MF109920

State Lease	Control	Base File	County
MF109920	07-035451	124817	CULBERSON

Survey	T & P RY CO	
Block	60	
Block Name		
Township	2-S	
Section/Tract	20	
Land Part		
Part Description		
Acres	339.5	
Depth Below	*Depth Above*	*Depth Other*
0	0	
Name	CSC INTERESTS, INC.	
Lease Date	3/5/2008	
Primary Term	5 yrs	
Bonus ($)	$38,193.75	
Rental ($)	$0.00	
Lease Royalty	0.1130	

Leasing: DR

Analyst: MB

Maps: ________

GIS: AS

M F 1 0 9 9 2 0

F1054505

CONTENTS OF FILE NO. MF- 109920

1. Bonus Payment 6/23/08
2. Lease 6/23/08
3. MMC Review 5/5/08
4. Letter 2/23/09
5. Bonus Payment + Amendment to lease. 2/26/09
6. DIO letter 3/5/09
7. 4th + 5th yr rental 2-16-11

scanned PJC 5-17-13

Primary Term Expired 3/5/13 12/3/13

ASSIGNMENT FILED IN MF 104167 #18

scanned PJ 6-13-14

3535

CSC INTERESTS, INC.

State of Texas [redacted] 4/7/2008

Bonus Consideration Bonus Consideration - Chesapeake/Wild Horse 21,683.25

BENOIT

08019940

121

Compass Bank - Draft Bonus Consideration - Chesapeake/Wild Horse 21,683.25

6-23-08

1.

File No. MF 109920

Bonus Payment

Date Filed: 6/23/08

Jerry Patterson, Commissioner

By [signature]

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

#63335

The State of Texas

4th yr Rental 125.00 per ac

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: June 2, 2008
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Veronica D. Boys DEPUTY

Austin, Texas

Paid up 2nd & 3rd yr

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 5th day of March, 2008, between the State of Texas, acting by and through its agent, William C. Benoit, Individually, and as Trustee of the LaVerne M. Benoit Trust

of 301 Timberline Drive, Joliet, IL 60435
(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and CSC INTERESTS, INC.

of 5 Grogans Park, Suite 101, The Woodlands, Texas 77380 hereinafter called Lessee.
(Give Permanent Address)

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

The N/2 of Section 20, Block 60, Township 2, T&P RR Co. Survey

containing 339.5 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Twenty-One Thousand Five Hundred Fifty-Eight Dollars and 25/100
Dollars ($21,558.25)

To the owner of the soil: Twenty-One Thousand Five Hundred Fifty-Eight Dollars and 25/100
Dollars ($21,558.25)

Total bonus consideration: Forty-Three Thousand One Hundred Sixteen Dollars and 50/100
Dollars ($43,116.50)

The total bonus consideration paid represents a bonus of One Hundred Twenty-Seven Dollars and No/100 Dollars ($127.00) per acre, on 339.5 net acres.

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

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

To the owner of the soil: See Paragraph No. 41

Dollars ($______________________)

To the State of Texas: ______________________________

Dollars ($______________________)

Total Delay Rental: ______________________________

Dollars ($______________________)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than $1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. **LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.**

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

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

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

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

41. DELAY RENTALS. As stipulated in Paragraph #3 of this lease, the rentals for this lease have been PAID-UP for the second (2^{nd}) and third (3^{rd}) years of the primary term hereof. Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4^{th}) and fifth (5^{th}) years of the primary term provided for herein by tendering a payment of Seventy-Five Dollars ($75.00) per net acre on or before March 5, 2011, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time.

LESSEE

CSC INTERESTS, INC.

BY: [signature]

Title: Craig S. Charbonnet, President

Date: 4/3/08

STATE OF TEXAS

BY: [signature]

William C. Benoit, Individually and as Trustee of the LaVerne M. Benoit Trust, as agent for the State of Texas

Date: 3-11-2008

STATE OF TEXAS

BY: ______

Individually and as agent for the State of Texas

Date: ______

STATE OF TEXAS

BY: ______

Individually and as agent for the State of Texas

Date: ______

STATE OF TEXAS

BY: ______

Individually and as agent for the State of Texas

Date: ______

STATE OF TEXAS (CORPORATION ACKNOWLEDGMENT)

COUNTY OF Montgomery

BEFORE ME, the undersigned authority, on this day personally appeared Craig S. Charbonnet known to me to be the person whose name is subscribed to the foregoing instrument as President of CSC Interests, Inc. and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 3rd day of April, 2008.

ALANA C. MAHAFFEY
Notary Public, State of Texas
My Commission Expires
September 13, 2009

Alana C. Mahaffey
Notary Public in and for Texas

STATE OF ______________ (CORPORATION ACKNOWLEDGMENT)

COUNTY OF ______________

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

Given under my hand and seal of office this the ______ day of ______________, 200____.

Notary Public in and for ______________

STATE OF ILLINOIS (INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF Will

BEFORE ME, the undersigned authority, on this day personally appeared William C. Benoit, Individually and as Trustee

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 11th day of March, 2008.

"OFFICIAL SEAL"
CHRYSANN E. MOORE
NOTARY PUBLIC STATE OF ILLINOIS
My Commission Expires 08/01/2008

Chrysann E. Moore
Notary Public in and for Joliet, IL

STATE OF ______________ (INDIVIDUAL ACKNOWLEDGMENT)

COUNTY OF ______________

BEFORE ME, the undersigned authority, on this day personally appeared ______________

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

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

Notary Public in and for ______________

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: June 2, 2008
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY Veronica D. Byrd DEPUTY

THE STATE OF TEXAS

COUNTY OF CULBERSON I, Linda McDonald, Clerk of the County Court in and for said County and State, do hereby certify that the foregoing is a true and correct copy of Oil And Gas Lease dated March 5 2008 filed for record in my office this 21 day of April 2008 at 11:30 A .M, under Clerk's File No. 63335 to be recorded in the Oil And Gas Lease Records of Culberson County, Texas.

TO CERTIFY WHICH, Witness my hand and seal at Van Horn this 2nd day of June, 2008

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

By Vernice D. Bry Deputy

#63335

FILED FOR RECORD

AT 11:30 O'CLOCK A M

ON THE 21 DAY OF April

A.D., 20 08

Linda McDonald

COUNTY CLERK, CULBERSON COUNTY, TEXAS

BY [signature] DEPUTY

STATE OF TEXAS

COUNTY OF CULBERSON

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Oil & Gas Records of Culberson County, Texas.

Linda McDonald

COUNTY CLERK,

CULBERSON COUNTY, TEXAS

VOL. 96 PAGE 103-111

RECORDED May 28, 2008

2.

File No. MF109920

Lease

Date Filed: 6/23/08

Jerry Patterson, Commissioner

By [illegible]

RAL REVIEW SHEET

Transaction # 6240

Lessor: Benoit, William C. individually and as Trustee
+ Brett Harvey

Lessee: CSC Interests, Inc.

Geologist: R. Widmayer

Lease Date: 3/5/2008 4.23.08 **UL** ☐

Gross Acres: 339.5 + 341

Net Acres: 339.5 + 341

LEASE DESCRIPTION

County		PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
CULBERSON	✓	07-035451	124817	N/2	20	60	02S	T & P RY CO	4364
"		07-035442	146437	S/2	18	"	"	"	6717

TERMS OFFERED

Primary Term:	5 years
Bonus/Acre:	$127.00
Rental/Acre:	$1.00
Royalty:	1/5

TERMS RECOMMENDED

Primary Term	5 years
Bonus/Acre	$225.00
Rental/Acre	$1.00
Royalty	22.5%

COMPARISONS

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

Comments: 2nd & 3rd year rentals paid up. 4th year rental to be $125.00 per acre. 4 separate leases on this property. Chesapeake (CSC Interests) is dropping this prospect but will honor their oustanding leases.

Approved: PACB 8.5.08

Tuesday, August 05, 2008

RELINQUISHMEN[redacted]T LEASE APPLICATION

Texas General Land Office — Jerry Patterson, Commissioner

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

DATE: 05-Aug-08

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

Applicant:	CSC Interests, Inc.	County:	CULBERSON
Prim. Term:	5 years	Bonus/Acre	$225.00
Royalty:	22.5%	Rental/Acre	$1.00

Consideration

Recommended: PAB Date: 8.5.08

Not Recommended: ______

Comments: 2nd & 3rd year rentals paid up. 4th year rental to be $125.00 per acre. 4 separate leases on this property. Chesapeake (CSC Interests) is dropping this prospect but will honor their oustanding leases.

✓ Lease Form

Recommended: RJA Date: 8/20/08

Not Recommended: ______

Comments:

Louis Renaud, Deputy Commissioner Date: 8/21/08

Recommended: CLR

Not Recommended: ______

Bill Warnick, General Counsel Date: ______

Recommended: ______

Not Recommended: ______

Larry Laine, Chief Clerk Date: 8/25/08

Approved: [signature]

Not Approved: ______

Jerry Patterson, Commissioner Date: 26 AUG 08

Approved: [signature]

Not Approved: ______

3.

File No. MF109920

BAH Review

Date Filed: 8/5/08

Jerry Patterson, Commissioner

By

Larry R. Dortch

3903 Permian Court **Midland, Texas 79703**

Ph: 432-694-4559 *dortchs@grandecom.net* *Fax: 432-262-5923*

February 23, 2009

Mr. Drew Reid
The State of Texas
General Land Office
1700 North Congress Avenue, Suite 935
Austin, Texas 78701-1495

Re: Bonus Checks and
Certified Copies of Documents
Culberson County, Texas

Dear Drew:

Enclosed please find bonus checks and certified copies of documents as follows. I am unable to reference the Mineral File numbers as it appears we haven't received them.

Lessor	Description	Vol/Pg **O&G Lease**	Vol/Pg **Lease Amendment**	Bonus & Fees	Check No.
ST TX / Virginia Skolnik	Sec. 36, Block 61, T2, T&P, A-6734	98/408		$ 767.19	4391
ST TX / Victor Gallardo	Sec. 36, Block 61, T2, T&P, A-6734	98/399		$1,088.28	4384
ST TX / Robert Lee Pollock	Sec. 36, Block 61, T2, T&P, A-6734		97/301	$6,713.00	4139
ST TX / Robert A. Ortiz	Sec. 36, Block 61, T2, T&P, A-6734		97/298	$1,678.25	4138
ST TX / Michael Rene Gallardo	Sec. 36, Block 61, T2, T&P, A-6734	98/390		$1,088.28	4386
ST TX / Margarita Fernandez	Sec. 36, Block 61, T2, T&P, A-6734	98/381		$3,978.13	4382
ST TX / M. Ramona Johnson	Sec. 36, Block 61, T2, T&P, A-6734		97/295	$3,356.50	4183
ST TX / Lucille Sepulveda Tr.	Sec. 36, Block 61, T2, T&P, A-6734		95/292	$6,713.00	4188
ST TX / Irene Guerrero	Sec. 36, Block 61, T2, T&P, A-6734	98/372		$ 767.19	4380
ST TX / Joe Ray Ortiz	Sec. 36, Block 61, T2, T&P, A-6734		97/289	$1,678.25	4185

Lessor	Description	Vol/Pg **O&G Lease**	Vol/Pg **Lease Amendment**	Bonus & Fees	Check No.
ST TX / Jorge Antonio Gallardo	Sec. 36, Block 61, T2, T&P, A-6734	98/517		$1,088.28	4370
ST TX / Jorge Bustamante	Sec. 36, Block 61, T2, T&P, A-6734	98/536		$3,968.13	4462
ST TX / Gloria Orona	Sec. 36, Block 61, T2, T&P, A-6734	98/527		$ 767.19	4453
ST TX / Eric Bustamante	Sec. 36, Block 61, T2, T&P, A-6734	98/426		$767.19	4403
ST TX / Cynthia L. Davis	Sec. 36, Block 61, T2, T&P, A-6734		97/286	$1,678.25	4143
ST TX / B. Yvonne Edwards	Sec. 36, Block 61, T2, T&P, A-6734		97/283	$1,678.25	4141
ST TX / Antonio E. Bustamante	Sec. 36, Block 61, T2, T&P, A-6734	98/417		$767.19	4393
ST TX / Amalia M. Cox	Sec. 36, Block 61, T2, T&P, A-6734	98/363		$1,088.28	4372
ST TX / Alice E. Lopez	Sec. 36, Block 61, T2, T&P, A-6734		97/279	$3,356.50	4162
ST TX / William C. Benoit	N/2 Sec. 34, Block 61, T2, T&P, A-4265		97/276	$16,733.50	4137
ST TX / Margaret B. Jamison et vir	206 acres o/o Sec. 32, Block 61, T2, T&P, A-4565		97/273	$10,094.00	4134
ST TX / Lusk Nominee Trust	100 acres o/o Sec. 32, Block 61, T2, T&P, A-4567		98/183	$4,900.00	4356
ST TX / William C. Benoit	N/2 Sec. 20, Block 60, T2, T&P, A-4364		97/270	$16,635.50	4132
ST TX / Jo Lou Wellington	S/2 Sec. 18, Block 60, T2, T&P, A-6717		98/174	$3,341.80	4156
ST TX / John H. Harvey, Jr.	S/2 Sec. 18, Block 60, T2, T&P, A-6717		98/177	$ 835.45	4158
ST TX / Jan H. Harvey	S/2 Sec. 18, Block 60, T2, T&P, A-6717		97/266	$1,670.90	4129
ST TX / Eleonora H. Trotter	S/2 Sec. 18, Block 60, T2, T&P, A-6717		98/180	$ 835.45	4319

Lessor	Description	Vol/Pg **O&G Lease**	Vol/Pg **Lease Amendment**	Bonus & Fees	Check No.
ST TX / Brett Harvey	S/2 Sec. 18, Block 60, T2, T&P, A-6717		97/263	$2,506.35	4160
ST TX / William Wise Vinson	SE/4 Sec. 11, Block 54, PSL, A-6005	97/253		$4,630.63	4101

Sincerely,

Jody Dortch

Jody Dortch
Landman

/jad
Enclosures

4.

File No. MF 109920

Letter

Date Filed: 7/23/09

Jerry Patterson, Commissioner

By BL

CSC INTERESTS, INC. 4132

State of Texas		9/29/2008	
Bonus Consideration	CHSPK - WLD HRS		16,635.50

William C Benoit

09010463

121

Compass Bank - Draft	CHSPK - WLD HRS	16,635.50

#638ul

AMENDMENT TO OIL AND GAS LEASE

State:	Texas
County:	Culberson
Lessors:	The State of Texas, acting by and through its agent, William C. Benoit, Individually, and as Trustee of the LaVerne M. Benoit Trust 301 Timberline Drive, Joliet, IL 60435
Lessee:	CSC Interests, Inc. 5 Grogan's Park, Suite 101, The Woodlands, Texas 77380
Effective Date:	March 5, 2008

On March 5, 2008, Lessors, named above, executed and delivered to Lessee an Oil, Gas and Mineral Lease (the "Lease"), recorded in Volume 96, Page 103 of the Official Records of the county and state named above. The Lease covers the following lands (the "Lands"):

The N/2 of Section 20, Block 60, Township 2, T&P RR Co. Survey, A-4364, Culberson County, Texas

The Lease is recognized and deemed by Lessors to be in full force and effect. The Lease is presently owned by Lessee, named above. It is the desire of the Lessors and Lessee to amend the Lease as to the particular provisions set out below.

For adequate consideration, Lessors and Lessee amend the Lease by incorporating into it the following terms and provisions, as if originally contained in the Lease:

GRANTING CLAUSE: ...... "The bonus consideration paid for this lease is as follows:
To the State of Texas: Thirty-Eight Thousand One Hundred Ninety-Three Dollars and 75/100 Dollars ($38,193.75)
To the owner of the soil: Thirty-Eight Thousand One Hundred Ninety-Three Dollars and 75/100 Dollars ($38,193.75)
Total bonus consideration: Seventy-Six Thousand Three Hundred Eighty-Seven Dollars and 50/100
Dollars ($76,387.50)
The total bonus consideration paid represents a bonus of Two Hundred Twenty-Five Dollars and No/100 Dollars ($225.00) per acre, on 339.5 net acres."

PRODUCTION ROYALTIES: ...... "shall be ...... 22.5%"

DELAY RENTALS: ......"Lessee or its assigns shall have the right to keep this lease in force and effect for the fourth (4^{th}) and fifth (5^{th}) years of the primary term provided for herein by tendering a payment of One Hundred Twenty-Five Dollars ($125.00) per net acre on or before March 5, 2011, as to any acreage covered hereby and not otherwise being maintained by any other provision herein at such time."

Except as amended herein, the Lease shall remain unchanged.

Lessor and Lessee hereby adopt, ratify and confirm the Lease, as amended, and Lessor hereby grants, leases and lets to Lessee, its successors and assigns, the lands described in the Lease, for the purposes and upon the terms, conditions and provisions as contained therein.

This Amendment shall be binding upon the parties hereto, their successors, heirs and assigns.

LESSOR:

William C. Benoit

William C. Benoit, Individually, and as Trustee of the LaVerne M. Benoit Trust, and as agent for the State of Texas

LESSEE:

CSC Interests, Inc.

By: [signature]
Craig S. Charbonnet, President

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: 2-10-09
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY [signature] DEPUTY

271.

STATE OF ILLINOIS)
)
COUNTY OF IL)

This instrument was acknowledged before me this 4 day of Sept., 2008, by William C. Benoit, Individually, and as Trustee of the LaVerne M. Benoit Trust.

My Commission Expires: 10/30/2010

Jessica Struthers
Notary Public

OFFICIAL SEAL
JESSICA STRUTHERS
Notary Public - State of Illinois
My Commission Expires Oct 30, 2010

STATE OF TEXAS)
)
COUNTY OF MONTGOMERY)

This instrument was acknowledged before me on Sept. 26th, 2008, by **Craig S. Charbonnet, President of CSC Interests, Inc.**

My Commission Expires: 9/13/09

Alana C. Mahaffey
Notary Public

ALANA C. MAHAFFEY
Notary Public, State of Texas
My Commission Expires
September 13, 2009

A CERTIFIED COPY
IF IT BEARS THE SEAL OF THE COUNTY CLERK
ATTEST: __________
LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS
BY __________ DEPUTY

Filed for record on the 24th day of October, A.D. 2008 @ 1:30 o'clock P.M. and
duly recorded on the 28th day of October, A.D. 2008 @ 11:15 o'clock A.M.

LINDA McDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

By Gina C. Urias, Deputy

5.

File No. MF109920
Bonus Payment + Amendment to lease
Date Filed: 2/26/09
Jerry Patterson, Commissioner
By

63861

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the Oil & Gas Records of my office, found in VOL. 97, PAGE 270.

I hereby certified on 10 Feb 09

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY ______ DEPUTY

March 5, 2009

Larry R. Dortch
3903 Permian Court
Midland, Texas 79703

Re: Relinquishment Act Lease - MF-109920
339.5 acres out of the N/2 of Section 20, Blk. 60,
Tsp. 2, T&P Ry. Co. Survey, Culberson County, Texas

Dear Mr. Dortch:

The certified copy of the Relinquishment Act lease covering the above referenced tracts has been approved and filed in our records under Mineral File number **M-109920. Please refer to this number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

Your remittance of **$38,318.75,** applied as the state's portion of the cash bonus **$38,193.75,** along with a processing and filing fee in the amount of **$125.00**. Please let me know if you should have any questions.

Sincerely,

Drew Reid by MS-

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

MS/DR

6.

File No. MF109920

Date Filed: 3/5/09

Jerry Patterson, Commissioner

By

CHESAPEAKE OPERATING, INC. P.O. BOX 18496 OKLAHOMA CITY, OK 73154

LEASE OBLIGATION DEPOSIT RECEIPT

WE HAVE THIS DAY **FEBRUARY 10, 2011** TENDERED TO **COMMISSIONER OF THE GENERAL LAND** THE SUM OF **$21,218.75** DOLLARS FOR THE CREDIT OF PARTY OR PARTIES NAMED BELOW IN AMOUNT STATED PURSUANT TO THE TERMS OF THE LEASE IDENTIFIED HEREIN, FOR THE PERIOD FROM **3/05/2011** TO **3/05/2013** COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

TOWNSHIP: 2 RANGE: SECTION: 20 BLOCK: 60/ SURVEY: T&P RR ABSTRACT: 4364 COUNTY: CULBERSON SHORT DESC: N2 OF SEC 20,

MF
109920

11706012

PAYMENT: **RENTAL**

LEASE NUMBER: TX2810023-000 LEASE DATE: **3/05/2008** PROSPECT: **WILD HORSE**

RECORDED BOOK: **96** PAGE: **103** ENTRY NUMBER: **63335** COUNTY/PARISH: **CULBERSON** STATE: **TX**

FOR CREDIT OF:		ACCT:	AMOUNT
017397	COMMISSIONER OF THE GENERAL LAND OF THE STATE OF TEXAS 1700 N CONGRESS, STE 600 STEPHEN F AUSTIN BUILDING AUSTIN TX 78701	PYMTS FOR YRS 4 & 5	X $21,218.75

121

PLEASE SIGN AND RETURN

IMPORTANT

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

Date Received FEB 16 2011

Sign Here RENTAL PAYMENT

By VG Title

Subtotal	$21,218.75
BANK SERVICE CHARGE	$.00
Grand Total	$21,218.75
Check No.	341357

CHESAPEAKE OPERATING, INC. P.O. BOX 18496 OKLAHOMA CITY, OK 73154

LEASE OBLIGATION DEPOSIT RECEIPT

WE HAVE THIS DAY **FEBRUARY 10, 2011** TENDERED TO **COMMISSIONER OF THE GENERAL LAND** THE SUM OF **$21,218.75** DOLLARS FOR THE CREDIT OF PARTY OR PARTIES NAMED BELOW IN AMOUNT STATED PURSUANT TO THE TERMS OF THE LEASE IDENTIFIED HEREIN, FOR THE PERIOD FROM **3/05/2011** TO **3/05/2013** COVERING LESSOR'S INTEREST IN LAND DESCRIBED AS:

TOWNSHIP: 2 RANGE: SECTION: 20 BLOCK: 60/ SURVEY: T&P RR ABSTRACT: 4364 COUNTY: CULBERSON SHORT DESC: N2 OF SEC 20,

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121

COPY FOR YOUR RECORDS

IMPORTANT

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Date Received ______________________

Sign Here ______________________

By ______________________ Title

Subtotal	$21,218.75
BANK SERVICE CHARGE	$.00
Grand Total	$21,218.75
Check No.	341357

CHESAPEAKE OPERATING, INC.
DELAY RENTAL ACCOUNT
P.O. Box 18496
Oklahoma City, OK 73154

Bank of Oklahoma, N.A.
Oklahoma City, OK
[redacted]

341357

Date FEBRUARY 10, 2011

Amount $21,218.75

TWENTY-ONE THOUSAND TWO HUNDRED EIGHTEEN AND 75 /100 Dollars *************

Pay to The Order of

COMMISSIONER OF THE GENERAL LAND
OF THE STATE OF TEXAS
1700 N CONGRESS, STE 600
STEPHEN F AUSTIN BUILDING
AUSTIN TX 78701

VOID AFTER 120 DAYS
NO THIRD PARTY ENDORSEMENTS

Non-Negotiable

⑈0000341357⑈ [redacted]

17.

File No. MF 109920
4th + 5th yr rental

Date Filed: 2-16-11
Jerry E. Patterson, Commissioner
By [initials]