Amy,  
I've asked Beverly Boyd to look in to this. Do you have contact info on your land person?  
Lannie

>>> Amy Banu <[amy.banu@chk.com](mailto:amy.banu@chk.com)> 11/18/2008 11:00 AM >>>  
Lannie,

Has the GLO been contacted by Chesapeake's land department? The landman is claiming the GLO does not have an interest in 108681 and I wanted to be sure this had been resolved before I zeroed out the 2e that had been filed.

Thank you,

Amy Banu  
Regulatory Reporting  
Chesapeake Operating, Inc.  
Phone: 405-879-3143  
Fax: 405-810-2608  
Email: [amy.banu@chk.com](mailto:amy.banu@chk.com) <<mailto:amy.banu@chk.com>>

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**From:** Lannie Stimson  
**To:** Beverly Boyd  
**Date:** 11/18/2008 1:46 PM  
**Subject:** Fwd: RE: MF108681

Beverly,  
I had asked Amy for a contact with her land department. She sent me this reply if you want to find out what they're talking about. Thanks.  
Lannie

>>> Amy Banu <amy.banu@chk.com> 11/18/2008 12:35 PM >>>  
Penny Macias or one of her people. Her number is (405) 879-3140 and her email is [penny.macias@chk.com](mailto:penny.macias@chk.com)

Amy Banu  
Regulatory Reporting  
Chesapeake Operating, Inc.  
Phone: 405-879-3143  
Fax: 405-810-2608  
Email: [amy.banu@chk.com](mailto:amy.banu@chk.com)

*Bill* ~~XXXX~~ *Prior*  
*281-362-1211*

-----Original Message-----

From: Lannie Stimson [<mailto:Lannie.Stimson@GLO.STATE.TX.US>]  
Sent: Tuesday, November 18, 2008 11:59 AM  
To: Amy Banu  
Subject: Re: MF108681

Amy,  
I've asked Beverly Boyd to look in to this. Do you have contact info on your land person?  
Lannie

>>> Amy Banu <[amy.banu@chk.com](mailto:amy.banu@chk.com)> 11/18/2008 11:00 AM >>>  
Lannie,

Has the GLO been contacted by Chesapeake's land department? The landman is claiming the GLO does not have an interest in 108681 and I wanted to be sure this had been resolved before I zeroed out the 2e that had been filed.

Thank you,

Amy Banu  
Regulatory Reporting  
Chesapeake Operating, Inc.  
Phone: 405-879-3143  
Fax: 405-810-2608  
Email: [amy.banu@chk.com](mailto:amy.banu@chk.com)<<mailto:amy.banu@chk.com>>

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**From:** Penny Macias <penny.macias@chk.com>  
**To:** <beverly.boyd@glo.state.tx.us>  
**Date:** 11/14/2008 12:53 PM  
**Subject:** McCormick GU - Robertson County, TX

Beverly,

I spoke with the field landman representing Chesapeake in Robertson County regarding the potential of a GLO lease within the boundaries of our McCormick GU. He said he had spoken with you and together you had ascertained that the lease to Burlington does not in fact fall within the boundaries of our unit. I just wanted to confirm this with you and make sure that we do not need to do anything further. Thank you.

Penny Macias  
Landman  
Chesapeake Energy Corporation  
6100 N. Western Ave  
Oklahoma City, OK 73118  
Phone: (405)-879-3140  
Cell: (405)-312-6250  
Fax: (405)-767-4592  
Email: penny.macias@chk.com

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**From:** Lannie Stimson  
**To:** Beverly Boyd  
**Date:** 11/18/2008 11:58 AM  
**Subject:** Fwd: MF108681

Beverly,  
Could you take a look at this. It does say in GLO Base comments "PERMANENT HROW UNIT - ABOVE BOSSIER FORMATION @ 15,876' ". Thanks.

Lannie

>>> Amy Banu <amy.banu@chk.com> 11/18/2008 11:00 AM >>>  
Lannie,

Has the GLO been contacted by Chesapeake's land department? The landman is claiming the GLO does not have an interest in 108681 and I wanted to be sure this had been resolved before I zeroed out the 2e that had been filed.

Thank you,

Amy Banu  
Regulatory Reporting  
Chesapeake Operating, Inc.  
Phone: 405-879-3143  
Fax: 405-810-2608  
Email: [amy.banu@chk.com](mailto:amy.banu@chk.com) <<mailto:amy.banu@chk.com>>

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#11

File No. MF 108681

Letters from Chesapeake

Date Filed: 11-19-08  
Jerry E. Patterson, Commissioner

By: J. Boyd

# TERRA SOURCE, LLC

CHARLES W. NOWLIN, CPL

P. O. Box 731  
Franklin, Texas 77856  
979-828-1280  
FAX: 979-828-1310

January 15, 2009

Mr. Drew Reid  
Texas General Land Office  
SFA Bldg. 1700 N. Congress Ave.  
Rm. 840  
Austin, TX 77801

Re: Certified Copy of Corrected Oil  
and Gas Lease No. (108681);  
Robertson County, Texas

Dear Drew:

Find enclosed a certified copy of the referenced, Corrected Oil and Gas Lease recently filed of record in Robertson County, Texas, at Volume 1061, Page 146.

As we discussed by phone yesterday, the need for the correction arose when it was discovered that the Exhibit "A" on the original lease was incorrect in that it referenced the date of the lease as being "February 19<sup>th</sup>, 2007, when in fact the date should have been February 19<sup>th</sup>, 2008. We prepared a new Exhibit "A" with the correct date and rerecorded the lease. No other changes were made to the original lease.

I have enclosed a copy of the Exhibit "A" removed from the original lease with the incorrect date highlighted.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Charles W. Nowlin, CPL

Enc.

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 19<sup>th</sup>, 2007, by and between the State of Texas, as lessor, and Burlington Resources Oil and Gas Co. LP, as lessee, covering acreage to be leased along US Highway 69 in Robertson County, Texas.

6.352 acres of land, more or less, situated in the Sarah Ann Walker Survey, A-357. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Robertson County, Texas:

Deed from John Watson to the State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 581 of the Deed of Records, Robertson  
County.

Deed from Nathan Jones estate to the County  
of Robertson, State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 573 of the Deed of Records, Robertson  
County.

Doc 20081944 OR Vol 1024 P 581

# The State of Texas

HROW Lease  
Revised 8/06



Accepted for Filing in:  
Robertson County  
On: Mar 10, 2008 at 01:34P  
By: Maxine Lattimore

## Austin, Texas

CORRECTED PAID-UP  
OIL AND GAS LEASE NO. (108681)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

Accepted for Filing in:  
Robertson County  
On: Dec 22, 2008 at 02:10P  
By: Carol Bancroft

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 **Burlington Resources Oil & Gas Co., LP**, whose address is **PO Box 2197, Houston, TX 77252-2197** hereinafter called "Lessee".

Doc 20088637 Bk OR Vol 1061 Ps 146

1. Lessor, in consideration of **One Thousand Nine Hundred Five 60/100 (\$ 1,905.60)** 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 **Robertson** State of Texas, and is described as follows:

**6.352 acres** of land, more or less, known as, situated in said **Robertson** 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 **6.352 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 **three years, from February 19<sup>th</sup>, 2008** 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 **1/4** 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 **1/4** 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 **1/4** 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 **1/4** of such gas and casing head gas.

Doc 20081944 Bk OR Vol 1026 Ps 833  
1



**CERTIFIED COPY**  
This is a true and correct copy  
of the original filed in  
Robertson County Clerk's Office  
Kathryn Nickelson Brimhall

(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.

Doc 20081944 BK OR Vol 1026 Ps 534

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

Doc 20088637 BK OR Vol 1061 Ps 147



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This is a true and correct copy  
of the original filed in  
Harrison County Clerk's Office  
Kathryn Nickelson Brimhall

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.

Doc 20081944 Bk OR Vol 1026 Pg 535

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.

Doc 20088637 Bk OR Vol 1061 Pg 148

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



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This is a true and correct copy  
of the original filed in  
Robertson County Clerk's Office  
Kathryn Nickelson Brimhall

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.

Doc 20081944 Bk OR Vol 1026 Ps 536

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

Doc 20082637 Bk OR Vol 1051 Ps 149

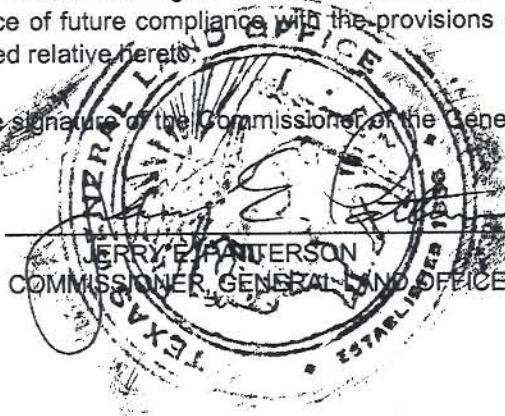


**CERTIFIED COPY**  
This is a true and correct copy  
of the original filed in  
Robertson County Clerk's Office  
Kathryn Nickelson Brimhall

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 thereto.

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.



Approved:

ML: DR  
DC: CLR  
CC: [Signature]

~~Doc 20081944 Bk OR Vol 1026 Fs 537~~

Doc 20088637 Bk OR Vol 1061 Fs 150



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Kathryn Nickelson Brimhall

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 19, 2008, by and between the State of Texas, as lessor, and Burlington Resources Oil and Gas Co. LP, as lessee, covering acreage to be leased along US Highway 79 in Robertson County, Texas.

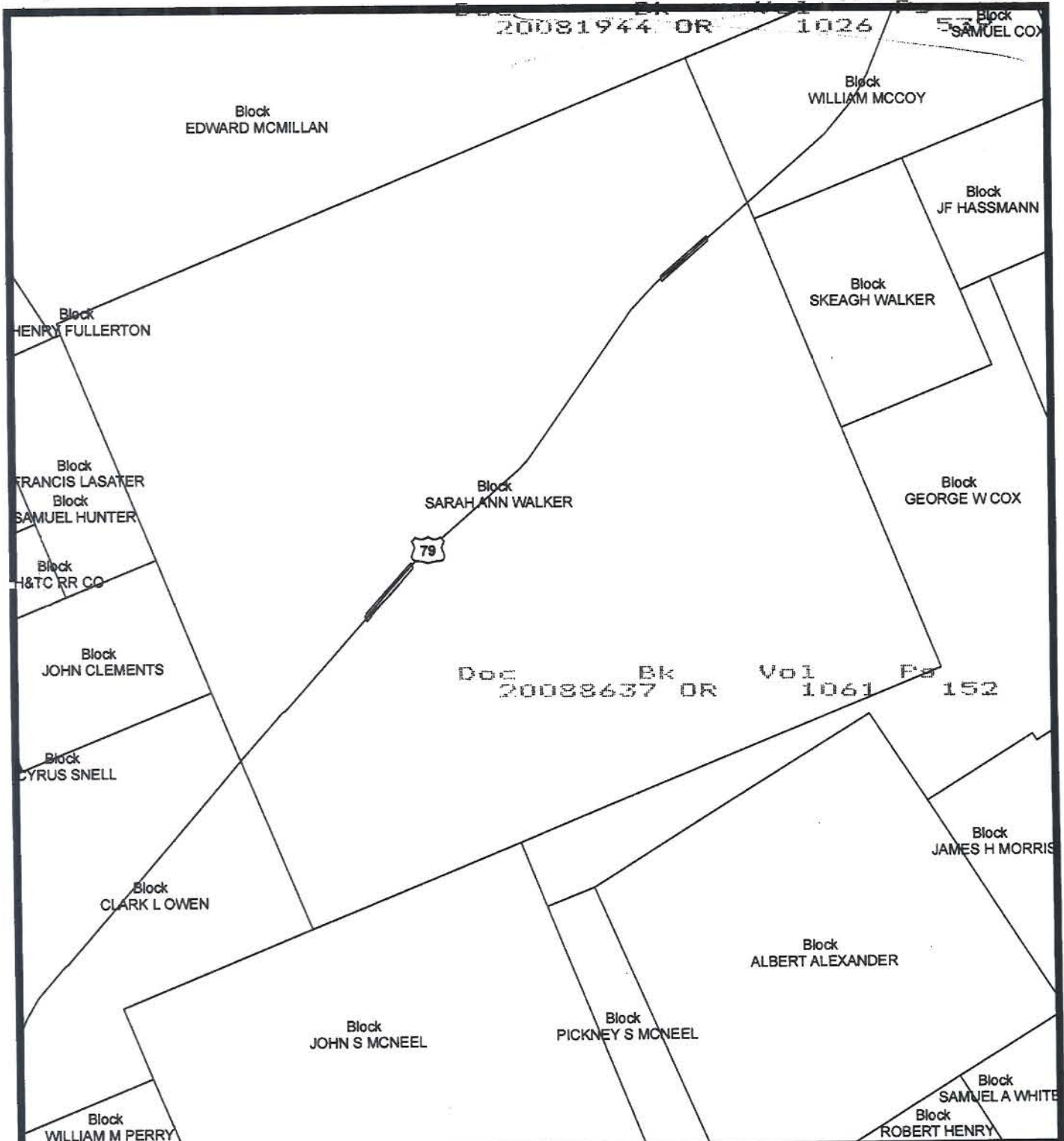
6.352 acres of land, more or less, situated in the Sarah Ann Walker Survey, A-357. Said lands also being the same lands described in the following deed recorded in the Deed of Records, Robertson County, Texas:

Deed from John Watson to the State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 581 of the Deed of Records, Robertson  
County.

Deed from Nathan Jones estate to the County of  
Robertson, State of Texas  
dated 10/10/1938 and recorded in Vol. 118  
P. 573 of the Deed of Records, Robertson  
County.

Doc                      Bk                      Vol.                      Pg  
20088637      OR                      1061                      151





Map Showing  
 A portion of State Highway 79  
 6.352 acres  
 Approximately 1 mile southwest of Franklin  
 Robertson County  
 FN02-08

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 1,500 3,000 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  
 February 19, 2008



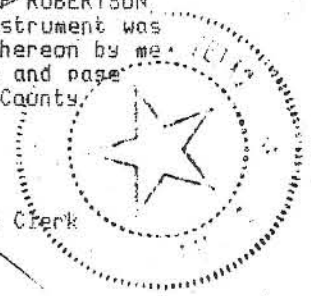
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 of the original filed in  
 Robertson County Clerk's Office  
 Kathryn Nickelson Brimhall

Doc 20082637 OR Bl: Vol 1061 Ps 153

STATE OF TEXAS COUNTY OF ROBERTSON  
I hereby certify that this instrument was  
filed on the date and time stamped hereon by me  
and was duly recorded in the volume and page  
of the named records of Robertson County  
as stamped hereon by me.

Mar 10, 2008

Kathryn N. Brimhall, County Clerk  
Robertson County



STATE OF TEXAS COUNTY OF ROBERTSON  
I hereby certify that this instrument was  
filed on the date and time stamped hereon by me  
and was duly recorded in the volume and page  
of the named records of Robertson County  
as stamped hereon by me.

Dec 22, 2008

Kathryn N. Brimhall, County Clerk  
Robertson County

Nowlin (dictud)



**CERTIFIED COPY**  
This is a true and correct copy  
of the original filed in  
Robertson County Clerk's Office  
Kathryn Nickelson Brimhall

12.

File No. MF 08681  
Corrected certified  
Abow lease

Date Filed: 1/16/09  
Jerry Patterson, Commissioner

By: [Signature]