

MF109933

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF109933	65-902205		TARRANT

<i>Survey</i>	TARRANT COUNTY ROADS
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*Block*

*Block Name*

*Township*

*Section/Tract*

*Land Part*

*Part Description*

<i>Acres</i>	2.992
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<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
--------------------	--------------------	--------------------

0	0	
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<i>Name</i>	DALE PROPERTY SERVICES, LLC
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<i>Lease Date</i>	2/3/2009
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<i>Primary Term</i>	3 yrs
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<i>Bonus (\$)</i>	\$74,800.00
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<i>Rental (\$)</i>	\$0.00
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<i>Lease Royalty</i>	0.2750
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*Leasing:* DL

*Analyst:* MS

*Maps:* \_\_\_\_\_

*GIS:* ZG



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  - 5. Map 12/11/08
  - 6. Leases 12/11/08
  - 7. GCO letter 2/3/09
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- Scanned sm 5/17/13

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (109933)  
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 **Dale Property Services, LLC**, whose address is **3000 Alta Mesa Blvd., Suite 300, Ft. Worth, TX 76133** hereinafter called "Lessee".

1. Lessor, in consideration of **Seventy Four Thousand Eight Hundred 00/100 (\$74,800.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Tarrant** State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **2.992 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 year, from February 3<sup>rd</sup>, 2009** 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 **27.5%** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **27.5%** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **27.5%** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **27.5%** of such gas and casing head gas.

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 50.00 per acre**. 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.

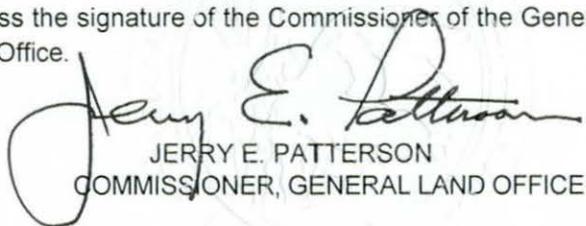
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

CC: 

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 3<sup>rd</sup>, 2009, by and between the State of Texas, as lessor, and Dale Properties Services, LLC as lessee, covering acreage to be leased in Tarrant County, Texas, being part of the Riverside Drive and Lancaster Ave ROW.

2.992 acres of land, more or less, situated in the James Sanderson Survey, A-1430 in Tarrant County, Texas. Said land also being the same lands described in the following

The State of Texas ("State") received the following described land designated as Riverside Dr. and East Lancaster Ave.:

1. Deed dated October 19, 1931, from Magnolia Petroleum Company to the City of Fort Worth, recorded in Volume 1155, Page 203, Deed Records, Tarrant County, Texas.
2. Deed dated May 9, 1927, from H. H. Cobb to the City of Fort Worth, recorded in Volume 916, Page 551, Deed Records, Tarrant County, Texas.
3. Deed dated May 9, 1927, from H. H. Cobb to the City of Fort Worth, recorded in Volume 916, Page 550, Deed Records, Tarrant County, Texas.
4. Deed dated April 28, 1927, from J. E. Ashenfelder and wife, Minnie Ashenfelder to the City of Fort Worth, recorded in Volume 916, Page 622, Deed Records, Tarrant County, Texas.
5. Deed dated May 9, 1927, from H. H. Cobb to the City of Fort Worth, recorded in Volume 916, Page 547, Deed Records, Tarrant County, Texas.
6. Deed dated May 9, 1927, from H. H. Cobb to the City of Fort Worth, recorded in Volume 916, Page 549, Deed Records, Tarrant County, Texas.
7. Deed dated May 9, 1927, from H. H. Cobb to the City of Fort Worth, recorded in Volume 916, Page 548, Deed Records, Tarrant County, Texas.
8. Deed dated November 6, 1954, from The Texas Company to the City of Fort Worth, recorded in Volume 2807, Page 341, Deed Records, Tarrant County, Texas.
9. Deed dated October 1, 1936, from J. C. Griffith and wife, Cora Griffith to the City of Fort Worth, recorded in Volume 1311, Page 425, Deed Records, Tarrant County, Texas.
10. Deed dated February 28, 1938, from K. C. Cantrell to the City of Fort Worth, recorded in Volume 1355, Page 251, Deed Records, Tarrant County, Texas.
11. Deed dated October 1, 1936, from W. E. Howard and wife Stella Howard to the City of Fort Worth, recorded in Volume 1311, Page 428, Deed Records, Tarrant County, Texas.
12. Deed dated October 24, 1936, from Susie Wood; Earl Wood and wife, Ethel Wood; Lewis C. Calloway and wife, Violet Calloway; Jack D. Barker and wife, Hazel Barker; Troy F. Shaddix and wife, Velma Shaddix to the City of Fort Worth, recorded in Volume 1300, Page 476, Deed Records, Tarrant County, Texas.
13. Deed dated October 26, 1936, from Dola Walcott to the City of Fort Worth, recorded in Volume 1311, Page 426, Deed Records, Tarrant County, Texas.

BENJAMIN FRANKLIN CRAWLEY  
A- 307

BENJAMIN E WALLER  
A- 1659

# Riverside Dr.

EPHRAIM M. DAGGETT  
A- 431

East Lancaster Ave.

JAMES SANDERSON  
A- 1430

MOSES A JACKSON  
A- 862

WILLIAM MANN  
A- 996

Riverside Dr.

JOHN VANRIPER  
A- 1590

LEWIS MOORE  
A- 1093

JOAN W HAYNES  
A- 778

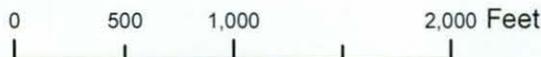
JOHN D  
A- 41

WISE DENTON

PARKER TARRANT

HOOD JOHNSON ELLIS

Map showing  
a Buffer of Riverside Dr.  
and East Lancaster Ave.  
2.992 ac  
Tarrant County  
zg 01/09



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: Zeke Guillen  
February 3, 2009

File No. MT 109933

Lease

Date Filed: 12/11/08  
Jerry Patterson, Commissioner

By 

# DALE PROPERTY SERVICES, L.L.C.

3000 Alta Mesa Boulevard, Suite 300

FORT WORTH, TX 76133

(817) 451-5353

December 9, 2008

Mr. Drew Reid  
Texas General Land Office  
Lease Administration  
1700 North Congress Avenue, Room 600  
Austin, Texas 78701

*Have Money  
m-*

*25,000.00  
27.550  
3 yr Paul  
Shid in 50.00  
Pete*

Re: Application by Dale Property Services, LLC ("Dale") to acquire an Oil and Gas Lease on 2.992 acres of land, more or less, being the a part of Riverside Dr. and East Lancaster Ave. R-O-W, Tarrant County, Texas

Dear Drew:

The State of Texas ("State") received the following described land designated as Riverside Dr. and East Lancaster Ave.:

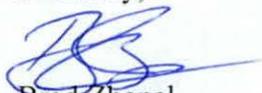
1. Deed dated October 19, 1931, from Magnolia Petroleum Company to the City of Fort Worth, recorded in Volume 1155, Page 203, Deed Records, Tarrant County, Texas.
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Accordingly, Dale owns oil and gas leases on either side of said R-O-W, and it is necessary for Dale to acquire an oil and gas lease covering the same in order to drill a horizontal well from an off-site location. We therefore request that the State of Texas grant Dale an oil and gas lease covering said land. If we are granted the lease, we will combine this lease with our present leases in a concerted plan of development for our PVI prospect area.

Thank you for your assistance, and please call me with any questions.

Sincerely,



Brad Zhanel  
817.507.1793 (Office)  
469.337.4879 (Cell)  
[bradz@dale-resources.com](mailto:bradz@dale-resources.com)

Enclosures: Affidavit, plat, copies of pertinent oil and gas leases, a filing fee check and bonus check





DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
12/05/08	120508B		100.00	12/	100.00
			3301035	TOTAL	100.00

09006152

X

12/

DALE OPERATING COMPANY

2.

File No. WF 09933

Letter, bonus, & fee

Date Filed: 12/11/08  
Jerry Patterson, Commissioner

By: 

2008

AFFIDAVIT

STATE OF TEXAS

COUNTY OF TARRANT

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Brad Zhanel, to me well known to be a credible person, and who after being by me duly sworn, on her oath did state:

That I know the consideration Dale Property Services, LLC ("Dale") paid for the leases on adjacent lands to the property designated as Riverside Dr. and East Lancaster Ave. R-O-W, Tarrant County, Texas.

1. That Dale paid Haknoor Incorporated fifteen thousand dollars (\$15,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument #D208327314 in the Official Public Records of Tarrant County, Texas covering .445 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
2. That Dale paid 2KD Holding Co. one thousand three hundred and forty two dollars and twenty eight cents (\$1,342.28) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument # D206343734 in the Official Public Records, Tarrant County, Texas covering .298 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
3. That Dale paid Praful G. Patel and Lalitabahen G Patel one thousand three hundred and eighty dollars and seventy three cents dollars and thirty three cents (\$1,380.73) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument # D206281831 in the Official Public Records, Tarrant County, Texas covering 1.09 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
4. That Dale paid KZS Investments, LLC five thousand dollars (\$5,000.00) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument #D208081260 in the Official Public Records of Tarrant County, Texas covering .400 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
5. That Dale paid DW Distribution Inc. two thousand dollars (\$2,000.00) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D206206944 in the Official Public Records of Tarrant County, Texas covering 4.43 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
6. That Dale paid Union Pacific Railroad Company five thousand dollars (\$5,000.00) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D206311773 in the Official Public Records of Tarrant County, Texas covering 29.5558 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.



7. That Dale paid JJE Properties Ltd. twenty thousand dollars (\$20,000.00) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D208446884 in the Official Public Records of Tarrant County, Texas covering .972 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
8. That Dale paid Richard L. Goumas one thousand six hundred and twenty seven dollars and ninety cents (\$1,627.90) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D206342743 in the Official Public Records of Tarrant County, Texas covering .430 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
9. That Dale paid Webb Air Conditioning Inc. one thousand three hundred and ninety eight dollars and sixty cents (\$1,398.60) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D206201818 in the Official Public Records of Tarrant County, Texas covering .286 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
10. That Dale paid Jerry D. Webb one thousand two hundred and sixty nine dollars and three cents (\$1,269.03) per net mineral acre as bonus consideration for an oil, gas and mineral lease which is recorded as Instrument # D206234007 in the Official Public Records of Tarrant County, Texas covering 2.364 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
11. That Dale paid John C. Tucker, Linda Tucker Wukasch, Robert W. Shaw, William W. Shaw and Julie L. Shaw four thousand dollars (\$4,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument #D207070000 in the Official Public Records of Tarrant County, Texas covering 3.012 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
12. That Dale paid Chau Van Hoang and Tu T. Huynh twenty five thousand dollars (\$25,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument # D208355579 in the Official Public Records, Tarrant County, Texas covering .312 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
13. That Dale paid James Lee Investments Inc. one thousand two hundred dollars (\$1,200.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument # D205368099 in the Official Public Records, Tarrant County, Texas covering 1.92 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.
14. That Dale paid R.T.G Associates Inc. one thousand two hundred dollars (\$1,200.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument # D206281859 in the Official Public Records, Tarrant County, Texas covering .382 acres adjacent to Riverside Dr. and East Lancaster Ave. R-O-W.

Further Affiant sayeth not.

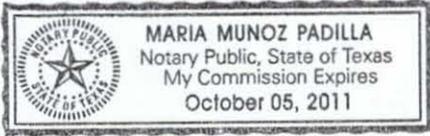
Affiant



Brad Zhanel

STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 9th day of December, 2008 by Brad Zhanel.



*Maria M. Padilla*  
Notary Public, State of Texas



001131

2.

File No. 4709933

[Signature]

Date Filed: 12/11/08

By: [Signature]  
Jerry Patterson, Commissioner



WITNESS my hand at Fort Worth, Texas, this 5th day of November, 1931.

Oscar E. Monnig, Executor of the Estate of  
O. E. Wandry, deceased.

STATE OF TEXAS            ↓  
COUNTY OF TARRANT       ↓

BEFORE ME, the undersigned authority, on this day personally appeared Oscar E. Monnig known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as Executor of the Estate of O.E. Wandry, deceased, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 6 day of November, 1931.

Katherine Hahn, Notary Public Tarrant  
County, Texas.

(L.S.)

FILED FOR RECORD NOV 9, 1931, AT 11:13 A.M.

ORVILLE BEALL, COUNTY CLERK

RECORDED NOV 10, 1931, AT 11:45 A.M.

BY Lattie a Lally DEPUTY # 21817

TARRANT COUNTY, TEXAS.

*ER*

MAGNOLIA PETROLEUM COMPANY  
TO WARRANTY DEED  
CITY OF FORT WORTH

↓ THE STATE OF TEXAS  
↓  
↓ COUNTY OF TARRANT  
↓

KNOW ALL MEN BY THESE PRESENTS:

THAT MAGNOLIA PETROLEUM COMPANY, a corporation, incorporated under the laws of the State of Texas, and having its principal office at Dallas, Texas, for and in consideration of the sum of TEN (\$10) DOLLARS, cash to it paid by the City of Fort Worth, the receipt of which is hereby acknowledged; and in further consideration of the covenants and agreements hereinafter contained;

HAS GRANTED, SOLD AND CONVEYED, and, by these presents DOES GRANT, SELL AND CONVEY unto the said City of Fort Worth, a municipal corporation, of Tarrant County, Texas, all that certain lot or parcel of land, situated in the City of Fort Worth, Tarrant County, Texas; to -wit:

A part of LOTS NOS. 28 and 29, in BLOCK NO. 22, of INTERURBAN ADDITION, THIRD FILING, to said City of Fort Worth, as shown by the Map or Plat thereof, recorded in the office of the County Clerk of Tarrant County, Texas, being a part of the same property conveyed to grantor herein by L. L. Sooma, et al, by deed dated April 8th, 1927, and recorded in Volume 955, page 613, Deed Records, Tarrant County, Texas, the part of said lots herein conveyed being particularly described in two tracts as follows:

FIRST TRACT: BEGINNING at a point in the east line of Riverside Street in said Addition the same being a stake at the northwest corner of LOT 29, Block 22;

THENCE south 14 degrees 28 minutes east with the east line of Riverside Street and the west line of Lot 29, a distance of 97 feet to a point, being the south corner of the tract herein described;

THENCE North 2 degrees 30 minutes west, a distance of 91.2 feet to a point in the north line of said Lot 29 for the northeast corner;

THENCE North 84 degrees west with the north line of Lot 29, a distance of 21 feet to the place of BEGINNING, containing .0229 acres.

SECOND TRACT: BEGINNING at a point, being the intersection of Riverside Street with the Fort Worth-Dallas Pike,

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and also being a cross mark in the walk at the southwest corner of Lot 29, Block 22, in the Interurban Addition;

THENCE South 84 degrees east with the Fort Worth-Dallas Pike, also the south line of LOTS 29 and 28, a distance of 75 feet to a cross <sup>mark</sup> in the walk, same being the southeast corner of Lot 28;

THENCE North 6 degrees east with the east line of Lot 28, a distance of 20 feet to a point for the northeast corner of the tract herein described;

THENCE North 84 degrees west across Lots 28 and 29, a distance of 82.87 feet to a point in the east line of Riverside Street and the west line of Lot 29;

THENCE South 14 degrees 28 minutes east with said line, 21.46 feet to the places of BEGINNING, containing .0362 acres.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said CITY OF FORT WORTH, its successors and assigns FOREVER; and MAGNOLIA PETROLEUM COMPANY hereby binds itself, its successors and assigns TO WARRANT AND FOREVER DEFEND, all and singular the said premises unto the said CITY OF FORT WORTH, its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

This conveyance is made and accepted on the following conditions and covenants running with the land, which apply to and are binding upon the grantee, its successors and assigns; to-wit:

Grantee agrees to improve, maintain, and keep, at its own cost and expense, said land for use as a public street or streets and highways. Should it fail or refuse or neglect to comply with these conditions and keep these covenants, then the title and possession of the land herein conveyed shall in consequence and by force thereof and without the necessity of a re-conveyance, ipso facto revert to and be in grantor, its successors and assigns.

IN WITNESS WHEREOF, said MAGNOLIA PETROLEUM COMPANY has caused this instrument to be executed by its President, with its corporate seal affixed by its Assistant Secretary, thereunto duly authorized, this the 19th day of October, 1931.

MAGNOLIA PETROLEUM COMPANY,  
BY: E.R. Brown, President.

(SEAL)

ATTEST:

E. D. SMITH, ASSISTANT SECRETARY

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, a Notary Public in and for said County and State, on this day personally appeared E. R. Brown, President of MAGNOLIA PETROLEUM COMPANY, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 21st day of October, 1931.

Kate Frierson, Notary Public  
Dallas County, Texas.

(L.S.)

FILED FOR RECORD NOV 9, 1931, AT 10:11 A.M.

ORVILLE BEALL, COUNTY CLERK

RECORDED NOV 10, 1931, AT 1:25 P.M.

BY Lattie A. Lally DEPUTY # 21813

TARRANT COUNTY, TEXAS.



100-100000

H. H. COBB

TO

CITY OF FORT WORTH

THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT I, H. H. Cobb of the County of Tarrant and State of Texas, for and in consideration of the sum of DOLLARS,

to me in hand paid by City of Fort Worth of the County of Tarrant and State of Texas, the receipt of which is hereby acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said City of Fort Worth, for street purposes its successors

and assigns, all right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

A strip of land off the south side of Lot 27, Blk, 22 Interurban District more fully described as follows: Beginning at the southeast corner of Lot 27, Blk. 22, Interurban Addition, said point being in the north line of the Dallas Pike, thence north along east line of said lot 34 feet to a point; thence west 50.15 feet to the west line of said lot. thence south 43 feet to the southwest corner of said lot; thence east 50.15 feet to the place of beginning.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there- to in any manner belonging, unto the said City of Fort Worth its successors and assigns forever, so that neither H. H. Cobb nor his heirs, nor any person nor persons claiming under him shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS my hand at Fort Worth, Texas, this 9th day of May A. D. 19 27

Witnesses at the Request of Grantor: H. H. Cobb

THE STATE OF TEXAS, County of Tarrant BEFORE ME, P. J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared H. H. Cobb well

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL ~~XXXXXXXXXX~~ on this 9 day of May A. D. 19 27 P. J. Conway

Notary Public in and for Tarrant County, Texas.

(I.S.)

THE STATE OF TEXAS, County of Tarrant BEFORE ME, in and for Tarrant County, Texas, on this day personally appeared \_\_\_\_\_, wife of \_\_\_\_\_

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 OFFICIAL SEAL OF OFFICE, on this \_\_\_\_\_ day of \_\_\_\_\_ A. D. 19 \_\_\_\_\_

Filed for Record the 11 day of May A. D. 19 27, at 11 o'clock 09 minutes A.M., and recorded the 26 day of May A. D. 19 27, at 8 o'clock 35 minutes A. M. By [Signature] Deputy. Chester Hollis County Clerk.

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[Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.]

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THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT I, H.H. Cobb of the County of Tarrant and State of Texas, for and in consideration of the sum of \_\_\_\_\_ DOLLARS, to me in hand paid by City of Fort Worth of the County of Tarrant and State of Texas, the receipt of which is hereby acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said City of Fort Worth, for street purposes its successors

and assigns, all my right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

A strip of land off the south side of Lot 26, Blk. 22, Interurban Addition more fully described as follows: Beginning at the southeast corner of Lot 26, Blk, 22, Interurban Addition, said point being in the north line of the Dallas Pike, thence north along east line of said lot 32 feet to a point ; thence west 50.15 feet to the west line of said lot; thence south 34 feet to the southwest corner of said lot; thence east 50.15 feet to the place of beginning.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there- in any manner belonging, unto the said City of Fort Worth, its successors and assigns forever, so that neither he nor the said H.H. Cobb nor his heirs, nor any person nor persons claiming under him shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS my hand at Fort Worth, Texas, this 9th day of May A. D. 19 27

Witnesses at the Request of Grantor: H.H. Cobb

THE STATE OF TEXAS, County of Tarrant BEFORE ME, P.J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared H.H. Cobb well

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL on this 9 day of May A. D. 19 27 P.J. Conway

(L.S.) Notary Public in and for Tarrant County, Texas

THE STATE OF TEXAS, County of Tarrant BEFORE ME, \_\_\_\_\_ in and for \_\_\_\_\_ County, Texas, on this day personally appeared \_\_\_\_\_, wife of \_\_\_\_\_

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 OFFICIAL SEAL OF OFFICE, on this \_\_\_\_\_ day of \_\_\_\_\_ A. D. 19 \_\_\_\_\_

Filed for Record the 11 day of May A. D. 19 27, at 11 o'clock 09 minutes A. M., and recorded the 26 day of May A. D. 19 27, at 8 o'clock 25 minutes A. M. By Dec B. Cat Deputy. Chester Hollis County Clerk.

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THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT We, J.E. Ashenfelder & wife, Minnie Ashenfelder of the County of Tarrant and State of Texas, for and in consideration of the sum of One Dollar DOLLARS,

to us in hand paid by City of Fort Worth of the County of Tarrant and State of Texas, the receipt of which is hereby acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said City of Fort Worth its successors & Assigns,

their and ours, all the right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

Beginning at the Southeast corner of Lot 25, Blk. 22, of the Interurban Addition to the City of Fort Worth, Tarrant County, Texas, said corner being in the North line of the Fort Worth Dallas Pike thence North 28 feet thence West 50 feet; thence South 31 feet to the Southwest corner of said Lot Thence East along the North line of the Dallas Pike 50.15 feet to the place of beginning .

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there- to in any manner belonging, unto the said City of Fort Worth, its successors & Assigns forever, so that neither the said J.E. Ashenfelder & wife, Minnie Ashenfelder nor their heirs, nor any person nor persons claiming under them shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS our hand at Fort Worth, Texas, this 28 day of April A. D. 19 27

Witnesses at the Request of Grantor:

P.J. Conway

J.E. Ashenfelder

Mrs. J.E. Ashenfelder

City Land Agt.

THE STATE OF TEXAS,

County of Tarrant BEFORE ME, P.J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared J.E. Ashenfelder well

known to me to be the person whose name 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 OFFICIAL SEAL OF OFFICE, on this 28 day of April A. D. 19 27

(L.S.)

P.J. Conway Notary Public in and for Tarrant County, Texas.

THE STATE OF TEXAS,

County of Tarrant BEFORE ME, P.J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared Mrs. J.E. Ashenfelder, wife of J.E. Ashenfelder

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 by me fully explained to her, she, the said she acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE, on this 28 day of April A. D. 19 27

(L.S.)

P.J. Conway A Notary Public in and for Tarrant County, Texas

Filed for Record the 22 day of June A. D. 19 27, at 3 o'clock 37 minutes P. M., and recorded the 2 day of July A. D. 19 27, at 10 o'clock 00 minutes A. M. By Deputy, Chester Hollis County Clerk.

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H.H. COBB

CITY OF FT. WORTH

THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT I, H.H. Cobb of the County of Tarrant and State of Texas, for and in consideration of the sum of ... DOLLARS, to me in hand paid by City of Fort Worth of the County of Tarrant and State of Texas, the receipt of which is hereby acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said City of Fort Worth for Street purposes its successors and assigns, all my right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

A strip of land off the south side of Lot 24, Blk. 22, Interurban Addition more fully described as follows: Beginning at the southeast corner of Lot 24, Blk. 22 Interurban Addition, said point being in the north line of the Dallas Pike; thence north along east line of said lot 25 feet to a point; thence west 50.05 feet to the west line of said lot; thence south 32 feet to the southwest corner of said lot; thence 50.05 feet to the place of beginning.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there-to in any manner belonging, unto the said City of Fort Worth its successors and assigns forever, so that neither he the said H.H. Cobb nor his heirs, nor any person nor persons claiming under him shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS my hand at Fort Worth Texas, this 9th day of May A. D. 19 27

Witnesses at the Request of Grantor:

H.H. Cobb

THE STATE OF TEXAS, County of Tarrant BEFORE ME, R.J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared H.H. Cobb well

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL on this 9 day of May A. D. 19 27

P.J. Conway

(L.S)

Notary Public in and for Tarrant County, Texas.

THE STATE OF TEXAS, County of Tarrant BEFORE ME, in and for County, Texas, on this day personally appeared, wife of

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 OFFICIAL SEAL OF OFFICE, on this day of A. D. 19

Filed for Record the 11 day of May A. D. 19 27, at 11 o'clock 00 minutes A. M., and recorded the 26 day of May A. D. 19 27, at 7 o'clock 50 minutes A. M. By [Signature] Deputy, Chester Hollis County Clerk.

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H. H. COBB

TO

CITY OF FORT WORTH

THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT I, H.H. Cobb of the County of Tarrant and State of Texas, for and in consideration of the sum of ... DOLLARS, to me in hand paid by City of Fort Worth, of the County of Tarrant and State of Texas, the receipt of which is hereby acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said City of Fort Worth, for street purposes its successors and assigns, all my right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

A. Strip of land off the south side of Lot 23, Blk. 22 Interurban Addition, more fully described as follows: Beginning at the southeast corner of Lot 23 Blk. 22, Interurban Addition said point being in the north line of the Dallas Pike, thence North along east line of said lot 23, feet to a point thence west 50.05 feet to the west line of said lot; thence south 25 feet to the southwest corner of said lot, thence east 50.05 feet to the place of beginning.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there-to in any manner belonging, unto the said City of Fort Worth its successors and assigns forever, so that neither he the said H.H. Cobb nor his heirs, nor any person nor persons claiming under him shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS -- hand at Fort Worth Texas, this 9th day of May A. D. 19 27 Witnesses at the Request of Grantor: H.H. Cobb

THE STATE OF TEXAS, County of Tarrant BEFORE ME, P.J. Conway a Notary Public in and for Tarrant County, Texas, on this day personally appeared H.H. Cobb well known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL (XXXXXX) on this 9 day of May A. D. 19 27 P.J. Conway Notary Public in and for Tarrant County, Texas.

(L.S.) THE STATE OF TEXAS, County of ... BEFORE ME, ... wife of ... 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 OFFICIAL SEAL OF OFFICE, on this day of A. D. 19

Filed for Record the 11 day of May A. D. 19 27, at 11 o'clock 09 minutes A. M., and recorded the 25 day of May A. D. 19 27, at 8 o'clock 10 minutes A. M. By [Signature] Deputy. Chester Hollis County Clerk.

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THE STATE OF TEXAS

County of Tarrant

KNOW ALL MEN BY THESE PRESENTS:

THAT I, H.H. Cobb

of the County of Tarrant and State of Texas, for and in consideration of the sum of ... DOLLARS,

to me in hand paid by City of Fort Worth

of the County of Tarrant and State of Texas, the receipt of which is hereby

acknowledged, do by these presents, BARGAIN, SELL, RELEASE AND FOREVER QUIT-CLAIM unto the said

City of Fort Worth, for Street purposes its successors

and assigns, all my right, title and interest in and to that certain tract or parcel of land lying in the County of Tarrant and State of Texas, described as follows, to-wit:

A strip of land off the south side of Lot 22 Blk. 22, Interurban Addition

more fully described as follows: Beginning at the southwest corner of lot 22, Blk. 22, Interurban Addition, said point being in the north line of the Dallas Pike ; thence north along east line of said lot 21 feet to a point ; thence west 50.05 feet to the west line of said lot; thence south 23 feet to the southwest corner of said lot; thence east 50.05 feet to the place of beginning.

TO HAVE AND TO HOLD the said premises, together with all and singular the rights, privileges and appurtenances there- to in any manner belonging, unto the said City of Fort Worth, its successors and assigns forever, so that neither he the said H.H. Cobb nor his heirs, nor any person nor persons claiming under him shall, at any time hereafter have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part thereof.

WITNESS my hand at Fort Worth, Texas, this 9th day of May A. D. 19 27

Witnesses at the Request of Grantor:

H. H. Cobb

THE STATE OF TEXAS,

County of Tarrant

BEFORE ME, P.J. Conway a Notary Public

in and for Tarrant County, Texas, on this day personally appeared H.H. Cobb

well known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND OFFICIAL SEAL XXXXXXXX, on this 9 day of May A. D. 19 27

(L.S.)

P.J. Conway Notary Public in and for Tarrant County, Texas

THE STATE OF TEXAS,

County of

BEFORE ME,

in and for County, Texas, on this day personally appeared, wife of

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 OFFICIAL SEAL OF OFFICE, on this day of A. D. 19

Filed for Record the 11 day of May A. D. 19 27, at 11 o'clock 09 minutes A. M., and recorded the 26 day of May A. D. 19 27, at 8 o'clock 00 minutes A. M. By Deputy. Chester Hollis County Clerk.

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THE STATE OF TEXAS  
 County of TARRANT } BEFORE ME, \_\_\_\_\_  
 A Notary Public \_\_\_\_\_ in and for Tarrant County, Texas,  
 on this day personally appeared Manson Steele  
 \_\_\_\_\_ to me known  
 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 7 day of October A. D. 1954



Herman L. Hall  
 A Notary Public in and for Tarrant County, Texas

THE STATE OF TEXAS  
 County of TARRANT } BEFORE ME, \_\_\_\_\_  
 A Notary Public \_\_\_\_\_ in and for Tarrant County, Texas,  
 on this day personally appeared Jessie Pauline Steele  
 wife of Manson Steele \_\_\_\_\_, known to me to be the person whose  
 name is subscribed to the foregoing instrument, and having been examined by me, privily and part from her husband, and  
 having the same fully explained to her, she, the said Jessie Pauline Steele  
 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 7 day of October A. D. 1954



Herman L. Hall  
 A Notary Public in and for Tarrant County, Texas

Filed for Record JAN 4 1955 at 12:19 P.M.  
 And Recorded JAN 21 1955 at 9:30 A.M.  
 Instrument No. 287  
 MELVIN "MEL" FAULK, County Clerk,  
 Tarrant County, Texas  
 By [Signature] Deputy

*pic taken 11:50  
 The Signer is  
 City of Fort Worth*

*Rec'd*  
 FILED  
 TARRANT COUNTY TEXAS  
 JAN 4 12 19 PM '55  
 MELVIN "MEL" FAULK  
 COUNTY CLERK

RETURN TO  
 CITY SECRETARY  
 CITY HALL  
 CITY

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State of Texas  
County of Tarrant

Know all men by these presents, that The Texas Company, a Delaware Corporation, for and in consideration of Ten (\$10.00) Dollars, and other good and valuable considerations, to it in hand paid by the City of Fort Worth, a municipal corporation, receipt of which is hereby acknowledged, has granted, sold and conveyed, and by these presents does grant, sell and convey, unto the said City of Fort Worth, a municipal corporation in the State of Texas, the following described property situated in the City of Fort Worth, Tarrant County, Texas:



Beginning at a point in the south boundary of that certain tract or parcel of land described in Vol. 1807 page 447 of Deed records of Tarrant County, Texas, as embracing the northwest corner portion of Lot. 19, Block 23, Interurban Third Addition to the City of Fort Worth, Texas, a portion of the street lying north of such portion, and a portion of the former right of way of the North Texas Traction Company lying north of such portion of such street, such point of beginning being 18 feet East of the present east curb line of Riverside Drive,

THENCE North 83 degrees 30 minutes West along the south boundary of the hereinabove described tract 10.11 feet more or less, to a 5/8" iron pin for southwest corner of such tract,

THENCE North 5 degrees 39 minutes West along the east boundary of a strip of land acquired by the City of Fort Worth in October A. D. 1936 by deed recorded in Vol. 1311 p. 425, for the widening of Maidstone St. now known as South Riverside Drive, and which line now forms the western boundary of Lot 19, Block 23, Interurban Addition, Third Filing, a distance of 69.6 feet to a cross marked upon the concrete sidewalk, said cross being at an angle point in said west boundary of hereinabove described tract and said cross being the most westerly corner of such tract,

THENCE North 3 degrees 41 minutes East along the west boundary of hereinabove described tract 78.5 feet to a cross marked in private concrete pavement for the northwest corner of such tract.

THENCE in a southerly direction making an acute angle to the left with course described next above of 8 degrees 19 minutes, more or less, a distance of 77.68 feet, more or less, to a point which is 11.35 feet East of hereinabove described most westerly corner of such tract, the aforesaid cross in the concrete sidewalk,

02700  
THENCE in a southerly direction in a line parallel to and everywhere 18 feet distant from the present east curb line of South Riverside Drive a distance of 72 feet more or less to the place of beginning, being a strip of land off the west side of hereinabove described tract approximately 10 feet wide at the south end, increasing to a width of 11.35 feet at its hereinbefore mentioned most westerly corner and from such corner decreasing to no width at the northwest corner thereof and containing 1180 square feet or 27/1000 of an acre of land.

To have and to hold the above-described premises, together with all and singular the rights and appurtenances thereto in any wise belonging, unto the said City of Fort Worth, a municipal corporation, its successors and assigns forever.

The said The Texas Company, a Delaware Corporation, hereby binds itself, its successors and assigns, to warrant and forever defend all and singular the said premises unto the said the City of Fort Worth, a municipal corporation, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same, or any part thereof.

Executed this 6th day of November, 1954.

THE TEXAS COMPANY

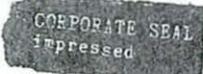
By [Signature]  
Vice-President

Approve as to form:

[Signature: W. N. Sands]

Approve as to terms:

[Signature]



STATE OF TEXAS  
COUNTY OF HARRIS

Before me, the undersigned authority, on this day personally appeared [Signature], Vice President of The Texas Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the free act and deed of the said The Texas Company, a corporation, and that he having been duly authorized by the board of directors of said corporation, executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

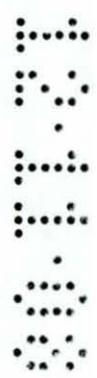
Given under my hand and seal of office at Houston, Texas this the 6th day of November, A. D., 1954.

My Commission Expires \_\_\_\_\_.

Mildred H. Rouse  
Notary Public in and for  
Harris County,  
Texas.



THE TEXAS COMPANY  
Notary Seal  
[Signature]  
[Signature]





10-10-10

J. C. GRIFFITH ET UX

TO:

CITY OF FORT WORTH

1311/425

THE STATE OF TEXAS

Know All Men by These Presents:

County of TARRANT

THAT We, J. C. Griffith and wife Cora Griffith, of the County of Tarrant, State of Texas, for and in consideration of the sum of Two Hundred and Fifty and No/100 (\$250.00) DOLLARS, to us in hand paid by The City of Fort Worth, a municipal corporation, cash, the receipt of which is hereby acknowledged and confessed; have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said City of Fort Worth of the County of Tarrant, State of Texas, all that certain strip or parcel of land off of the west end of Lot 19, Block 23, Interurban Addition Third Filing to the City of Fort Worth, Tarrant County, Texas, said strip being more particularly described as follows: Beginning at a point in the west line of said Lot 19 a distance of 142-6/10 feet north of its southwest corner; thence in a northerly direction a distance of 433-2/10 feet to a point in the west line of said Lot 19, said point being 38 feet south of the northwest corner of said lot; thence in a southwesterly direction along the west line of said Lot 19 a distance of 176 feet to a point; thence in a southeasterly direction continuing along the west line of said Lot 19 a distance of 260 feet to the place of beginning.

TO HAVE AND TO HOLD, the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto the said City of Ft. Worth, its successors, heirs and assigns, forever. And we do hereby bind ourselves, our heirs, executors and administrators, to WARRANT AND FOREVER DEFEND, all and singular, the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS our hand s, at Fort Worth, Texas this first day of October A. D. 1936. Witness es at request of Grantor:

J. C. GRIFFITH
CORA GRIFFITH

THE STATE OF TEXAS, County of TARRANT, in and for County, Texas, on this day personally appeared name subscribed to the foregoing instrument, and acknowledged to me that consideration therein expressed. Given under my hand and seal of office this day of A. D. 19

THE STATE OF TEXAS, County of TARRANT, in and for said County, Texas, on this day personally appeared J. C. Griffith, and Cora Griffith, his

wife of both, known to me to be the person s whose name s are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Cora Griffith wife of the said J.C.Griffith, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Cora Griffith acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not wish to retract it. Given under my hand and seal of office this 1st day of October A. D. 1936. H. H. FOX, Notary Public in and for Tarrant County, Texas. (L.S.)

Filed for record the 30 day of Oct. 1936, at 4:27 o'clock P. M., and recorded the 2 day of Nov. 1936, at 9:20 o'clock A.M. MRS. HAPPY SHELTON County Clerk. By Maxced Blue Deputy Clerk.

# 40472

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K. C. CANTRELL

TO

CITY OF FORT WORTH

THE STATE OF TEXAS

Know All Men by These Presents:

1355/251

County of TARRANT

THAT I, K. C. Cantrell of the County of Tarrant, State of Texas, for and in consideration of the sum of Fifty and no/100 (\$50.00) DOLLARS, to me in hand paid by The City of Fort Worth, a municipal corporation, cash the receipt of which is hereby acknowledged and confessed, have granted, sold and conveyed, and by these presents do grant, sell and convey, unto the said City of Fort Worth of the County of Tarrant, State of Texas, all that certain strip of land off of the east end of Lot 44, North Glenwood Addition to the City of Fort Worth, Tarrant County, Texas, and being more fully described as follows:

Beginning at a point the northeast corner of said Lot 44, thence south along the east line of said lot a distance of 50 feet to its southeast corner; thence west along the south line of said lot a distance of 9 5/10 feet to a point; thence in a northerly direction along the west line of Renner Avenue, extension a distance of 50 9/10 feet to the place of beginning.

TO HAVE AND TO HOLD, the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto the said City of Fort Worth, its successors ~~admins~~ and assigns, forever. And I do hereby bind myself, my heirs, executors and administrators

to WARRANT AND FOREVER DEFEND, all and singular, the said premises unto the said City of Fort Worth, its successors ~~admins~~ and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS my hand, at Fort Worth, Texas this 28th day of February A. D. 1938. Witness at request of Grantor: K. C. CANTRELL

THE STATE OF TEXAS, County of TARRANT, BEFORE ME, the undersigned, a Notary Public, in and for said County, Texas, on this day personally appeared K. C. Cantrell

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and seal of office this 28th day of February A. D. 1938. L.S. (LS) P. J. CONWAY NOTARY PUBLIC, TARRANT COUNTY, TEXAS.

THE STATE OF TEXAS, County of TARRANT, BEFORE ME, in and for County, Texas, on this day personally appeared

wife of, known to me to be the person whose name subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same by me fully explained to her, she, the said acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it. Given under my hand and seal of office this day of A. D. 19

Filed for record the 3 day of March, 1938, at 1:11 o'clock P. M., and recorded the 8 day of March, 1938, at 1:20 o'clock P. M. MRS. HAPPY SHELTON County Clerk. By Schmidt Deputy Clerk.

#70260

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W. E. HOWARD ET UX

TO:

CITY OF FORT WORTH

THE STATE OF TEXAS

Know All Men by These Presents:

County of TARRANT

THAT We, W. E. Howard and wife Stella Howard, of the County of Tarrant, State of Texas, for and in consideration of the sum of One Hundred and No/100 (\$100.00) DOLLARS, to us in hand paid by The City of Fort Worth, a municipal corporation; cash, the receipt of which is hereby acknowledged and confessed; have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said City of Fort Worth of the County of Tarrant, State of Texas, all that certain strip or parcel of land off of the east end of Lot 39, North Glenwood Addition to the City of Fort Worth, Tarrant County, Texas, and being more fully described as follows: Beginning at a point in the southeast corner of said Lot 39; thence west along the south line of said Lot 39 a distance of 22-1/10 feet to a point in the west line of Maidstone Street Extension; thence in a northerly direction along the west line of Maidstone Street Extension a distance of 50-9/10 feet to a point in the north line of said Lot 39; thence in an easterly direction along the north line of said lot a distance of 15-8/10 feet to its northeast corner; thence south along the east line of said Lot 39 a distance of 50 feet to the place of beginning.

TO HAVE AND TO HOLD, the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto the said City of Fort Worth, its successors heirs and assigns, forever. And we do hereby bind ourselves, our heirs, executors and administrators,

to WARRANT AND FOREVER DEFEND, all and singular, the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS our hands, at Fort Worth, Texas this 1st day of October A. D. 1936. Witness es at request of Grantor:

W. E. HOWARD
STELLA HOWARD.

THE STATE OF TEXAS,
County of

BEFORE ME,

in and for County, Texas,

on this day personally appeared

name subscribed to the foregoing instrument, and acknowledged to me that consideration therein expressed. to be the person whose executed the same for the purposes and

Given under my hand and seal of office this day of A. D. 19

THE STATE OF TEXAS,
County of TARRANT

BEFORE ME, the undersigned, a Notary Public,

in and for said County, Texas,

on this day personally appeared W. E. Howard and Stella Howard, his

wife both, known to me to be the persons whose names are subscribed to the foregoing instrument, and therein expressed, and the said Stella Howard wife of the said W. E. HOWARD, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said

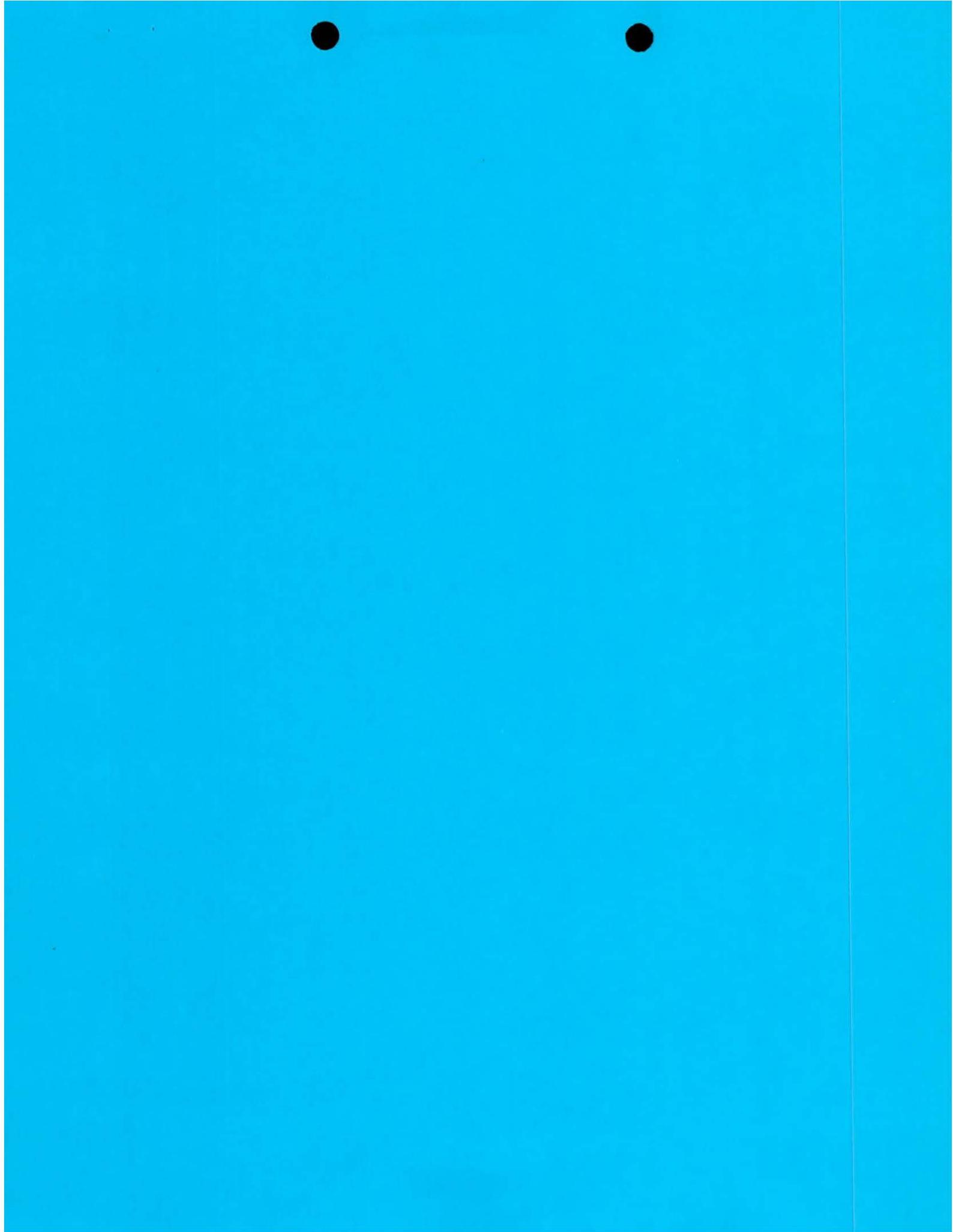
Stella Howard acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this 1st day of October A. D. 1936. H. J. ASTON, Notary Public in and for Tarrant County, Texas.

Filed for record the 30 day of Oct. 1936, at 4:27 o'clock P. M. and recorded the 2 day of Nov. 1936, at 10:10 o'clock A. M. MRS. HAPPY SHELTON County Clerk.

By James Blue Deputy Clerk.

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ATTEST: <sup>0</sup>Galby D. Hall  
Secretary of the Texas  
Christian Missionary Society.

STATE OF TEXAS }  
COUNTY OF SMITH }



BEFORE ME, the undersigned authority, a notary public, in and for Smith County Texas, on this day personally appeared George F. Cuthrell, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Texas Christian Missionary Society, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER my hand and seal of office, this the 18th day of September, A.D. 1936.

Fred R. Allen

(L.S.)

Notary Public, in and for Smith County, Texas.

FILED FOR RECORD OCT. 30, 1936 at 4:26 PM

RECORDED NOV. 2, 1936 at 11:00 AM

MRS. HAPPY SHELTON, COUNTY CLERK  
TARRANT COUNTY, TEXAS

BY *Francis Seels* DEPUTY

40474

SUSIE WOOD, ET AL }  
TO: W D }  
THE CITY OF FORT WORTH }  
THE STATE OF TEXAS }  
COUNTY OF TARRANT }  
KNOW ALL MEN BY THESE PRESENTS:

That we, Susie Wood a widow; Earl Wood and wife Ethel Wood; Lewis C. Calloway and wife Violet Calloway; Jack D. Barker and wife Hazel Barker; Troy F. Shaddix and wife Velma Shaddix, all of the County of Tarrant, State of Texas, for and in consideration of the sum of FIVE HUNDRED (\$500.00) DOLLARS to us in hand paid by the City of Fort Worth, a municipal corporation, receipt of which is hereby acknowledged and confessed, have Granted, Sold and Conveyed, and by the presents do Grant, Sell and Convey unto the said City of Fort Worth, a municipal corporation of the County of Tarrant, State of Texas, all that certain strip or parcel of land being all of Lot 37, and a part of Lot 36 and 38, North Glenwood Addition to the City of Fort Worth, Tarrant County, Texas, and being more fully described as follows:

Parcel 1.

Being a parcel of land off of the east side of Lot 36, North Glenwood Addition, beginning at a point the southeast corner of said Lot 36; thence west along the south line of said Lot 36 a distance of 49-3/10 feet to a point in the west line of Maidstone Street Extension; thence in a northerly direction along the west line of Maidstone Street Extension across Lot 36 a distance of 152-65/100 feet to a point in the north line of said Lot 36; thence in an easterly direction along the north line of said Lot 36 a distance of 24-5/10 feet to its northeast corner; thence south along the east line of said Lot 36 a distance of 150 feet to the place of beginning.

Parcel 2.

All that certain strip or parcel of land off of the east end of Lot 38, North Glenwood Addition:

Beginning at a point the southwest corner of said Lot 38; thence west along the south line of said Lot 38 a distance of 27-3/10 feet to a point in the west line of Maidstone Street Extension; thence in a northerly direction along the west line of Maidstone Street

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Extension; thence in a northerly direction along the west line of Maidstone Street Extension a distance of 50-9/10 feet to a point in the north line of said Lot 38; thence east along the north line of said Lot 38 a distance of 22-1/10 feet to its northeast corner; thence south along the east line of said Lot 38 a distance of 50 feet to the place of beginning.

Parcel 3.

All that certain Lot 37, North Glenwood Addition to the City of Fort Worth, Tarrant County, Texas.

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

WITNESS our hands at Fort Worth, Texas, this 24th day of October, A.D. 1936.

- Susie Wood
- Earl Wood
- Ethel Wood
- T. F. Shaddix
- Mrs. Violet Calaway
- Jack D. Barker
- Hazel Barker
- Mrs. Velma Shaddix
- L. C. Calloway

THE STATE OF TEXAS }  
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Susie Wood, a widow and Earl Wood, 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 24 day of October A.D. 1936.

H. J. Aston  
Notary Public in and for Tarrant County, Texas.

(L.S.)  
THE STATE OF TEXAS }  
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Lewis C. Calloway and Violet Calloway, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Violet Calloway, wife of the said Lewis C. Calloway, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Violet Calloway acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of October, A.D. 1936.

H. J. Aston  
Notary Public in and for Tarrant County, Texas.

(L.S.)  
THE STATE OF TEXAS }  
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of October, A.D. 1936.

H. J. Aston

Notary Public in and for Tarrant County, Texas.

(L.S.)

THE STATE OF TEXAS ↓  
COUNTY OF TARRANT ↓

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Troy F. Shaddix and Velma Shaddix, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Velma Shaddix, wife of the said Troy F. Shaddix, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Velma Shaddix acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of October, A.D. 1936.

H.J. Aston

Notary Public in and for Tarrant County, Texas

(L.S.)

FILED FOR RECORD OCT. 30, 1936 at 4:27 PM  
RECORDED NOV. 2, 1936 at 11:20 AM

MRS. HAPPY SHELTON, COUNTY CLERK  
TARRANT COUNTY, TEXAS

BY *Francis Sees* DEPUTY

40475

LUTHER K. STEPHENSON ET AL ↓  
TO: AFFIDAVIT                    0    STATE OF TEXAS                    ↓  
THE PUBLIC                        ↓    COUNTY OF TARRANT               0    AFFIDAVIT OF HEIRSHIP

Before me, the undersigned authority, a Notary Public, in and for Tarrant County, Texas, on this day personally appeared R. M. Stephenson, F. C. Hoeflein, and Luther K. Stephenson all who being first duly sworn under oath states the following:

That R. M. Stephenson, Luther K. Stephenson and F. C. Hoeflein, affiants herein reside in Tarrant County, Texas. That all affiants herein were well acquainted with V.R. Stephenson, deceased, for many years prior to his death. That R. M. Stephenson is a brother, Luther K. Stephenson, a son, and F. C. Hoeflein a son-in-law of V. R. Stephenson, deceased. That V. R. Stephenson during his lifetime married two times and only two times; that his first wife was Margaret (Henry) Stephenson who died March 13, 1913 that Margaret (Henry) Stephenson and V. R. Stephenson were married in the year of 1880; that to the marriage of V. R. Stephenson and Margaret (Henry ) Stephenson five (5) children and only five (5) were



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DOLA WALCOTT

TO:

CITY OF FORT WORTH

1311/426

THE STATE OF TEXAS

Know All Men by These Presents:

County of TARRANT

THAT I, Dola Walcott, a feme sole, of the County of Tarrant, State of Texas, for and in consideration of the sum of Five Hundred and Fifty and No/100 (\$550.00) DOLLARS, to me in hand paid by The City of Fort Worth, a municipal corporation;

Receipt of which is hereby acknowledged and confessed; have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said City of Fort Worth of the County of Tarrant, State of Texas, all that certain strip or parcel of land 30 feet wide off of the east side of Lot 10, Block 44, Glenwood Addition to the City of Fort Worth, Tarrant County, Texas. The Grantor herein conveys the above described property for right of way purposes and as a part of the consideration for this conveyance waived any claim for damages accruing or to accrue to them and the remainder of their property by virtue of any use to which said property may be dedicated or used.

TO HAVE AND TO HOLD, the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto the said City of Fort Worth, its successors and assigns, forever. And I do hereby bind myself, my heirs, executors and administrators,

to WARRANT AND FOREVER DEFEND, all and singular, the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS my hand, at Fort Worth, Texas this 26th day of October A. D. 1936. Witness es at request of Grantor:

DOLA WALCOTT.

THE STATE OF TEXAS,

County of TARRANT

BEFORE ME, the undersigned, a Notary Public,

in and for said County, Texas,

on this day personally appeared Dola Walcott,

name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 25 day of October A. D. 1936. H. J. ASTON, a Notary Public in and for Tarrant County, Texas.

(L.S.)

THE STATE OF TEXAS,

County of

BEFORE ME,

in and for County, Texas,

on this day personally appeared

wife of, known to me to be the person whose name subscribed to the foregoing instrument, and

having been examined by me privily and apart from her husband, and having the same by me fully explained to her, she, the said

declared that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this day of A. D. 19

Filed for record the 30 day of Oct. 1936, at 4:27 o'clock P. M., and recorded the 2 day of Nov. 1936, at 9:30 o'clock A.M.

MRS. HAPPY SHELTON County Clerk.

By Frances Blue Deputy Clerk.

# 40473

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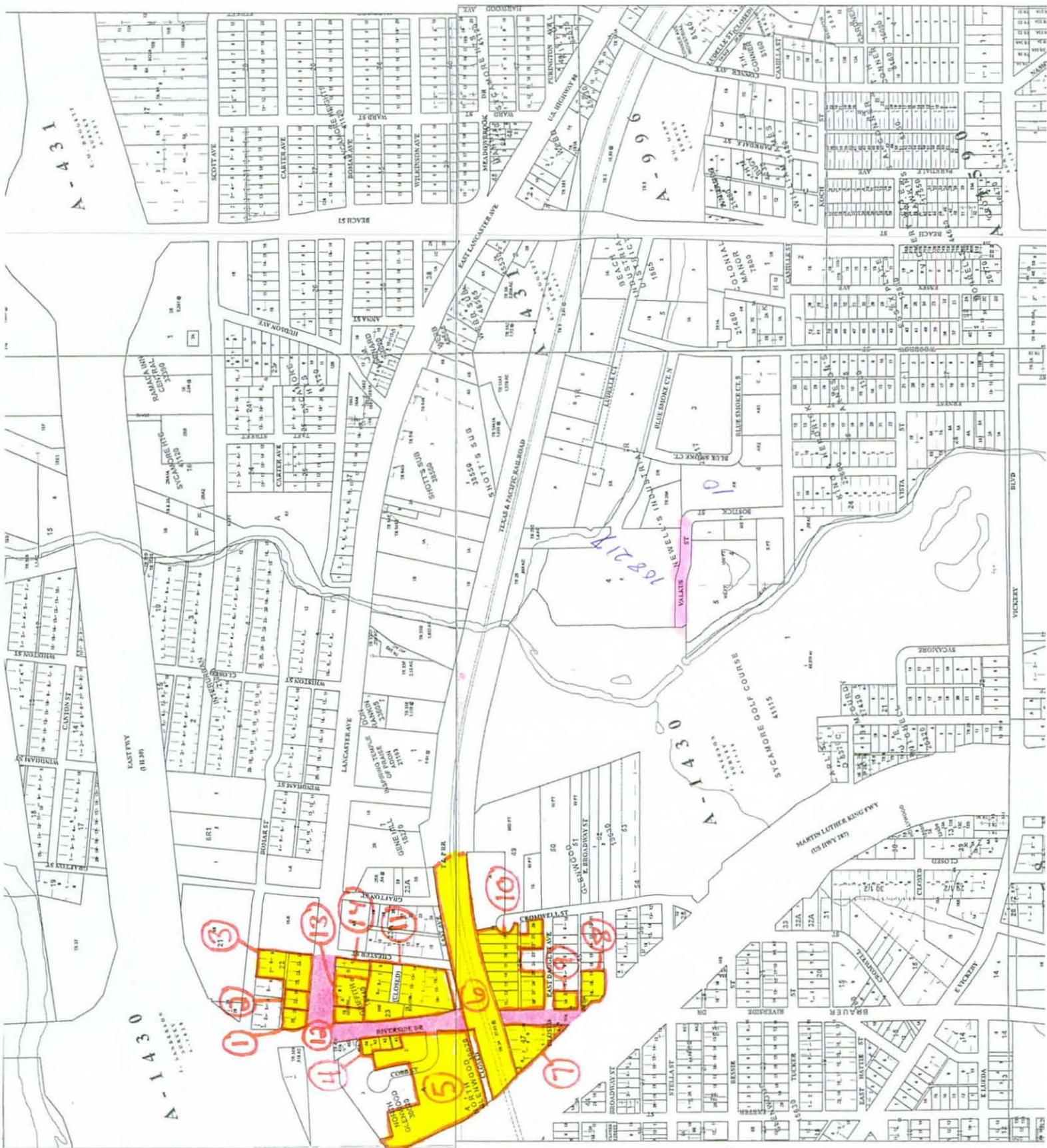
File No. MT 109933

Deed

Date Filed: 12/11/08

Jeffery Patterson, Commissioner

By [Signature]



 - Dale Leasehold

\* See Attached Plat Legend

 - Riverside Dr. + East Lancaster R-O-W

5.

File No. 14F709933  
[Signature]  
Date Filed: 12/1/08  
By: [Signature]  
Jerry Patterson, Commissioner

13.11.08

## Plat Legend

- (1) Oil and Gas Lease  
Lessor: Haknoor Incorporated  
Lessee: Dale Property Services LLC  
Recording Info: D208327314, Official Public Records of Tarrant County, Texas
- (2) Oil, Gas and Mineral Lease  
Lessor: 2KD Holding Co.  
Lessee: Dale Resources LLC  
Recording Info: D206343734, Official Public Records, Tarrant County, Texas
- (3) Oil, Gas and Mineral Lease  
Lessor: Praful G. Patel and Lalitabahen G. Patel  
Lessee: Dale Resources LLC  
Recording Info: D206281831, Official Public Records, Tarrant County, Texas
- (4) Oil and Gas Lease  
Lessor: KZS Investments, LLC  
Lessee: Dale Property Services LLC  
Recording Info: D208081260, Official Public Records of Tarrant County, Texas
- (5) Oil, Gas and Mineral Lease  
Lessor: DW Distribution Inc.  
Lessee: Dale Resources LLC  
Recording Info: D206206944, Official Public Records of Tarrant County, Texas
- (6) Oil and Gas Lease  
Lessor: Union Pacific Railroad Company  
Lessee: Dale Resources LLC  
Recording Info: D206311773, Official Public Records of Tarrant County, Texas
- (7) Oil and Gas Lease  
Lessor: JJE Properties Ltd.  
Lessee: Dale Property Services LLC  
Recording Info: D208446884, Official Public Records of Tarrant County, Texas
- (8) Oil, Gas and Mineral Lease  
Lessor: Richard J. Goumas  
Lessee: Dale Resources LLC  
Recording Info: D206342743, Official Public Records of Tarrant County, Texas
- (9) Oil, Gas and Mineral Lease  
Lessor: Webb Air Conditioning Inc.  
Lessee: Dale Resources LLC  
Recording Info: D206201818, Official Public Records, Tarrant County, Texas



(10) Oil, Gas and Mineral Lease

Lessor: Jerry D. Webb

Lessee: Dale Resources LLC

Recording Info: D206234007, Official Public Records, Tarrant County, Texas

(11) Oil and Gas Lease

Lessor: John C. Tucker, Linda Tucker Wukasch, Robert W. Shaw, William W. Shaw and Julie L. Shaw

Lessee: Dale Property Services LLC

Recording Info: D207070000, Official Public Records of Tarrant County, Texas

(12) Oil and Gas Lease

Lessor: Chau Van Hoang and Tu T. Huynh

Lessee: Dale Property Services LLC

Recording Info: D208355579, Official Public Records of Tarrant County, Texas

(13) Oil, Gas and Mineral Lease

Lessor: James Lee Investments Inc.

Lessee: Dale Resources LLC

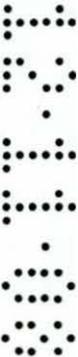
Recording Info: D205368099, Official Public Records of Tarrant County, Texas

(14) Oil, Gas and Mineral Lease

Lessor: R.T.G. Associates Inc.

Lessee: Dale Resources LLC

Recording Info: D206281859, Official Public Records of Tarrant County, Texas



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

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
STANDARD LEASE v.5

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 11 day of July, 2008, by and between Haknoor Incorporated, a Texas Corporation, whose address is 3920 Creakside Lane, Carrollton Texas, 75010, as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas, Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

.445 Acres of land, more or less, being all of Lot 28 and a portion of lot 29, Block 22, out of the Interurban Addition, third filing, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated December 30, 1999, Skinny's Inc., a Texas Corporation as Grantor to Aziz Zindani, as Grantee, recorded in Volume 14168, Page 71, of the Official Public Records of Tarrant County, Texas.

In the County of Tarrant, State of TEXAS, containing .445 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twentyfive (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be twentyfive (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 8 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days

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after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

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

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

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

LESSOR (WHETHER ONE OR MORE)

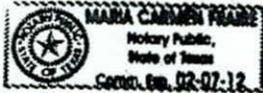
Hakim Ali Jinnah  
By: Hakim Ali Jinnah  
As: President of Haknoor Inc.

By \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 11 day of July, 2008, by: Hakim Ali Jinnah  
As: President of Haknoor Inc



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

[Signature]

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

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2008, by: \_\_\_\_\_

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



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 08/20/2008 01:38 PM  
Instrument #: D208327314  
LSE 3 PGS \$20.00

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



**D208327314**

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

Printed by: WD

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Notice of Confidentiality Rights: If you are a natural person, you may remove or strike out of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 21<sup>st</sup> day of AUGUST, 2006, between 2KD Holding Co., a Nevada Corporation, Lessor (whether one or more), whose address is 1813 East Lancaster Avenue, Fort Worth, Texas 76103, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), 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 Tarrant County, Texas, to-wit:

.298 acres of land, more or less, being Lots 26 and 27, Block 22, out of the Interurban Addition, Third Filing, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 106, Page 157, of the Plat Records of Tarrant County, Texas, SAVE AND EXCEPT that portion of Lot 26, Block 22, conveyed to the City of Fort Worth in that certain deed recorded in Volume 916, Page 550, of the Official Public Records of Tarrant County, Texas, and SAVE AND EXCEPT that portion of Lot 27, Block 22, conveyed to the City of Fort Worth in that certain deed recorded in Volume 916, Page 551, of the Official Public Records of Tarrant County, Texas.

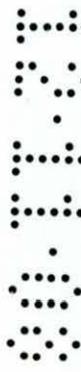
This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of 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 twenty-two and one half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) 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 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 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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 therefrom 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.

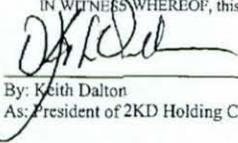
10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by 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.

11. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface easements shall run with the land and survive any termination of this lease.

12. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

See Exhibit "A" attached hereto by reference made a part hereof.

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

  
By: Keith Dalton  
As: President of 2KD Holding Co., a Nevada corporation

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2006,

by Keith Dalton as President of 2KD Holding Co., a Nevada corporation, on behalf of said corporation.



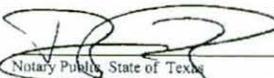
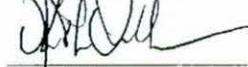
  
Notary Public, State of Texas  
Notary's name (Printed): \_\_\_\_\_  
Notary's commission expires: \_\_\_\_\_

EXHIBIT "A"

Attached to and by reference made a part of that certain Oil & Gas Lease dated the 28<sup>th</sup> day of NOV, 2006, between 2KD Holding Co., a Nevada Corporation, as Lessor and Dale Resources L.L.C., as Lessee.

13. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$357.00. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is five (5) years.

Signed for Identification



By: Keith Dalton  
As: President of 2KD Holding Co., a Nevada Corporation





SHAW INTERESTS INC  
PO BOX 9612

MIDLAND TX 79708

Submitter: SAHW INTERESTS INC

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

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

Filed For Registration: 11/01/2006 02:45 PM  
Instrument #: D206343734  
OPR 4 PGS \$24.00



**D206343734**

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

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 10<sup>th</sup> day of August, 2006, between Praful G. Patel, a married man and Lalitababen G. Patel, a married woman, Lessor (whether one or more), whose address is 1815 East Lancaster Avenue, Fort Worth, Texas 76103, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), 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 Tarrant County, Texas, to-wit:

1.09 acres of land, more or less, being Lots 7, 8, 9, 22, 23, 24 and 25, Block 22, out of the Interurban Addition, Third Filing, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by deed dated July 22, 2004, from Ramesh Patel, as Grantor, to Praful Gangaram Patel and Lalitababen Gangaram Patel, as Grantee, recorded in Instrument Number D204236379, of the Official Public Records of Tarrant County, Texas.

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 of five (5) 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 twenty-two and one half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) 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 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 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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

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completion of a dry hole or the cessation of production of a unit. In the event a well or wells producing oil or gas in paying quantities 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 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.

11. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface easements shall run with the land and survive any termination of this lease.

12. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

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

Praful G. Patel  
Praful G. Patel

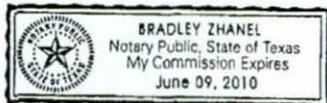
Lalitabehn G. Patel  
Lalitabehn G. Patel

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 10<sup>th</sup> day of August, 2006,  
by Praful G. Patel, a married man.

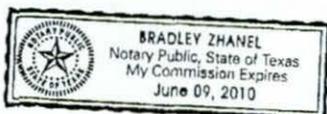


[Signature]  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 10<sup>th</sup> day of August, 2006,  
by Lalitabehn G. Patel, a married woman.



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



SHAW INTERESTS, INC  
OIL & GAS PROPERTIES  
310 W WALL #305  
MIDLAND TX 79701

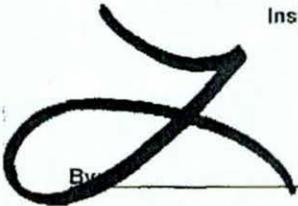
Submitter: SHAW INTERESTS INC

---

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

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

Filed For Registration: 09/08/2006 03:06 PM  
Instrument #: D206281831  
OPR 3 PGS \$20.00

  
By \_\_\_\_\_



**D206281831**

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

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

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
PRIMARY LEASE 3 Years

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 19 day of February, 2008, by and between

KZS Investments LLC, as Lessor (whether one or more), whose address is

1609 Cheek Sparger Rd, Colleville Texas, 76034, and DALE PROPERTY SERVICES L.L.C. 2100 Ross Ave Suite 1870 Dallas, Texas, 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

.400 Acres of land, more or less, being a portion of lots 41, 42, 43 and 44 of the North Glenwood Addition, an addition to the City of Fort Worth, Tarrant County Texas and being more particularly described by metes and bounds in that certain deed dated September 6<sup>th</sup> 2006 by and between Rose Saginaw individually and as Trustee of the Sol Saginaw Residuary Trust C. Grantor and Dimitri Hatzes a and Recorded in Document D2062821 of the Official Records of the Tarrant County Texas.

in the county of Tarrant, State of TEXAS, containing .400 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twentyfive (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be Twentyfive (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee, provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties

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hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to their interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

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

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

**DISCLAIMER OF REPRESENTATIONS:** Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

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

LESSOR (WHETHER ONE OR MORE)

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

*Jim J. Silva*  
Jim J. SILVA REES

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 24th day of Feb., 2008, by

Jim J. Silva as Manager of KZS-LLC  
A Texas limited liability Company

*Nancy J. Cartan*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_

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

**CORPORATE ACKNOWLEDGMENT**

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

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ of \_\_\_\_\_ a \_\_\_\_\_ corporation, on behalf of said corporation.

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



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 03/07/2008 08:35 AM  
Instrument #: D208081260  
LSE 3 PGS \$20.00

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



**D208081260**

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

Printed by: CN



3

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

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30 day of May 2006, between DW Distribution Inc., Lessor (whether one or more), whose address is P.O. Box 1660, Desoto, Texas 75123, and Dafe Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), 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 Tarrant County, Texas, to wit:

4.43 acres of land, more or less, being all of Lots 1 and 2, Block A, of the North Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 388-41, Page 48, of the Plat Records of Tarrant County, Texas.

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 of **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-fourth (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 **one-fourth (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 **one-fourth (1/4)** of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee **one-fourth (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 **one-fourth (1/4)** of the amount realized from the sale of gasoline or other products extracted therefrom and **one-fourth (1/4)** 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 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 **fifty dollars (\$50.00)** 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 at the Lessor's address given above 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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.

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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.

SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

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

DW Distribution Inc.

*Robert Harris, Senior Vice President*

By: Robert Harris, Senior Vice-President



ACKNOWLEDGMENTS

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 30th day of May, 2006

by Robert Harris as Senior Vice-President of DW Distribution Inc., a Texas corporation on behalf of said corporation.

*Linda Kay Smith*  
Notary Public, State of Texas  
Notary's name (printed): Linda Kay Smith  
Notary's commission expires: 7-28-2008



ATTACHED TO AND MADE PART OF THAT CERTAIN PAID UP OIL, GAS AND MINERAL LEASE DATED May 30, 2006, BETWEEN DW DISTRIBUTION INC., AS LESSOR, AND DALE RESOURCES, L.L.C., AS LESSEE.

11. In the event of a conflict between the terms of this addendum and the terms of the printed form of this Lease, the terms of this Addendum shall control.
12. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.
13. If any portion of the leased premises is pooled pursuant to provision 4 above, then the lease premises must be pooled in its entirety.
14. Notwithstanding anything contained herein to the contrary, Lessor does not make any warranty of title, express or implied.
15. This lease shall not be held solely by the payment of shut-in royalties for a period of five (5) cumulative years beyond the expiration of the primary term.

DW Distribution, Inc.

*Robert Harris, Senior Vice President*

By: Robert Harris, Senior Vice-President





SHAW INTERESTS INC  
P O BOX 9612

MIDLAND TX 79708

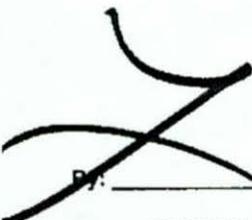
Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 07/10/2006 10:51 AM  
Instrument #: D206206944  
OPR 4 PGS \$24.00

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



**D206206944**

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



## OIL AND GAS LEASE

THIS LEASE made as of **August 21, 2006**, between Farmers National Company, Agent for **UNION PACIFIC RAILROAD COMPANY** (Lessor), a Delaware corporation, to be addressed at 1400 Douglas Street, Mail Stop 1690, Omaha, Nebraska 68179, and **Dale Resources, L.L.C.**, whose address is **6001 Bridge Street, Suite 102 Fort Worth, TX 76112** (Lessee).

### WITNESSETH:

(1) Lessor, in consideration of the royalties herein provided and of the agreement of Lessee herein contained, grants, leases and lets unto Lessee, for the purposes of investigating, exploring, prospecting, drilling and mining for and producing oil and gas (including, without limitation, nitrogen, carbon dioxide, hydrogen sulphide, helium, and other gaseous substances, and products associated therewith, except steam) and associated liquid hydrocarbons, and laying pipelines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, refine, process, store, transport, own, sell and dispose of said oil, gas and associated liquid hydrocarbons, one hundred percent (100%) of Lessor's right, title and interest in and to the oil and gas in and under the leased premises acres in **TARRANT County, TEXAS** (Premises) described as follows:

**SEE ATTACHED EXHIBIT "A"**

The above legal description was prepared by Lessee. Lessor does not warrant the accuracy of the legal description.

For shut-in royalty payment purposes, the Premises shall be conclusively deemed to contain **29.5558** acres.

(2) This is a paid-up lease and there shall be no requirement for Lessee to pay delay rentals.

(3) Subject to the other provisions herein contained, this Lease shall be for a primary term which expires at twelve o'clock (12:00) noon, Central Time, on **August 21, 2008** (Primary Term), and as long thereafter as oil, gas, or associated liquid hydrocarbons or any of them are produced from the Premises in paying quantities, or drilling or reworking operations are conducted thereon. Upon sixty (60) days written notice to Lessee, Lessor may terminate this Lease as to any portion of the surface of the Premises and above a plane one hundred feet (100') below the surface, if required by Lessor for transportation operations.

(4) Subject to the right of election reserved to Lessor below to take its share of production in kind, the royalties to be paid by Lessee are **Twenty-Seven and One-Half (27.5%)** of eight-eighths of (a) the greater of the market value at the well or the amount realized from the sale of oil and liquid petroleum products recovered at the well, and (b) the market value at the well of gas sold, used off the Premises or delivered to Lessee at the tailgate of the plant to which the gas is delivered, plus the market value of the products recovered when such gas is processed; provided that on gas sold at the well by Lessee in an arm's length transaction, the royalty shall be the same percentage of the amount realized from such sale. Royalty is to be paid on all payments received by Lessee under or as a result of a gas purchase contract, including, but not limited to, reservation charges and, subject to credit to Lessee when gas for which payment has been made earlier is eventually produced, take-or-pay or contract settlement proceeds and amounts paid for gas not taken. Lessee shall have reasonable use of oil and gas for operations on the Premises, and the royalty on oil and gas shall be computed after deducting any production so used.

The royalties payable under this Lease shall be free and clear of costs or deductions for exploration, drilling, development, and production, including, but not limited to, costs of marketing, dehydration, storage, compression, separation by mechanical means, and stabilization of the hydrocarbons. If Lessee treats and/or processes its gas in a natural gas plant (either on or off the Premises), whether in Lessee's plant or in the plant of a third party, Lessee shall treat and/or process or cause Lessor's gas to be treated and/or processed. In the event of any such treating and/or processing, Lessee shall be entitled to deduct from the value of the products recovered by the treating and/or processing of the gas, or if Lessor is taking its production in kind to charge Lessor for, the actual costs incurred by Lessee for such treating and/or processing, which costs shall include

gathering or transportation costs required to transport the gas to the plant. If Lessor elects, Lessee shall deliver to Lessor in kind its royalty share of oil and other liquid hydrocarbons saved at the well, into storage tanks on the Premises; products recovered in a processing plant, into storage tanks or onto storage sites at the plant; and gas, at the tailgate of the plant, if processed, or at the well if the gas is sold at the well. Lessor shall give Lessee not less than sixty (60) days' notice of such election, and shall take said royalty share in kind for a period of not less than six (6) months following the termination of said sixty (60) day period. Any deliveries of production are to be made from Lessee's facilities at times and amounts which equitably adjust deliveries between the parties. With respect to gas, Lessee shall give Lessor notice if it intends to enter into a gas contract on its share of the gas, and Lessor shall have a period of thirty (30) days from receipt of a copy of the gas sales agreement to notify Lessee in writing that Lessor elects to take in kind and separately dispose of its share of such gas.

If there is a gas well on the Premises or on land pooled therewith capable of producing in paying quantities, but from which gas is not being sold, and in the absence of oil or other production from the Premises or on land pooled therewith sufficient to maintain this Lease in full force and effect, this Lease shall be extended for a period of ninety (90) days from the date such well is or was shut-in, whereupon this Lease shall terminate unless Lessee shall pay to Lessor as royalty, a sum equal to **Twenty Dollars (\$20)** per gross acre of the Premises. Such payment shall be made on or before the ninetieth (90th) day from and after the date on which such well is or was shut-in, and annually thereafter a similar payment may be made on or before the anniversary date on which such well was shut-in. If such payment, or payments are timely made, it shall be considered that gas is being produced in paying quantities from the Premises under all the terms and provisions of this Lease (but only for so long as the well continues to be capable of producing in paying quantities); however, this Lease may not be maintained by shut-in payments for more than three (3) years during any five (5) year period.

Lessee shall be obligated to use diligence to market gas capable of being produced in paying quantities from a shut-in well, but shall be under no obligation to market same under terms, conditions or circumstances which are unreasonable.

Lessor shall at all times have, possess and hold a lien upon all production from the Premises which has not been sold to a bona fide purchaser, and upon all improvements placed upon and within the Premises by or on behalf of Lessee, as security for any unpaid balance of money due hereunder and as security for the performance by Lessee of Lessee's covenants under this Lease. This lien may be enforced against any such property in like manner as liens conferred by chattel mortgages, or as any other lien security may be enforced under the laws of the state in which the Premises are located. Nothing herein contained, however, is intended or shall be construed to prevent the sale, shipment and removal of any production from the Premises in the usual course of business, nor to prevent the removal of tools, machinery, equipment or other property at any time when Lessee is not in default. This lien shall not apply to production sold to third parties when payment to Lessor has or is being made pursuant to the provisions of this Lease.

(5) Lessee may at any time execute and place of record a release or releases covering any portion or portions of the above described Premises, furnishing a copy thereof to Lessor, and thereby surrender this Lease as to such portion or portions and be relieved as to the acreage surrendered of all obligations not arising from activities of Lessee prior to said release. Upon the expiration of any portion of this Lease, Lessee shall promptly record an appropriate, legally effective release or releases thereof and provide to Lessor a copy of the recorded instrument within thirty (30) days of expiration or termination.

(6) If Lessee is drilling a new well or reworking an old well at the expiration of the Primary Term, this Lease shall continue in force as long as such drilling or reworking operations are prosecuted with no cessation for more than ninety (90) days, and if such drilling or reworking operations result in production of oil or gas or associated liquid hydrocarbons in paying quantities, then for so long thereafter as such production in paying quantities continues. If production on this Lease ceases after the expiration of the Primary Term, this Lease shall continue in force if drilling or reworking operations are commenced within sixty (60) days after such cessation of production; and if production is restored or new production is discovered as a result of any such drilling or reworking operations conducted without cessation for more than ninety (90) days, this Lease shall continue so long thereafter as production in paying quantities, or additional drilling or reworking operations are had without cessation of such production, drilling or reworking operations for more than ninety (90) days.

(7) At the expiration of the Primary Term, this Lease shall terminate as to all land which is not located in a drill site spacing unit (as hereinafter defined) in which there is a well on the Premises or on land pooled therewith producing oil or gas in paying quantities, or a shut-in gas well. In any such producing drill site spacing unit or units, this Lease shall terminate as to those depths lying below the stratigraphic equivalent of the deepest producing horizon in each drill site spacing unit of land. For purposes hereof, drill site spacing unit is defined as the land included in the drilling and production unit established for the well or attributed to the well by the state or federal regulatory authority having jurisdiction. If no unit or spacing rule exists, then drill site spacing unit shall be defined as the forty (40) acre tract surrounding an oil well or the six hundred forty (640) acre tract surrounding a gas well. If Lessee is engaged in actual drilling or reworking operations on the Premises or land pooled therewith at the expiration of the Primary Term, this provision shall be suspended for so long as Lessee continues such drilling or reworking operations on the Premises or land pooled therewith with no cessation of more than ninety (90) consecutive days between the completion or abandonment of such drilling or reworking operations on one well, and the commencement of actual drilling or reworking operations on the next well; provided, further, that irrespective of any such continuous drilling or reworking operations, the termination of this Lease as to non-producing land and depths shall not be suspended for more than five (5) years from the expiration of the Primary Term hereof. If the Premises are included in a federal unit, then for the purposes of this provision the references to land pooled with the Premises shall include only that land which is included in an approved participating area.

(8) Anything in this Lease to the contrary notwithstanding, Lessee agrees that if it owns an interest in any pooled unit that includes land that is adjacent to any part of the Premise, Lessee shall pool the portion or portions of the Premises that are adjacent to such unit into the unit, effective on the effective date of this Lease, the effective date of the pooling designation, or the first date when Lessee owns an interest in the unit, whichever is later. If any such adjacent unit was formed prior to the effective date of this Lease or has been formed for any well for which a drilling permit was issued prior to the effective date of this Lease, then, unless Lessee disclosed the existence of such unit or such well to Lessor, Lessor's share of production from the unit will be based on a royalty share of eight eighths (8/8) commencing with the first production from said unit or well and not the royalty share specified in Section 4 above. Lessee, at its option, may pool or combine the Premises or any portion thereof, as to oil and gas, or either of them, with any other land, lease or leases, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate the Premises. Any pooling shall be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%), for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%), for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by state governmental authorities. Lessee may pool or combine acreage covered by this Lease, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the right of Lessee to pool this Lease or portions thereof into other units. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. In order to be effective, Lessee shall promptly furnish to Lessor a copy of the document pooling the acreage. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties and except that production from any well on the unit drilled prior to the date of this Lease shall not be considered production for purposes of Section 3 above, as if it were included in this Lease, and drilling and reworking operations thereon, and production of oil and gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered for all purposes, except the payment of royalties, and except that production from any well on the unit drilled prior to the date of this Lease shall not be considered production for purposes of Section 3 above, as if such operations were on, or such production were from, or such completion were on the Premises, whether or not the well or wells are located on the Premises. In lieu of the royalties elsewhere herein provided, Lessor shall receive from a unit so formed only such portion of the royalty stipulated herein as the amount of its mineral acres placed in the unit bears to the total acreage so pooled in the particular unit involved. Should any unit as originally created hereunder contain less than the maximum number of acres hereinabove specified, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified. In the event an existing unit is so enlarged, Lessee shall execute and place of record a supplemental declaration of pooling identifying and describing the land added to the existing unit; provided, that if such supplemental

declaration of pooling is not filed until after production is obtained on the unit as originally created, then the supplemental declaration of pooling shall not become effective until the first day of the calendar month next following the filing thereof and the furnishing to Lessor of a copy of such supplemental declaration. In the absence of production, Lessee may terminate the unitized area by filing with Lessor and of record a notice of termination.

(9) Within thirty (30) days after expiration or termination of this Lease, in whole or in part, Lessee shall remove all fixtures, structures, buried lines, facilities, machinery and other personal property placed by or on behalf of Lessee on the Premises or the terminated portion of the Premises, as applicable, and restore the Premises or terminated portion of the Premises, as applicable, to its original condition, including, without limitation, removal of roadways, leveling of embankments and reseeding of disturbed areas. If Lessee fails to do so, Lessor may, at its election to be exercised by Lessor at any time after the end of such thirty (30) day period, restore the Premises or terminated portion of the Premises, as applicable, at Lessee's cost, and take and have title to all or any of such personal property of Lessee, or remove all or any of the same from the Premises at Lessee's cost.

(10) The rights of Lessor may be assigned in whole or in part. This Lease may not be assigned by Lessee in whole or in part, without the prior written consent of Lessor, which consent shall not be unreasonably refused. Refusal shall be deemed reasonably denied, if, in Lessor's judgment, the number of assignees is excessive, an assignee's technical competence or financial ability may be inadequate, or Lessee refuses to accept responsibility for the performance of any of its successors in interest. Any attempted assignment by Lessee of the rights arising under this Lease without such consent shall be void and of no effect. The assignment of this Lease, in whole or in part, shall not be valid as to Lessor until Lessor shall have been furnished a true and correct certified copy of such assignment. Unless provided otherwise in Lessor's approval of an assignment to be made by Lessee, Lessee shall continue to be responsible to Lessor for all of Lessee's obligations under the Lease, including obligations accruing after the assignment.

If Lessor transfers or assigns all or any part of its oil and gas ownership in the Premises, the provisions of this Lease relating to surface use, indemnification (hold harmless agreements) and insurance, shall nevertheless continue to run in favor of the original Lessor and the term Lessor, for such purposes, shall include the original Lessor, its successors and assigns (whether by merger, consolidation, or otherwise), so long as any thereof shall own, use or occupy the surface of any portion of the Premises.

(11) Lessee shall pay all wages, expenses and other obligations incurred by it in the conduct of its operations on the Premises. Lessee shall keep the title to all oil and gas, and all other minerals, and the Premises free and clear from any and all liens and other encumbrances arising in any manner from Lessee's operations. Lessee agrees not to suffer or permit any lien of any nature to be placed upon the Premises, or any part thereof, and in case of any such lien attaching, to immediately pay off and remove the same, failing in which Lessor may do so at the expense of Lessee. It is agreed by the parties hereto that Lessee has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Lessee, operation of law or otherwise, to attach to or be placed upon Lessor's title or interest in the Premises, and any and all liens and encumbrances created or suffered by, through or under Lessee, shall attach to Lessee's interest only.

(12) Lessee shall not acquire or attempt to acquire, directly or indirectly, from any person other than Lessor, any rights or interests in the oil and gas estate in the Premises or take any action inconsistent with or adverse to the ownership and quiet enjoyment by Lessor of its oil and gas estate in the Premises.

(13) The rights granted by Lessor under this Lease are granted **WITHOUT WARRANTY, EXPRESS OR IMPLIED**, and without covenants of title, including, without limitation, covenants to give possession or for quiet enjoyment. Without limitation of the foregoing, Lessee acknowledges that persons other than Lessor (such as, but not limited to, surface owners or lessees or licensees of Lessor) may have or be granted by Lessor rights to occupy, use or possess the surface of the Premises, that this Lease is subject to such rights of such persons, and that Lessee shall obtain the necessary permission from such persons prior to making any entry on the Premises. Lessor reserves the right to hereafter lease or license to third parties all or any portion of

the surface of the Premises. The rights of such lessees and licensees shall be superior to the rights of Lessee hereunder to use the surface of the Premises except for those portions of the Premises where, prior to the date of such lease or license, Lessee has placed access roads or fenced facilities used in the connection with exploration, drilling, development, production or storage of hydrocarbons.

(14) Lessee shall not make any entry upon or under any railroad right of way or station grounds or other property used for railroad operating purposes, and shall not drill any well or maintain any structures or facilities within two hundred feet (200') (by surface or subsurface measurement) of: (a) any railroad tracks or buildings now or hereafter on such right-of-way, or station grounds, or other property used for railroad operating purposes, or (b) any buildings now or hereafter upon the Premises.

Lessee shall ensure the Premises are properly protected. Any above-ground facilities shall be properly fenced with a two-lock gate access. One lock shall be provided for Lessor. The fence shall be kept clear of weeds, debris and shall be maintained in an acceptable condition. The fence shall be secure and not sag nor have openings other than those at the gate. Any access roads required on the Premises shall be maintained by Lessee. Lessor shall have the right to use any such roads for railroad maintenance purposes. No Lessee access roads may be within twenty-five feet (25') of the centerline of railroad tracks. Roads will be maintained in an acceptable manner and shall be dust free and shall be graveled in order to maintain a well kept surface. Access will be protected by a locked gate. The lock shall be a two-lock system with one lock provided for Lessor. If Lessee fails to properly maintain such roads, Lessor may do so at the expenses of Lessee.

Lessee will not be allowed any closer than fifty feet (50') of the centerline of railroad tracks with men or equipment.

Lessee shall not construct any structure, or stack or store equipment or materials that could impair the sight clearances at any private or public road crossing of railroad tracks. The minimum required sight clearance is a clear view of the tracks in both directions for a distance of 1500 feet when a vehicle first enters the line of the railroad right-of-way.

Lessee shall not construct any structure within twenty feet (20') of railroad signal power or communication lines, or the distance specified in the National Electrical Safety Code, whichever is greater. Any power supply to Lessee shall be in compliance with Lessor's standards for power line encroachments.

Lessor has granted the use of certain of its property for the installation of fiber optics lines. Lessee shall call 1-800-336-9193 prior to any excavation to ensure fiber optics are properly marked and protected. Any interruption of the fiber optics service or damage to the fiber optic line shall be the responsibility of Lessee.

(15) Lessee agrees to and shall assume all obligations and responsibility with respect to being in, establishing, achieving, documenting, or reporting full compliance with any and all applicable laws, orders, rules, regulations, and standards with respect to pollution, the continued operation and eventual plugging, replugging, and abandonment obligations of any unplugged or improperly plugged wells on the Premises or any land pooled therewith. Lessee shall at all times conduct its operations hereunder in full compliance with all federal, state or municipal laws, orders, rules, regulations or ordinances now or hereafter in effect, including, without limitation, laws, rules, regulations or ordinances regarding mining operations, drilling operations, environmental control and air and water pollution. Lessee and its contractors shall use environmentally sound materials and practices in their operations on the Premises to minimize or eliminate wastes, hazards and impacts on the environment. These practices shall include, without limitation, the following:

- a. Lessee shall assess the materials available for a given purpose and shall select the least toxic option available.
- b. Lessee shall perform a Phase II Environmental Assessment upon expiration or termination of the Lease and provide Lessor with a copy of the report on such Assessment. Lessee shall be responsible for correction of environmental contamination or violations.

- c. Lessee shall notify Lessor of any reportable releases, citations, or violations.
- d. Lessee shall remove any unused product from the Premises. No waste materials may be put in any reserve pit.
- e. All trash shall be removed from the Premises and all pits on the drilling location shall be properly closed immediately following the drilling of any well.
- f. Lessee shall provide dikes, ditches, or other methods of containment for all fuel and oil containers. Any leakage or spillage shall be properly reported by Lessee to the appropriate authorities as required by statute, rule, or regulation, and to Lessor. Lessee shall have a Spill Prevention Control and Containment Measure Plan in effect as required by the Code of Federal Regulations (CFR) Title 40, Part 112.
- g. Lessee shall handle and dispose of all solid waste, including, without limitation, hazardous waste, as defined in CFR Title 40, Parts 261.2 and 261.3, resulting from the performance of its operations on the Premises according to all applicable federal, state and local statutes, regulations, ordinances and requirements. Lessee shall own all waste generated in connection with Lessee's operations on the Premises. Upon request, Lessee shall furnish proof to Lessor of proper handling and disposal of waste generated by Lessee.

**LESSEE SHALL BE RESPONSIBLE FOR INJURY TO OR LOSS OR DESTRUCTION OF PROPERTY, AND FOR INJURY TO OR DEATH OR ILLNESS OF ANY PERSON, ARISING OUT OF OR IN CONNECTION WITH OPERATIONS HEREUNDER. LESSEE SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS LESSOR, ITS AFFILIATES, AND ITS AND THEIR OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, AND COST AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND COURT COSTS) INCIDENT THERETO, FOR INJURY TO, OR DEATH OF, ANY PERSON WHOMSOEVER (INCLUDING, WITHOUT LIMITATION, THE EMPLOYEES OF LESSEE OR LESSOR), AND DAMAGE TO OR LOSS OR DESTRUCTION OF PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PERSON OR PROPERTY OF LESSOR, ITS AFFILIATES, AND THEIR OFFICERS, AGENTS AND EMPLOYEES, OWNERS OR OCCUPANTS OF THE SURFACE OF THE PREMISES AND THIRD PARTIES, OR FOR DAMAGE TO THE ENVIRONMENT, IN ANY MANNER RESULTING FROM LESSEE'S USE, OCCUPANCY OR OPERATIONS HEREUNDER, OR THE FAILURE OF LESSEE TO STRICTLY COMPLY AT ALL TIMES WITH THE TERMS OF THIS LEASE. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE (SOLE OR PARTIAL) OR STRICT LIABILITY OF LESSOR, ITS AFFILIATES, OR ITS OR THEIR OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS.**

The obligations of Lessee under this Section 15 shall not end at the termination of this Lease but shall continue for such time as may be required to enable Lessee to fulfill such obligations as shall have accrued prior to termination, including, without limitation, obligations relative to the condition of the Premises upon cessation of oil and gas operations.

(16) Without limiting the generality of Section 15, Lessee shall pay either the tenant or the surface owner (whichever is appropriate) for any and all damages to land, structures, roads, fences, gates, cattle guards, trees, growing crops, irrigation facilities, equipment, livestock, personal property, and improvements caused by construction, operations, or maintenance of facilities, and shall bury all pipelines below plow depth where they cross cultivated land.

Irrespective of whether Lessor has consented to an assignment, farmout or other arrangement whereby Lessee consents to drilling or other operations on the Premises by a third party, Lessee shall be responsible for any and all claims, demands, actions and causes of action or liens arising out of such operations, whether arising in law, at equity or administratively.

(17) In the event of Lessee's breach of this Lease, Lessor shall notify Lessee by certified mail of such breach, and Lessee shall have thirty (30) days from the receipt thereof to comply with this Lease. If Lessee fails to remedy a breach within such period, Lessor may, at its option, terminate this Lease and be relieved from any obligation hereunder. Irrespective of whether Lessor elects to terminate this Lease or exercise any other right or remedy under this Lease or at law, Lessor shall be entitled to other available remedies, including specific performance to require Lessee to (a) abandon any well and/or restore the surface of the Premises to its condition existing prior to entry thereon by Lessee, (b) furnish any reports required hereunder or information required hereunder from operations on the Premises or land pooled therewith, and/or (c) make any payment due hereunder.

Except as otherwise expressly provided in this Lease, any notices or other communications required or permitted hereunder shall be in writing and shall be deemed given only when received by the party to whom the same is directed at the address shown on the top of page 1 of this Lease or to such other address as is provided to the other party with proper notice.

(18) Lessee shall promptly furnish Lessor with not less than one copy of all applications and reports pertaining to the Premises, of each daily drilling report, and of each well log, core analysis or other data taken from wells located on the Premises. Lessee agrees, at Lessor's request, to furnish Lessor true and correct information pertaining to each well, the production therefrom (including true and complete copies of all contracts or agreements, and all amendments and modifications thereof for sale, processing or other disposition of any product produced from the Premises) and such technical information as Lessee may acquire with respect to sands and formations encountered. Lessor and/or its representatives shall have the right to be present when wells are tested and/or tanks are gauged and shall have the right to examine all run tickets and to have full information as to production and runs, including copies of all run tickets upon request.

(19) If Lessee conducts any geophysical activities upon the Premises, Lessee shall promptly furnish Lessor for the entirety of each survey, shot point plots and elevations, observer's notices, surveyor's notes, copies of all field tapes, reproducible copy and one print of each final stacked section for each line and copies of any other processed or unprocessed data made available to Lessee.

(20) Lessee shall carry the following insurance:

1. Comprehensive General Liability Insurance, including contractual liability, with a combined single limit per occurrence of not less than \$2,000,000.00 for bodily injury and property damage.
2. Comprehensive Automobile Insurance, including hired and non-owned vehicles, with a combined single limit per occurrence of not less than \$2,000,000.00 for bodily injury and property damage.
3. Liability Umbrella (excess of underlying insurance coverage mentioned above) with a combined limit per occurrence coverage of not less than \$10,000,000.00
4. Well Control Insurance including underground blowout, seepage and pollution, with a minimum limit of \$10,000,000.00

Lessee shall require each independent contractor and subcontractor to carry and maintain insurance at its own expense in amounts deemed necessary to cover the risks inherent to the work or services to be performed by the contractor or subcontractor. Every such insurance policy shall contain a waiver on the part of the insurance carrier of all rights, by subrogation or otherwise, against Lessor. Lessor shall also be named as additional insured in each such policy.

(21) None of the provisions of this Lease may be altered, amended, or ratified by any division order, transfer order or any other instrument, unless such instrument expressly states its purpose as an alteration, amendment or ratification of this Lease and specifically identifies the particular Lease provisions affected. Any division and transfer orders executed by Lessor shall be solely for the purpose of confirming the extent of Lessor's interest in production from the Premises.

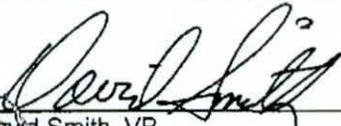
(22) Lessee represents that the Premises are not currently producing oil, gas, casinghead gas or other gaseous substances; and that no portion of said Premises is currently held by an active oil and gas lease or is in a producing unit. Also, Lessee represents that production revenue from the Premises is not being held in suspense for the benefit of the Lessor or its predecessors in title.

(23) Lessee affirms to Lessor that Lessee or his agents have reviewed title to the Premises and that Lessor appears to be the record owner of the oil and gas rights under the Premises. Lessee agrees to indemnify, defend and hold harmless Lessor from and against all claims against Lessor related to the Lessor's title or lack thereof.

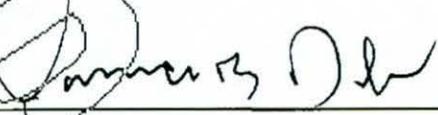
(24) Notwithstanding anything herein to the contrary, if Lessee has agreed to pay or later does agree to pay a higher royalty or bonus or delay rental to another landowner within one mile of the Premises, then Lessee shall pay Lessor based on the higher royalty, bonus and/or delay rental, retroactive to the effective date of this Lease.

IN WITNESS WHEREOF, this Lease is executed on the date of the respective acknowledgments hereinbelow, but shall be effective from the date first hereinabove written.

UNION PACIFIC RAILROAD COMPANY (Lessor)

By:   
David Smith, VP  
Farmers National Company, Agent

Dale Resources, L.L.C. (Lessee)

By:   
Its: PRESIDENT



ACKNOWLEDGMENT

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF TULSA )

On this 27th day of August, 2006 before me, J. Mark Chaplin Notary Public in and for said County and State, personally appeared David Smith, VP, Farmers National Company, Agent of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument in person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Expires 3-6-09  
(SEAL) Com # 01003868

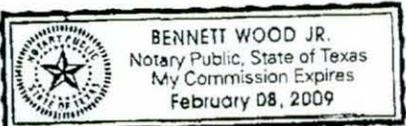
J. Mark Chaplin  
Notary Public

ACKNOWLEDGMENT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF TARRANT )

On this 29th day of August, 2006, before me, Bennett Wood Notary Public in and for said County and State, personally appeared Lawrence B. Dale PRESIDENT OF DALE RESOURCES, LLC of XX, XX, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument in person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)  BENNETT WOOD JR.  
Notary Public, State of Texas  
My Commission Expires  
February 08, 2009

Bennett Wood  
Notary Public

## Exhibit "A"

To that certain oil and gas lease dated **August 21th, 2006** in Tarrant County, **STATE** between Farmers National Company as Agent for **UNION PACIFIC RAILROAD COMPANY** (Lessor), and **Dale Resources, L.L.C.**, (Lessee).

The subject acreage is a tract of land of variable widths on each side of a centerline approximately nine thousand four hundred and fifty (9,450) feet in length, being more particularly described as follows: Beginning at the point of commencement as depicted in that certain deed dated February 9<sup>th</sup>, 1876 between J.F. Sanderson and M.A. Sanderson, as Grantor, to Texas & Pacific Railroad Company, as Grantee, recorded in Volume B, Page 64 of the Deed Records in Tarrant County, Texas, which is located in the Eastern boundary line of the J. Sanderson Survey, Abstract No. 1430; Thence, in an Easterly direction across the said J. Sanderson Survey, Abstract No. 1430 to the East boundary line of the E.M. Daggett Survey, Abstract No. 431; thence in a Southeasterly direction to the North boundary line of the William Mann Survey, Abstract No. 996, and continuing in a Southeasterly direction to the East boundary line of the Juan Armendaris Survey, Abstract No. 1773, and proceeding to the termination point located in the East boundary line of the Juan Armendaris Survey, Abstract No. 1773, containing **23.1388** acres of land, more or less.

**5.377** acres of land, more or less, being Lots 2 and 9, Block 1, of the Webb Subdivision, an Addition to the City of Fort Worth, and a tract of land out of the E.M. Daggett Survey, Abstract No. 431, and the James Sanderson Survey, Abstract No. 1430, being more particularly described by metes and bounds in that certain deed dated November 6<sup>th</sup>, 1993 by and between Missouri Pacific Railroad Company, a Delaware corporation, as Grantor, to Barney J. Robinson, a married individual, as Grantee, recorded in Volume 11379, Page 2235 of the Deed Records of Tarrant County, Texas.

**1.04** acres of land, more or less, out of the James Sanderson Survey, Abstract No. 1430, being more particularly described by metes and bounds in that certain deed dated December 21<sup>st</sup>, 1993 by and between Missouri Pacific Railroad Company, a Delaware corporation, as Grantor, and UDT, Inc., a Texas corporation, as Grantee, recorded in Volume 11397, Page 1, of the Deed Records of Tarrant County, Texas.

Said lands are hereby deemed to contain **29.5558** acres of land, more or less.

End of Exhibit "A"



SHAW INTERESTS INC  
POB 9612

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

---

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

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

Filed For Registration: 10/04/2006 04:17 PM  
Instrument #: D206311773  
A 11 PGS \$52.50

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



D206311773

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



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

Production 88 (1-89) - Paid Up  
With 640 Acres Pooling Provision  
STANDARD LEASE v.5

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 17th day of October, 2008, by and between J J E Properties, LTD., a Texas limited partnership, whose address is P.O. Box 1827, Fort Worth, Texas 76101, as Lessor, and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas, Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

**.972 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LOTS 9 AND 10, BLOCK 44; AND A PORTION OF LOTS 5, 6, 7, 8, 9, AND 10, BLOCK 47, AND A PORTION OF EAST DAGGETT STREET, OUT OF THE GLENWOOD ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY THE METES AND BOUNDS IN THAT CERTAIN DEED DATED JANUARY 3, 2007, BY AND BETWEEN J J E PROPERTIES, LTD., AS GRANTOR, AND TARRANT APPLIANCE BUILDERS SUPPLY, INC., A TEXAS CORPORATION, AS GRANTEE, AND RECORDED IN INSTRUMENT NUMBER D207036657 OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS.**

in the County of TARRANT, State of TEXAS, containing .972 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional (supplemental) instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty-Five (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty-Five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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

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

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessee's wells or ponds, in exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach of default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend the covenants to Lessor hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

**DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.**

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

LESSOR (WHETHER ONE OR MORE)

  
By: James M. Eagle as President of Property Company of Fort Worth, Inc., General Partner of J J E Properties, L.T.D., a Texas limited partnership.

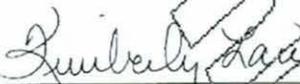
By: \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF TARRANT

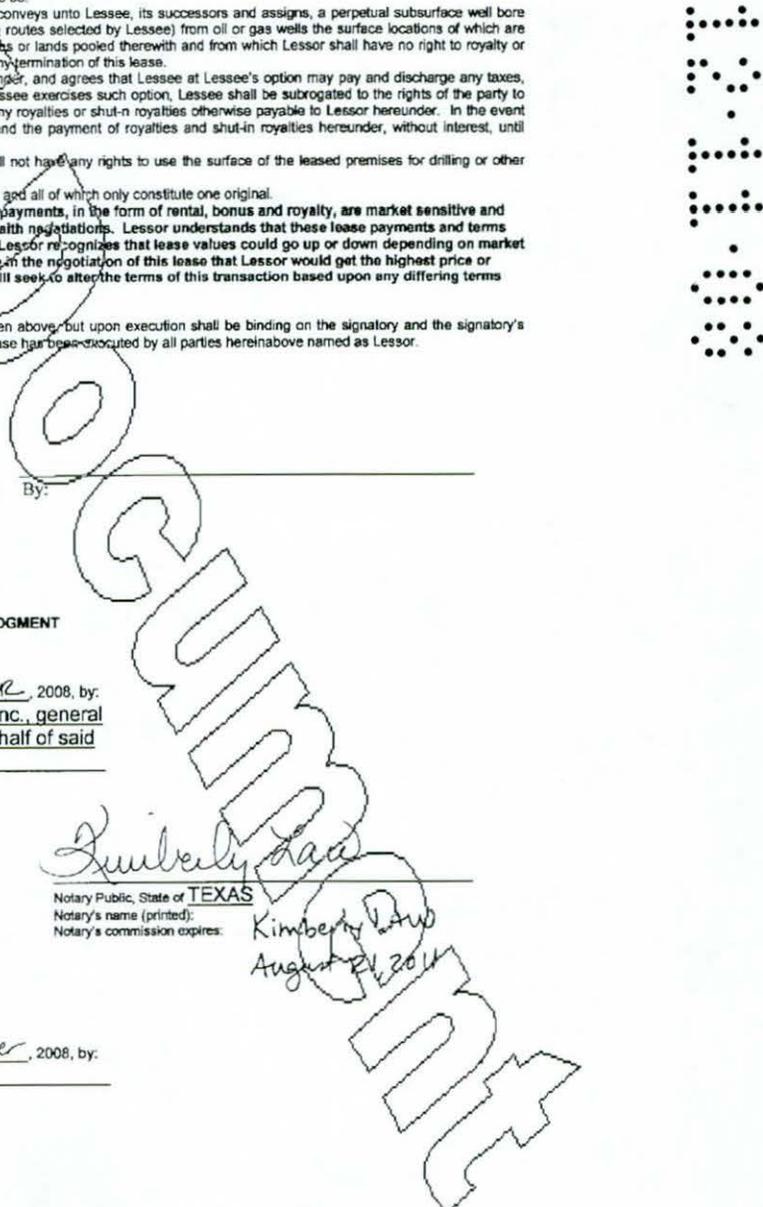
This instrument was acknowledged before me on the 17<sup>th</sup> day of October, 2008, by: James M. Eagle, as President of Property Company of Fort Worth, Inc., general partner of J J E Properties, LTD., a Texas limited partnership, on behalf of said partnership.



  
Notary Public, State of TEXAS  
Notary's name (printed): Kimberly D. Law  
Notary's commission expires: August 21, 2011

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 17<sup>th</sup> day of October, 2008, by: \_\_\_\_\_





DALE RESOURCES  
3000 ALTA MESA BLVD STE 300

FT WORTH TX 76133

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 12/05/2008 02:36 PM  
Instrument #: D208446884  
LSE 3 PGS \$26.00

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



**D208446884**

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

Printed by: MV



**Notice of Confidential Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.**

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22<sup>nd</sup> day of May, 2006, between Richard J Goumas, herein dealing in his sole and separate property, Lessor (whether one or more), whose address is 1815 East Broadway Street, Fort Worth, Texas 76104, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of ~~Ten and No/100~~ Dollars (\$10.00), 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 air, 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 Tarrant County, Texas, to-wit:

.430 acres of land, more or less, being Lot 1, Lot 18 Lot 19, and Lot 20, Block 45, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 63, Page 76, of the Plat Records of Tarrant County, Texas.

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 of five (5) 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-fifth (1/5) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fifth (1/5) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-fifth (1/5) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee one-fifth (1/5) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products one-fifth (1/5) of the amount realized from the sale of gasoline or other products extracted therefrom and one-fifth (1/5) 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 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

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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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

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mineral is produced from said land from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument 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 for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting 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.

See Exhibit "A" attached hereto and by reference made part hereof.

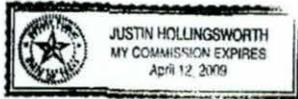
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

*Richard J. Goumas*  
Richard J. Goumas

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the 22nd day of May, 2006 by Richard J. Goumas, herein dealing in his sole and separate property.



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

STATE OF

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_

By \_\_\_\_\_

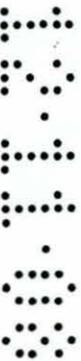
\_\_\_\_\_  
Notary Public, State of  
Notary's name (printed):  
Notary's commission expires:

UNRECORDED

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 22<sup>nd</sup> of May, 2006, by and between Richard J Goumas, herein dealing in his sole and separate property, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

1. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.





DALE RESOURCES  
2400 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

**DO NOT DESTROY**

**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 11/01/2008 12:56 PM  
Instrument #: D306342743  
OPR 4 R08 824.00



**D306342743**

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

**Notice of Confidential Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.**

Producer 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7<sup>th</sup> day of June, 2006, between Webb Air Conditioning, Inc., Lessor (whether one or more), whose address is 145 South Riverside Drive, Fort Worth, Texas 76104, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LP-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100—Dollars (\$10.00), 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, or used 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 Tarrant County, Texas, to-wit:

.286 acres of land, more or less, being Lots 1 and 2, Block 45, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 63, Page 77, of the Plat Records of Tarrant County, Texas.

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 of three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other minerals 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 twenty-two and one half percent (22.5%) part of 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 twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) 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 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 hereafter, 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 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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

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dissolved by Lessee by instrument 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 one 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 Lessor, 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 Lessor with a copy of 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 70% 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.

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

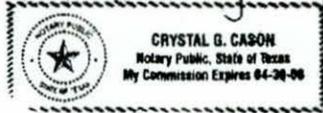
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

*Jerry D. Webb*  
Webb Air Conditioning, Inc.  
By: Jerry D. Webb  
As: President

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the  
7<sup>th</sup> day of June, 2006  
by Jerry D. Webb as President  
of Webb Air Conditioning, Inc.



*Crystal G. Cason*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

This instrument was acknowledged before me on the  
By

day of \_\_\_\_\_, 2006  
Notary Public, State of  
Notary's name (printed):  
Notary's commission expires:

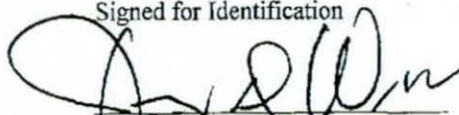
DUPLICATE

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 7<sup>th</sup> of June, 2006, by and between Webb Air Conditioning, Inc., as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

Signed for Identification



Webb Air Conditioning, Inc.

By: Jerry D. Webb

As: 



UNOFFICIAL DOCUMENT



SHAW INTERESTS INC  
P O BOX 9642

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 07/05/2006 10:43 AM  
Instrument #: D206201818  
OPR 4 PGS \$24.00

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



**D206201818**

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

Notice of Confidential Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7<sup>th</sup> day of June, 2006, between Jerry D. Webb, a married man, Lessor (whether one or more), whose address is 115 South Riverside Drive, Fort Worth, Texas 76104, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 187C, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100 — Dollars (\$10.00), 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 access 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 Tarrant County, Texas, to-wit:

1.412 acres of land, more or less, being Lots 14 through 18, inclusive, Lot 21 and east 1/2 of Lot 22, Block 46, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 63, Page 77, of the Plat Records of Tarrant County, Texas.

.717 acres of land, more or less, being the west 1/2 of Lot 25, and all of Lots 26, 27 and 28, Block 46, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 63, Page 77, of the Plat Records of Tarrant County, Texas.

.124 acres of land, more or less, being Lot 20, Block 46, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 63, Page 77, of the Plat Records of Tarrant County, Texas; SAVE AND EXCEPT the North 50 feet conveyed to Vicki Middleton by deed dated October 3, 1941, recorded in Volume 1476, Page 595, of the Deed Records of Tarrant County, Texas.

.111 acres of land, more or less, being a portion of Lot A, block 49, out of the Glenwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated January 3, 2001, from William P. Sweaney, as Grantor, to Jerry D. Webb, as Grantee, and is recorded in Volume 14963, Page 588, of the Official Public Records of Tarrant County, Texas.

Said Lands are hereby deemed to contain 2.364 acres, more or less.

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 of 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 twenty-two and one half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) 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 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 of \_\_\_\_\_ 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust

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Lessee's pooling rights hereunder. Lessee shall have the recurring right but not the obligation to revise and reformed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing and density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral 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 anytime during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to drain 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 Lessee considers these 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 Lessee) 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 necessity 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.

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

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

Jerry D. Webb

ACKNOWLEDGMENTS

STATE OF TEXAS

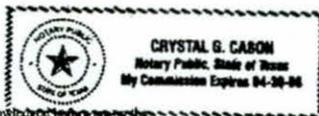
This instrument was acknowledged before me on the

by Jerry D. Webb

7 day of June, 2006

Crystal Cason

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



STATE OF TEXAS

This instrument was acknowledged before me on the

By

day of 2006

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

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 7<sup>th</sup> of June, 2006, by and between Jerry D. Webb, a married man, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

1. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.





SHAW INTERESTS INC  
PO BOX 9612

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 08/01/2006 01:01 PM

Instrument #: D206234007

OPR 4 PGS

\$24.00



D206234007

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

7

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

**OIL AND GAS LEASE**

(Paid Up)

THIS AGREEMENT made this 7<sup>th</sup> day of February, 2007, between John C. Tucker (25%), Linda Tucker Wukasch (25%), Robert W. Shaw (16.66666666%), William W. Shaw (16.66666666%), Julie L. Shaw (16.66666666%), Lessor (whether one or more), and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 2100, LB-9, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten Dollars (\$10.00), 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 and drilling for and producing oil and gas and related hydrocarbons from the following described land in Tarrant County, Texas, to-wit:

3.012 acres of land, more or less being a portion of Interurban Addition, an addition to the City of Fort Worth, Tarrant County, Texas, and more specifically described in Exhibit "A" attached hereto.

For the purpose of calculating any payments hereinafter provided for, this lease is estimated to comprise 3.012 acres more or less, whether it actually comprises more or less.

2. Unless sooner terminated and subject to the other provisions herein contained, this lease shall be for a term of twenty-seven (27) months from this date (called "primary term") and as long thereafter as oil, gas or related hydrocarbons are produced from said land.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which lessee may connect its wells, one-fourth (1/4) of all oil and other liquid hydrocarbons (recovered or separated on the leased premises) produced and saved from said land, or from time to time, at the option of lessee, to pay Lessor the same percentage of the market value at the well of such oil and other liquid hydrocarbons as of the day it is run to the pipe line or storage tanks; and (b) to pay Lessor for gas including casinghead gas and other gaseous substances produced from said land and sold or used on or off the premises one-fourth (1/4) of the market value at the point of sale, use or other disposition of all such gas. The market value of all gas shall be determined at the specified location and by reference to the gross heating value (measured in British thermal units) and quality of the gas. The market value used in the calculation of all royalty under this Lease shall never be less than the total proceeds received by Lessee in connection with the sale, use or other disposition of oil or gas produced or sold from the leased premises. Lessor and Lessee hereby agree that the holding in *Heritage Resources, Inc. v. NationsBank*, 939 S.W.2d 118 (Tex. 1996) shall have no application to the terms of this lease. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land capable of producing 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. 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 Fifty dollars (\$50.00) per net mineral acre for 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 Lessor at Lessor's address on the signature page of this Lease. This lease may not be maintained by the payment of shut-in royalty for more than two (2) consecutive years or for lesser periods which aggregate together two (2) years after the end of the primary term of this lease. 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. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, 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 or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term of this lease and after oil or gas is produced from said land 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 or gas so long thereafter as oil, gas, or other mineral is produced from said land. 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, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee is hereby given the right and power to pool or combine the acreage covered by this lease as to oil or gas, or either of them, with any other land covered by a lease or leases in the immediate vicinity thereof when it is necessary to do so in order to explore or to develop and operate said leased premises in compliance with the rules and regulations of the Railroad Commission of Texas, or other lawful authority having jurisdiction and subject to the limitations of this Section 5. Units pooled for a vertical well shall include no more than forty (40) acres. Units pooled for a horizontal well shall include no more than forty (40) acres plus the additional acreage listed in the tables in Statewide Rule 86 of the Texas Railroad Commission using the table for additional acreage assignment which would be applicable to the minimum well density permitted for a vertical well producing from the same formation. As used in this lease, the term "horizontal well" means one that meets the definition of a horizontal drainhole well under Statewide Rule 86 of the Texas Railroad Commission, and a "vertical well" is a well that is not a horizontal well. 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. Lessee shall provide Lessor with a copy of all such documents filed with any regulatory authority or recorded in the county records within thirty days of filing such documents. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit that proportion of the total production of unitized minerals from the unit which the number of surface acres in such land 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. Subject to the provisions of this paragraph, units once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph with consequent allocation of production as herein provided. As used in this paragraph, 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 lease premises. In the event Lessee shall exercise the right to pool hereunder, Lessee shall include in such unit all of the acreage described herein. If Lessee desires to establish a larger pooled unit than authorized under this Section 5, Lessee shall submit to Lessor its proposal for a larger unit for Lessor's consideration and prior written approval.

6. This lease may not be assigned in whole or in part without the prior written consent of Lessor which consent will not be unreasonably withheld. 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 U.S. mail at Lessee's principal place of business, with a copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach.

7. In the event Lessor considers that any expressed or implied obligations of Lessee are not being complied with, Lessor shall notify Lessee in writing of the facts constituting a breach of this lease and Lessee shall have sixty (60) days after receipt of such notice in which to commence compliance with its obligations hereunder. If such breach is not timely cured and Lessor obtains a final judgment finding that Lessee has breached this lease, then it is agreed that Lessor shall be entitled to a decree providing for cancellation or forfeiture of the lease in the event such breach is not rectified within sixty (60) days from date such decree becomes final; provided, however, that failure on the part of the Lessee to cure any default of this lease shall not result in Lessee forfeiting the then producing zones or horizons (being the rights between 100' above the top and 100' below the base) of the then producing formation in oil or gas well or wells or shut-in gas well or wells and acreage allocated thereto. Failure of Lessee to (1) produce oil, gas or other leased substances in paying or commercial quantities; (2) to timely and properly pay royalties and/or shut-in royalties; (3) and/or to timely commence drilling or reworking operations; (4) and/or timely execute and deliver releases or partial releases required under paragraph 10, as provided in this lease and the breach of other special limitations of this lease shall not constitute an obligation for purposes of this paragraph, as failure of Lessee to timely comply with such special limitations shall result in termination of all or if applicable, certain portions of the rights under this lease.

8. This lease is made without warranty of title, express or implied. Lessor 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, and related hydrocarbons 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. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

9. 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 oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, 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.

10. Any provision herein to the contrary notwithstanding, at the end of the primary term or at the completion of any well that is drilling at the end of the primary term and is completed after the end of the primary term, if this lease is then being kept in force by commercial production, this lease shall nevertheless terminate and all rights revert to and revest in Lessor without entry as to all depths 100 feet below the stratigraphic equivalent of the deepest producing formation and all such depths covered by this lease shall automatically revert to and revest in Lessor. If Lessee has failed to so release the lease within ninety (90) days after termination, Lessor may designate the depths held by filing a suitable instrument for record.

11. Notwithstanding any other section of this lease, Lessor retains, and Lessee waives, any and all rights whatsoever of access to or upon the surface of the leased premises for the exploration, development, production or transportation of the oil or gas thereunder. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop or produce such oil or gas with wells drilled on adjacent lands, including, but not limited to, directional or horizontal wells bottomed beneath or drilled through any part of the leased premises (other than the surface). No well shall be drilled within one hundred (100) feet from Lessor's property line.

12. Lessee shall be responsible for complying with all local, state and federal laws, rules and regulations including all laws regarding the storage, use and disposal of any hazardous materials on the lease premises or emanating from the drill site or within or upon any acreage of any unit formed of which Lessor's lease acreage constitutes a part. Lessee shall indemnify and hold harmless Lessor, its heirs, successors and assigns from and against any and all loss, damage, suit, penalty, cost, liability or expense (including reasonable attorney's fees and expenses) arising out of any claim for loss or damage to property, injuries to or death of persons, or contamination of the environment caused by or resulting from Lessee's operations on or in connection with this lease by Lessee or its agents, employees, contractors, subcontractors or any person or entity acting under Lessee's direction or control. The foregoing indemnification shall continue in effect, and be enforceable by Lessor, even after the lease terminates or otherwise ceases to burden the leased premises.

13. LESSEE covenants and agrees to obtain and maintain, and cause its agents, employees, contractors, subcontractors or any person or entity acting under Lessee's direction or control at their own expense, so long as this agreement remains in effect, insurance coverage for the indemnity and save harmless provisions to the extent of LESSEE's liability hereunder with financially reliable insurance carriers (with minimum Best's "A" VIII rating) acceptable to Lessor and authorized to do business in the state of Texas. Such insurance as specified below shall be in force prior to commencement of drilling operations, and shall remain in force as long as this lease is in effect.

- 1 Workers Compensation and Employer's Liability Insurance, including Occupational Disease coverage as required by and in full compliance with Texas law. Lessee agrees to provide this coverage for Texas and any other state of Lessee domicile.

\$1,000,000 Employers Liability per Occurrence  
\$1,000,000 Employers Liability Aggregate  
\$1,000,000 Employers Liability Occupational Disease

- 2 Commercial General Liability (ISO occurrence form or equivalent) including coverage for Premises & Operations; Products & Completed Operations (to remain in force for 3 years following initial completion of any well, and 3 years following service on any well including re-entry or re-fracturing of such well); Personal Injury; Broad Form Contractual Liability; Broad Form Property Damage (including Completed Operations); Explosion (X), Collapse (C), Underground (U) Hazards under both Premises Operations and Contractual Liability; Sudden and Accidental Pollution Liability; Coverage for Actions Over; Independent Contractors Liability; and Property Damage by Blowout or Cratering. The Annual Aggregate below shall apply separately to each annual policy period.

\$1,000,000 per Occurrence  
\$2,000,000 Annual Aggregate  
\$1,000,000 Personal and Advertising Injury  
\$2,000,000 Products & Completed Operations

- 1 Automobile Liability insurance including coverage for owned, hired, and non-owned vehicles, including pollution liability.

\$1,000,000 Combined Single limit for Bodily Injury and Property Damage

- 2 Umbrella Liability insurance with limits of:

\$10,000,000 per occurrence  
\$10,000,000 annual aggregate

LESSOR or assigns shall be named as an additional insured on the Commercial General Liability (including Completed Operations), Automobile, and Umbrella/Excess liability policies. All policies shall contain a Waiver of Subrogation in favor of LESSOR up to the limits of liability required herein and to the extent of Lessee's liability hereunder. Failure to provide the certificate prior to the commencement of drilling operations will constitute a default and the rights granted hereunder shall, at Lessor's option, immediately terminate. LESSOR will be provided with a certificate of insurance at each renewal date of above referenced policies and will be provided a copy of said policies upon request. These insurance requirements extend to any of Lessor's future assigns; said requirements will extend to any of Lessee's assigns in favor of LESSOR. At any time after the signing of this agreement when 1) contemporaneous oil and gas insurance limits and coverage exceed the above limits or provide for broader coverage in favor of LESSOR, or 2) any governmental agency requires higher liability limits and broader coverage, then LESSEE shall provide for such insurance coverage in favor of LESSEE. At any time after the signing of this agreement when 1) contemporaneous oil and gas insurance limits and coverage exceed the above limits or provide for broader coverage in favor of LESSOR, or 2) any governmental agency requires higher liability limits and/or broader coverage terms, then LESSEE shall provide for such insurance coverage in favor of LESSEE.

14. This lease covers oil and gas only, along with the products and byproducts thereof, but this lease does not cover any other minerals of any type whatsoever, including, but not limited to, uranium, thorium and any other fissionable materials. It is further understood that this lease is subject to the rights and interests granted under the terms of any valid, existing lease of record covering other than the oil, gas and related hydrocarbons on the above described property.

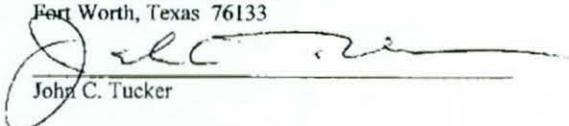
15. Upon written request from Lessor, Lessee agrees to deliver to Lessor at Lessor's address on the signature page of this Lease, a copy of all forms pertaining to the permitting, drilling, testing, completing, operating and plugging of a well or wells filed with the Railroad Commission of Texas or other body having jurisdiction, a copy of all logs made on each well and a copy of all contracts covering the sale of oil or gas from the leased premises or lands pooled therewith. Lessor has the right, personally or by representative, at Lessor's risk, of access to the derrick floor to observe all operations on all wells drilled on the premises or lands pooled therewith. All information provided to Lessor shall remain proprietary and confidential until the same has been released to the public.

16. It is agreed and understood that Lessor's royalty interest will never be charged with any part of Lessee's direct cost of producing, storing, separating, dehydrating, compressing or transporting (excluding common carrier tariffs if the sales price is a market value price at a delivery point significantly removed from the wellhead). The exception shall be for those costs for making such products ready for sale which are contractually deducted by a non-affiliated purchaser in an arm's length transaction.

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

LESSOR:

John C. Tucker  
2921 Suffolk Ct. E., Suite 500  
Fort Worth, Texas 76133

  
John C. Tucker

STATE OF TEXAS                   §

COUNTY OF TARRANT       §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007 by  
John C. Tucker.



Notary Public, State of Texas

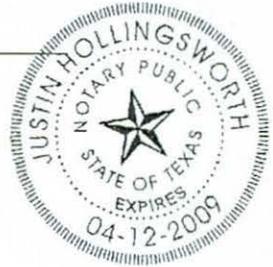
Linda Tucker Wukasch  
2921 Suffolk Ct. E., Suite 500  
Fort Worth, Texas 76133

[Signature] (ATTORNEY I.O. FACT)  
Linda Tucker Wukasch

STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007 by  
John C. Tucker as Attorney-in-fact for Linda Tucker Wukasch

[Signature]  
Notary Public, State of Texas



Robert W. Shaw  
2820 Bryan Avenue  
Fort Worth, Texas 76104

[Signature]  
Robert W. Shaw  
2820 Bryan Avenue  
Fort Worth, Texas 76104

STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007 by  
Robert W. Shaw.

[Signature]  
Notary Public, State of Texas



William W. Shaw  
2820 Bryan Avenue  
Fort Worth, Texas 76104

[Signature]  
William W. Shaw

STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007 by  
William W. Shaw.

[Signature]  
Notary Public, State of Texas



Julie L. Shaw  
2820 Bryan Avenue  
Fort Worth, Texas 76104

Julie L. Shaw  
Julie L. Shaw

STATE OF TEXAS §

COUNTY OF TARRANT §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007 by  
Julie L. Shaw

Justin Hollingsworth  
Notary Public, State of Texas



LESSEE:

DALE PROPERTY SERVICES, L.L.C.

Mike Taliaferro  
By Mike Taliaferro, President  
2100 Ross Avenue, Suite 1870, LB-9  
Dallas, Texas 75201

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2007, by  
Mike Taliaferro, President of Dale Property Services, L.L.C., a Texas limited liability  
company \_\_\_\_\_, on behalf of said limited liability company.

Justin Hollingsworth  
Notary Public, State of Texas



EXHIBIT "A"

5  
4  
3  
2  
1

Survey Plat  
3.012 Acres of land, being  
Lots 6 thru 9, Block 23  
Lots 11 thru 18, Block 23  
a portion of Lot 19, Block 23  
a portion of a former street,  
**INTERURBAN ADDITION, 3RD FILING,**

An Addition to the City of Fort Worth,  
according to the Plat thereof recorded in  
Volume 106, Page 157,

Plat Records, Tarrant County, Texas,  
and being all of Lot 19-R, Block 23  
**INTERURBAN ADDITION, Third Filing,**

An Addition to the City of Fort Worth,  
Tarrant County, Texas, according to the Plat  
thereof recorded in Volume 388-70, Page 31,  
Plat Records, Tarrant County, Texas.

LEGAL DESCRIPTION

Description for a 3.012 acre tract of land, said tract being all of Lot 19-R, Block 23, of INTERURBAN ADDITION, Third Filing, recorded in Volume 388-70, Page 31, Plat Records, Tarrant County, Texas and being a portion of Lot 19, Block 23 and all of lots 6 thru 9 and all of Lots 11 thru 18, Block 23, and a former street abandoned by Ordinance No. 4447, INTERURBAN ADDITION, 3rd Filing, recorded in Volume 106, Page 157, Plat Records, Tarrant County, Texas and being more particularly described as follows:

BEGINNING at a 1/2" iron set in the East line of South Riverside Drive, said iron being for the Northwest corner of said Lot 19-R, Block 2:

THENCE S 83°30'00" E, with the North line of said Lot 19-R, and passing the Southwest corner of Lot 1, Block 23 and continuing in all, 129.20 feet to a "2490" capped iron found, said iron being for the Northeast corner of said Lot 19-R and for the Northwest corner of said Lot 9, Block 23 and for the Southeast corner of said Lot 1, Block 23 and for the Southwest corner of Lot 2, Block 23;

THENCE S 83°59'45" E, with the North line of said Lots 9,8,7 and 6, Block 23 and with the South line of Lots 2,3,4 and 5, Block 23, 199.99 feet to a 1/2" iron set in the West line of Chester Street, said iron being for the Northeast corner of said Lot 6, Block 23 and for the Southeast corner of said Lot 5, Block 23;

THENCE S 06°20'35" W, with the West line of said Chester Street, and with the East line of Lot 6, at approximately 125.00 feet passing the Southeast corner of said Lot 6, Block 23 and the Northeast corner of said former street and at approximately 175.00 feet passing the Southeast corner of said former street and the Northeast corner of said Lot 14, Block 23 and continuing with the East line of said Lot 14, Block 23, at approximately 300.00 feet passing the Southeast corner of said Lot 14, Block 23 and the Northeast corner of said Lot 15, Block 23 and continuing with the East line of said Lot 15, Block 23, in all, 409.00 feet to a 1/2" iron set at the Southeast corner of said Lot 15, Block 23, said iron being at the intersection of the West line of said Chester Street and the North line of East Avenue;

THENCE S 76°32'35" W, with the North line of said East Avenue and the South line of said Lots 15,16,17,18 and 19, Block 23, 253.66 feet to a 1/2" iron set, said iron being for the most Southerly Southwest corner of said Lot 19, Block 23 and being at the intersection of the North line of said East Avenue and the East line of said South Riverside Drive;

THENCE N 04°48'28" W, with the East line of said South Riverside Drive and the West line of said Lot 19, Block 23, at 290.59 feet passing the Southwest corner of said Lot 19-R, Block 23 and continuing in all, 395.74 feet to a 5/8" iron found;

THENCE N 03°41'32" E, with the East line of said South Riverside Drive and with the West line of said Lot 19-R, Block 23, 23.60 feet to a 1/2" iron set, said iron being for the beginning of a curve to the left whose radius is 410.50 feet;

THENCE with the East line of said South Riverside Drive and with the West line of said Lot 19-R, Block 23 and with said curve to the left, through a central angle of 08°29'17" and whose chord bears N 01°21'52" W, 60.76 feet and being an arc length of 60.81 feet to a 5/8" iron found;

THENCE N 05°49'29" W, with the East line of said South Riverside Drive and with the West line of said Lot 19-R, Block 23, 22.55 feet to the POINT OF BEGINNING and containing 3.012 acres of land.



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 02/27/2007 02:54 PM  
Instrument #: D207070000  
LSE 9 PGS \$44.00

3y: \_\_\_\_\_



**D207070000**

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

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

Producers 88 (4-89) — Paid Up  
With 640 Acres Pooling Provision  
STANDARD LEASE v.5

**PAID UP OIL AND GAS LEASE  
(No Surface Use)**

THIS LEASE AGREEMENT is made this 4 day of September, 2008, by and between Chau Van Hoang, a married person and Tu T. Huynh, a married person whose address is 6929 Beverly Glen Drive Fort Worth, Texas 76132 as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

.312 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LOT 19, BLOCK 23, OF THE INTERURBAN ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THAT CERTAIN DEED DATED AUGUST 30, 2006, BY AND BETWEEN LEONARD BROWN, AS GRANTOR, AND CHAU VAN HOANG AND TU HUYNH, AS GRANTEE, AND RECORDED IN INSTRUMENT NUMBER D206272229 OF THE DEED RECORDS OF TARRANT COUNTY, TEXAS.

in the County of TARRANT, State of TEXAS, containing .312 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty-Five (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty-Five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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

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

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

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

LESSOR (WHETHER ONE OR MORE)

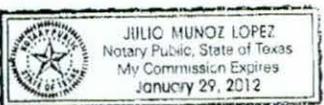
By: Chau Van Hoang

By: Tu T. Huynh

ACKNOWLEDGMENT

STATE OF TX  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 4 day of September, 2008, by: Chau Van Hoang, a married person.



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

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

This instrument was acknowledged before me on the 6th day of Sept, 2008, by: TU T. HUYNH, a married person



Elizabeth Burks  
Notary Public, State of Texas



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 09/12/2008 10:18 AM  
Instrument #: D208355579  
LSE 3 PGS \$20.00

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



**D208355579**

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

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Producers 83 (476) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 25<sup>th</sup> day of October 2005, between James Lee Investments, Inc., a Texas corporation, Lessor (whether one or more), whose address is 1818 E. Lancaster Avenue, Fort Worth, Texas 76103, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), 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, 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, employing its employees, the following described land in Tarrant County, Texas, to wit:

.58 acres of land, more or less, being 2<sup>1</sup>/<sub>2</sub> of Lots A, B, and C, of the Griffith Revision of Block 23, of the Interurban Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 1774, Page 473, of the Deed Records of Tarrant County, Texas.

1.34 acres of land, more or less, being lots 11 and 12, Block 9, of the Interurban Addition, Third Filing, an addition to the City of Fort Worth, Tarrant County, Texas, according to the plat filed in Volume 106, Page 157, of the Plat Records of Tarrant County, Texas, and being more particularly described by metes and bounds in that certain deed dated December 31, 1997, from William O. Key and wife, Ernestene S. Key, as Grantor, to James Lee Investments, Inc., a Texas Corporation, as Grantee, recorded in Volume 13034, Page 358, of the Official Public Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 1.92 acres of land, more or less.

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 of 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 twenty-two and one-half percent (22.5%) part of any 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 twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee on said land or in the manufacture of gasoline or other products twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) 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 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 at the Lessor's address given above 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

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5. If at the expiration of the primary term, oil, gas, or other mineral 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 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), as to 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.

11. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease this lease has not been, or it is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$1200.00 multiplied by the net mineral acres subject to this lease. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is five (5) years.

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

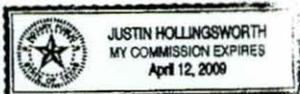
James Lee Investments, Inc., a Texas corporation

*Jim J. Silva*  
By: *Jim J. Silva*  
Its: *President*

ACKNOWLEDGMENTS

STATE OF  
COUNTY OF

This instrument was acknowledged before me on the *25<sup>th</sup>* day of *October*, 2005, by *Jim J. Silva as President of James Lee Investments, Inc., a Texas corporation on behalf of said corporation.*



*Justin Hollingsworth*  
Notary Public, State of  
Notary's name (printed):  
Notary's commission expires:



SHAW INTERESTS INC  
POB 0612

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

---

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

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

Filed For Registration: 12/12/2005 03:07 PM  
Instrument #: D205368099  
OPR 3 PGS \$20.00

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



D205368099

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

**Notice of Confidential Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.**

Producers-88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 3<sup>rd</sup> day of August, 2006, between R.T.G. Associates, Inc., a Texas corporation, Lessor (whether one or more), whose address is 1824 East Lancaster Avenue, Fort Worth, Texas 76103, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100—Dollars (\$10.00), 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 Tarrant County, Texas, to-wit:

.143 acres of land, more or less, being Lot 5, Block 23, out of the Interurban Addition, Third Filing, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 106, Page 157, of the Plat Records of Tarrant County, Texas.

.192 acres of land, more or less, being Lot D, Griffith Subdivision, of Lots 1, 2, 3 and 4, Block 23, out of the Interurban Addition, Third Filing, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 1774, Page 473, of the Plat Records of Tarrant County, Texas.

.047 acres of land, more or less, being a tract of land out of the J. Sanderson Survey, Abstract Number 1430, a survey to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated February 12, 1988, from J. Mac Todd and wife, Alice Todd, as Grantor, to R.T.G. Associates, Inc., as Grantee, recorded in Volume 9199, Page 1013, of the Official Public Records of Tarrant County, Texas.

Said lands are hereby deemed to contain .382 acres of land, more or less.

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 of five (5) 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-fifth (1/5) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fifth (1/5) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-fifth (1/5) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee one-fifth (1/5) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products one-fifth (1/5) of the amount realized from the sale of gasoline or other products extracted therefrom and one-fifth (1/5) 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 by lessee from said land, one-fifth (1/5) of the amount realized 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 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 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 4 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 shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a verified declaration, describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production of which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

14

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or 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 one hundred (100) 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.

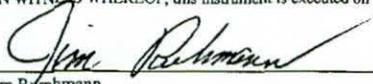
9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties 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 herein, 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.

11. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface easements shall run with the land and survive any termination of this lease.

12. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

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

  
By: Jim Rummhann  
As: President of R.T.G. Associates, Inc., a Texas corporation

#### ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the

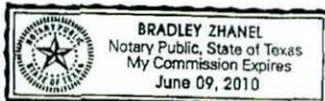
3rd

day of

August

2006

by Jim Rummhann as President of R.T.G. Associates, Inc., a Texas corporation, on behalf of said corporation.



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

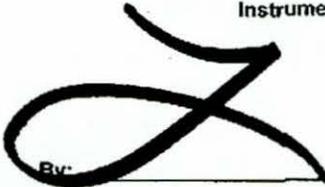


SHAW INTERESTS, INC  
OIL & GAS PROPERTIES  
310 W WALL #305  
MIDLAND TX 79701  
Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 09/08/2006 03:06 PM  
Instrument #: D206281859  
OPR 3 PGS \$20.00

By: 



D206281859

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

001151

6.

File No. MA 109933

Reasgs

Date Filed: 12/11/08

Jerry Patterson, Commissioner

By [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 3, 2009

Mr. Brad Zhanel  
Dale Property Services, LLC  
3000 Alta Mesa Blvd., Suite 300  
Ft. Worth, TX 76133

**Dear Mr. Zhanel,**

Re: State of Texas HROW Lease # MF 109933

Enclosed you will find an original executed Highway Right-of-Way Leases in Tarrant County.

**Please refer to this lease number with all future correspondence concerning this lease. Proof read your lease before filing of record.**

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

If you have any questions please feel free to contact my direct phone number, or email listed below, or You may contact Drew Reid at his direct number (512) 475-1534

Best regards,

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)

7.

File No. MP709933

920 letter

Date Filed: 2/3/09

Jerry Patterson, Commissioner  
By [Signature]



# Texas General Land Office

## Reconciliation Billing

PO Box 12873  
 Austin, TX 78711-2873  
 (800) 998-4456  
 7:30 - 5:30 M-F

Jerry Patterson, Commissioner

# COPY

CHESAPEAKE OPERATING INC  
 PO BOX 18496 ATTN: KIM HALEY  
 OKLAHOMA CITY, OK 73154-0496

Billing Date: 12/2/2010  
**Billing Due Date: 1/1/2011**  
 Customer Number: C000025243

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
11I00241	MF109933	\$2,021.47	\$0.00	\$202.15	\$295.08	\$2,518.70
Total Due		\$2,021.47	\$0.00	\$202.15	\$295.08	<b>\$2,518.70</b>

Penalty and interest have been calculated thru 12/31/2010. Payment remitted after 12/31/2010 will result in additional penalty and interest charges.

Contact Info: Shirley Chou (512) 463-5408 or shirley.chou@glo.state.tx.us

### NOTICE

The new Land Office Royalty Reporting System is set to 'Go Live' on May 20, 2011 and will work with the April 2011 Production Year Month reporting time period.

Please visit <http://www.glo.texas.gov> for up-to-date information needed to be prepared for the 'Go Live' date. If you have any questions, call (512) 463-6850 or e-mail us at [glo123@glo.texas.gov](mailto:glo123@glo.texas.gov). Thank you.

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Texas Natural Resources Code and, consequently, does not preclude the TGLO from conducting further examinations of these leases, time periods or issues.

-----  
 Detach and return with payment

Reconciliation Billing

**CHESAPEAKE OPERATING INC**

Billing Date: 12/2/2010

Billing Due Date: 1/1/2011

**Customer Number: C000025243**

**Remit Payment To:**

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
11I00241	MF109933	\$2,021.47	\$0.00	\$202.15	\$295.08	\$2,518.70
Total Due		\$2,021.47	\$0.00	\$202.15	\$295.08	<b>\$2,518.70</b>
Amt. Paid						

Customer ID: C000025243  
 Invoice Number:  
 Glo Lease: MF109933  
 GLO Review: CHESAPEAKE OPERATING INC  
 Review Period: JUNT 2009

Auditor/AE: schou  
 Billing Date: 12/7/2010  
 P&I Calculation Date: 12/31/2010  
 Royalty Rate: 27.50%

(1) Month / Year	(2) Gas Volume	(3) Tract Participation Rate	(4) Price	(5) BTU	(6) Gross Value	(7) Royalty Due	(8) Royalty Paid	(9) Additional Royalty Due	(10) Number of Days Late	(11) Penalty From Additional Royalty	(12) Interest From Additional Royalty	(13) Revenue Due
(A)	(A)*.0112887	(B)	(B)	(2)x(3)x(4)	(5) * Royalty Rate				(C)	(C)	(8)+(10)+(11)	
Jun-09	209693	2367	\$ 5.855147	1.008250	\$13,974.42	\$3,842.97	\$1,821.50	\$2,021.47	503	\$202.15	\$295.08	\$2,518.70
TOTALS	209693				\$13,974.42	\$3,842.97	\$1,821.50	\$2,021.47		\$202.15	\$295.08	\$2,518.70

COMMENTS: (A) RRC VOLUME - REPRESENTS TRANSMISSION LINE VOLUME FROM WELL 09-233605,235019,248899,249100 ( HICKMAN).

(B) PRICE, BTU- OBTAINED FROM THE GLO-2E PRODUCTION REPORT

(C) SEE ATTACHMENT III, SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATION.

NOTE 1 : PAYMENT OF THIS INVOICE SHOULD BE SUBMITTED SEPARATELY FROM MONTHLY ROYALTY PAYMENTS, THE PAYMENT CAN BE SUBMITTED BY A HAND CHECK OR A WIRE, DO NOT SUBMIT THE GLO-3E REPORT FOR THIS PAYMENT.

NOTE 2: PLEASE SUBMIT THE AMENDED GLO-2E REPORT TO REFLECT THE ADDITIONAL ROYALTY DUE AMOUNT.

ATTENTION: KIM HALEY

CERTIFIED MAIL: 70062760000479065908

**ATTACHMENT III**  
**SUMMARY OF PENALTY/ INTEREST ASSESSMENT RULES**  
**FOR DELINQUENT ROYALTIES AND DELINQUENT**  
**REQUIRED REPORTS OR DOCUMENTS**

	<b>Due Before 10-1-75 and (Production Prior To 8-1-75)</b>	<b>Due After 10-1-75 and Before 9-1-85 (Production 8/1/75 -6/30/85)</b>	<b>Due After 9-1-85 (Production 7-1-85 through 12-31-2009)</b>	<b>Due After 2-26-2010 (Production 1-1-2010 through present)</b>
<b><u>PENALTY (1)</u> For delinquent royalty</b>	None	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00. For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00	(2) For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00. For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
<b>For delinquent report, affidavit, or other document.</b>	None	\$5.00 per document for each 30- day period of delinquency	\$10 per document for each 30- day period of delinquency	\$10 per document for each 30- day period of delinquency
<b><u>INTEREST (2)</u> • For delinquent royalty</b>	6% per year, simple; accrual begins 30 days after due date	6% per year, simple; accrual begins 30 days after due date	(3) 12% per year, simple; accrual begins 60 days after due date	(4) 4.25% per year, simple; accrual begins 60 days after due date

(1) Tex. Rev. Civ. Stat. Ann. Article 5069-1.03 and 31 TAC §9.7(b)(3)

(2) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex Nat. res. Code Ann § 52.131 (e), (f), & (h).

(3) Tex Nat. Res. Code Ann § 52.131 (g).

(4) Per TAC 9.51 the interest rate on past due royalty is Wall Street Journal Prime plus 1%, to be adjusted annually.

A.royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest, provided in 31 TAC §9:7(b)(3).

(8)

File No. MF-109923

Reconciliation Ltr

Date Filed: 12/2/10

Jerry E. Patterson, Commissioner

By [Signature]