

MF110325

#5957  
~~#6132~~

Lease Type	Control	Basefile	County
HROW 65 [Cou	65-902205		TARRANT
	Survey	Tarrant County Roads	
	Block		
	Block Name		
	Township		
	Section/Tract		
	Land Part	Wilbarger St	
	Acres	Net: 1.915000	Gross: 1.915000
	Depth Below	Depth Above	Depth Other
	Name	QUICKSILVER RESOURCES, INC.	
	Lease Date	10/6/2009	
	Primary Term	1 years	
	Bonus	\$5,395.20	
	Lease Royalty	0.25000000	
	Paid Up	NA	

TERMINATION  
DATE 5/1/2024  
LEASING [Signature]  
MAPS [Signature]  
GIS MC

Leasing: [Signature]  
Maps: [Signature]  
GIS: JM  
Scanlab: \_\_\_\_\_



**CAUTION**

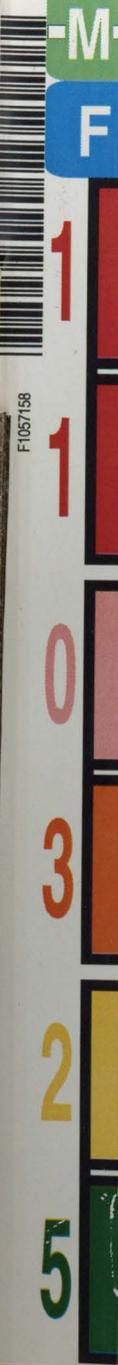
Documents in this file have been placed in Table of Contents order and scanned.

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

Thank you for your assistance.

*Archives and Records Staff*

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



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TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 7, 2009

Mr. Gary Wayne Kessler  
Agent for Quicksilver Resources, Inc.  
603 E. Belknap  
Ft. Worth, TX 76102

**COPY**

**Dear Mr. Kessler,**

Re: State of Texas HROW Lease # MF 110325

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 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)

1.

File No. AF 710325  
Seller - 920  
Date Filed: 10/7/09  
Jerry F. Patterson, Commissioner  
By [Signature]

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 110325)  
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 **Quicksilver Resources, Inc.**, whose address is **777 West Rosedale, Suite 300, Ft. Worth, TX 76104** hereinafter called "Lessee".

1. Lessor, in consideration of **Five Thousand Three Hundred Ninety Five 20/100 (\$ 5,395.20)** 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:

**1.3488 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 **1.3488 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **one year, from October 6th, 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 **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas.

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

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

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

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

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

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

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

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

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

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

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

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

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

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

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

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

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

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

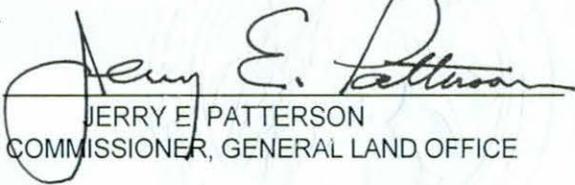
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well

causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:  
ML: DR  
DC: CLR  
CC: [Signature]

**Exhibit "C"**

**(Public Road Deeds)**

**T & O Service Marketing, Inc. (Original Drilling Title Opinion)**

Public Road Deed A, dated November 9, 1987, from T & O Management Agency, Inc., to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 92, Official Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 772 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

**Frank Nguyen and wife, Lucinda Nguyen (Original Drilling Title Opinion)**

Public Road Deed B, dated December 7, 1987, from Red Arrow Fright Lines, Inc. to the City of Fort Worth (State of Texas), recorded in Volume 9299, Page 1701, Official Records, Tarrant County, Texas. The Deed conveyed two (2) parcels of land, containing approximately 1,211 square feet of land, in fee simple, for a portion of Wilbarger Street.

**Lawhon, Inc., Lease (Original Drilling Title Opinion and Letter Opinion)**

Public Road Deed C, dated July 2, 1987, from Clyde Peabody to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 97, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 250 square feet of land (0.0057 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

Public Road Deed D, dated September 23, 1988, from Don Morris Enterprises Investment Group II, L.P. to the City of Fort Worth (State of Texas), recorded in Volume 9465, Page 2211, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 1,322 square feet of land (0.03 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

**Crown Enterprises, Inc. (Original Drilling Title Opinion)**

Public Road Deed E, dated July 20, 1988, from Iris Alain Maddox Farkas to the City of Fort Worth (State of Texas), recorded in Volume 9334, Page 1093, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 0.6376 acres of land, more or less, in fee simple for public road purposes, being portions of Wilbarger Street and Carey Street.

### **Truck & Traylor Services (Letter Opinion)**

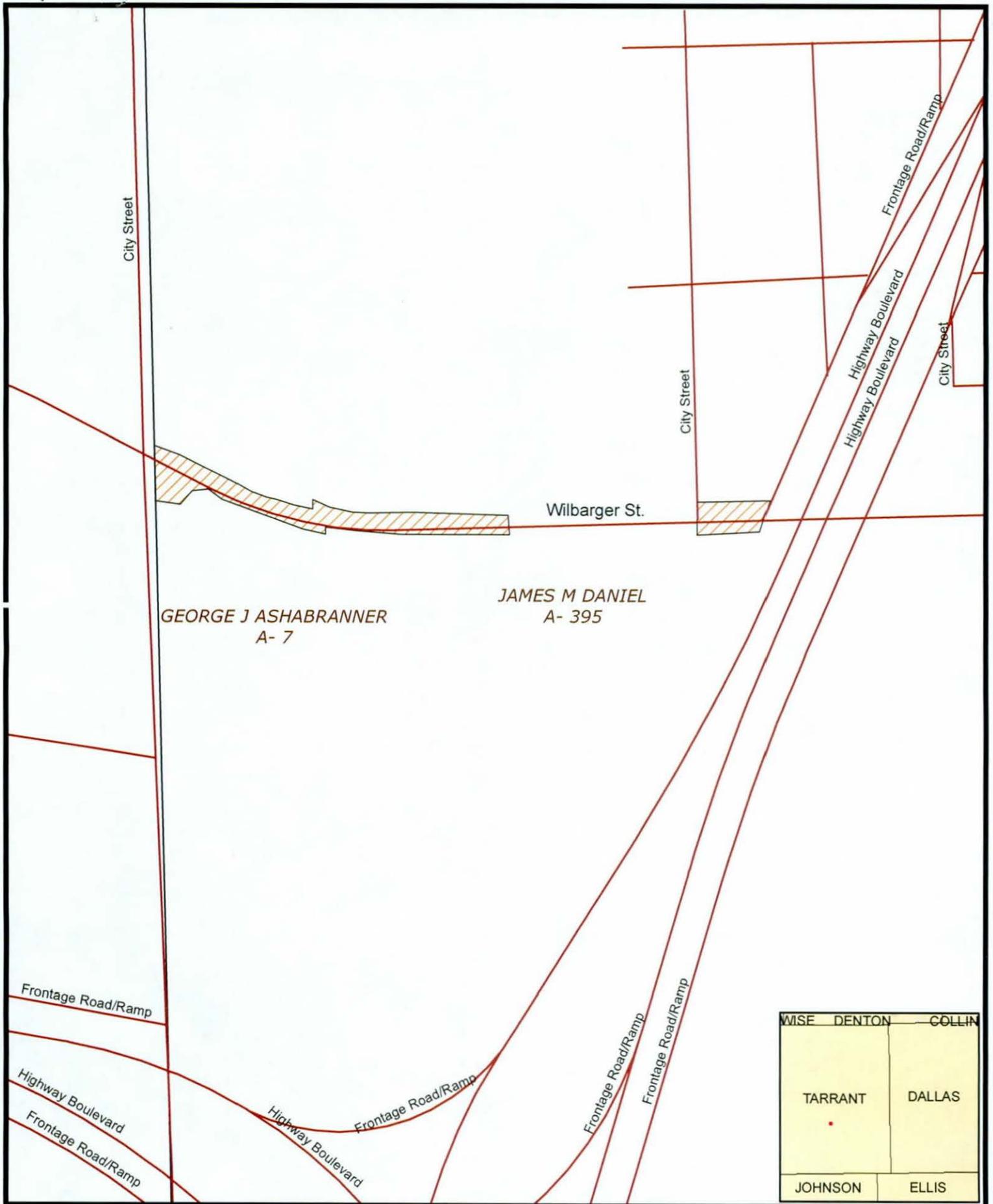
Public Road Deed F, dated June 19, 1989, from NCNB Texas National Bank to the City of Fort Worth (State of Texas), recorded in Volume 9733, Page 362, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 350 square feet of land, more or less, in fee simple for public road purposes, being a portion of Wilbarger Street.

### **Estate of Clyde Peabody, Deceased (Original Drilling Title Opinion)**

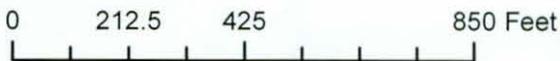
Public Road Deed G, dated April 13, 1989, from Clyde Peabody to the City of Fort Worth, Texas, recorded in Volume 9654, Page 1769, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 2724 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

Where the City of Fort Worth acquired the lands described in the above-described Public Road Deeds for public road purposes, title thereto vested in the State of Texas. *Robbins v. Limestone County*, 114 Tex. 345, 265 S.W. 915 (Tex. 1925).

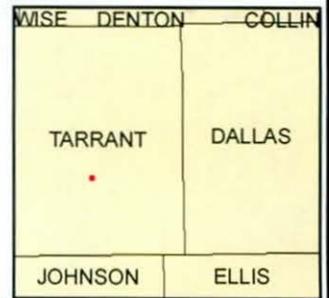
The following Opinions did not contain Public Road Deeds, and as a result, it is the examiner's opinion the acreage lying within Wilbarger Street is a prescriptive easement insofar as it is located adjacent to the following land owners: ARC18TX LP Lease (Original Drilling Title Opinion and Letter Opinion), the Gary M. Reeder Lease (Original Drilling Title Opinion), the Lawhon, Inc. Lease (6.086 acres; Letter Opinion), and the Jimmy R. Kersey and wife, Audrey Kersey, Lease (Original Drilling Title Opinion).



Map showing a  
Buffer of Wilbarger St. 0 212.5 425 850 Feet  
1.3488 acres  
Tarrant County



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  
October 6, 2009

2.

File No. MF 110325

Lease

Date Filed: 11/3/09

Jerry E. Patterson, Commissioner

By [Signature]

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 110325)  
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 **Quicksilver Resources, Inc.**, whose address is **777 West Rosedale, Suite 300, Ft. Worth, TX 76104** hereinafter called "Lessee".

1. Lessor, in consideration of **Five Thousand Three Hundred Ninety Five 20/100 (\$ 5,395.20)** received 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:

**1.3488 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.

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(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas.



TRUE AND CORRECT COPY OF  
ORIGINAL RECORD FILED IN  
TARRANT COUNTY, TEXAS  
SUZANNE HENDERSON, COUNTY CLERK

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

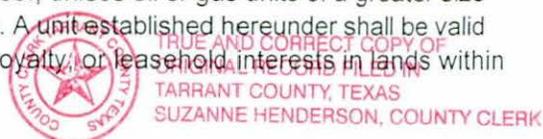
(d) Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities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

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

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

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

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



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

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

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

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

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

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

8. NOTICE: In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all

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

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

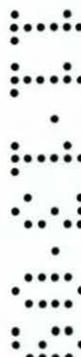
10. LESSER ESTATE CLAUSE: If this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessors interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as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

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

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

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

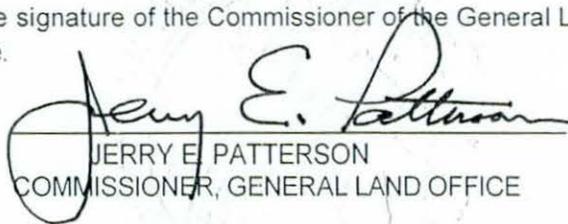
14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well



causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR

DC: CIA

CC: [Signature]



TRUE AND CORRECT COPY OF  
ORIGINAL RECORD FILED IN  
TARRANT COUNTY, TEXAS  
SUZANNE HENDERSON, COUNTY CLERK

**Exhibit "A"**

**(Public Road Deeds)**

**T & O Service Marketing, Inc. (Original Drilling Title Opinion)**

Public Road Deed A, dated November 9, 1987, from T & O Management Agency, Inc., to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 92, Official Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 772 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

**Frank Nguyen and wife, Lucinda Nguyen (Original Drilling Title Opinion)**

Public Road Deed B, dated December 7, 1987, from Red Arrow Fright Lines, Inc. to the City of Fort Worth (State of Texas), recorded in Volume 9299, Page 1701, Official Records, Tarrant County, Texas. The Deed conveyed two (2) parcels of land, containing approximately 1,211 square feet of land, in fee simple, for a portion of Wilbarger Street.

**Lawhon, Inc., Lease (Original Drilling Title Opinion and Letter Opinion)**

Public Road Deed C, dated July 2, 1987, from Clyde Peabody to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 97, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 250 square feet of land (0.0057 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

Public Road Deed D, dated September 23, 1988, from Don Morris Enterprises Investment Group II, L.P. to the City of Fort Worth (State of Texas), recorded in Volume 9465, Page 2211, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 1,322 square feet of land (0.03 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

**Crown Enterprises, Inc. (Original Drilling Title Opinion)**

Public Road Deed E, dated July 20, 1988, from Iris Alain Maddox Farkas to the City of Fort Worth (State of Texas), recorded in Volume 9334, Page 1093, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 0.6376 acres of land, more or less, in fee simple for public road purposes, being portions of Wilbarger Street and Carey Street.



TRUE AND CORRECT COPY OF  
ORIGINAL RECORD FILED IN  
TARRANT COUNTY, TEXAS  
SUZANNE HENDERSON, COUNTY CLERK

**Truck & Traylor Services (Letter Opinion)**

Public Road Deed F, dated June 19, 1989, from NCNB Texas National Bank to the City of Fort Worth (State of Texas), recorded in Volume 9733, Page 362, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 350 square feet of land, more or less, in fee simple for public road purposes, being a portion of Wilbarger Street.

**Estate of Clyde Peabody, Deceased (Original Drilling Title Opinion)**

Public Road Deed G, dated April 13, 1989, from Clyde Peabody to the City of Fort Worth, Texas, recorded in Volume 9654, Page 1769, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 2724 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

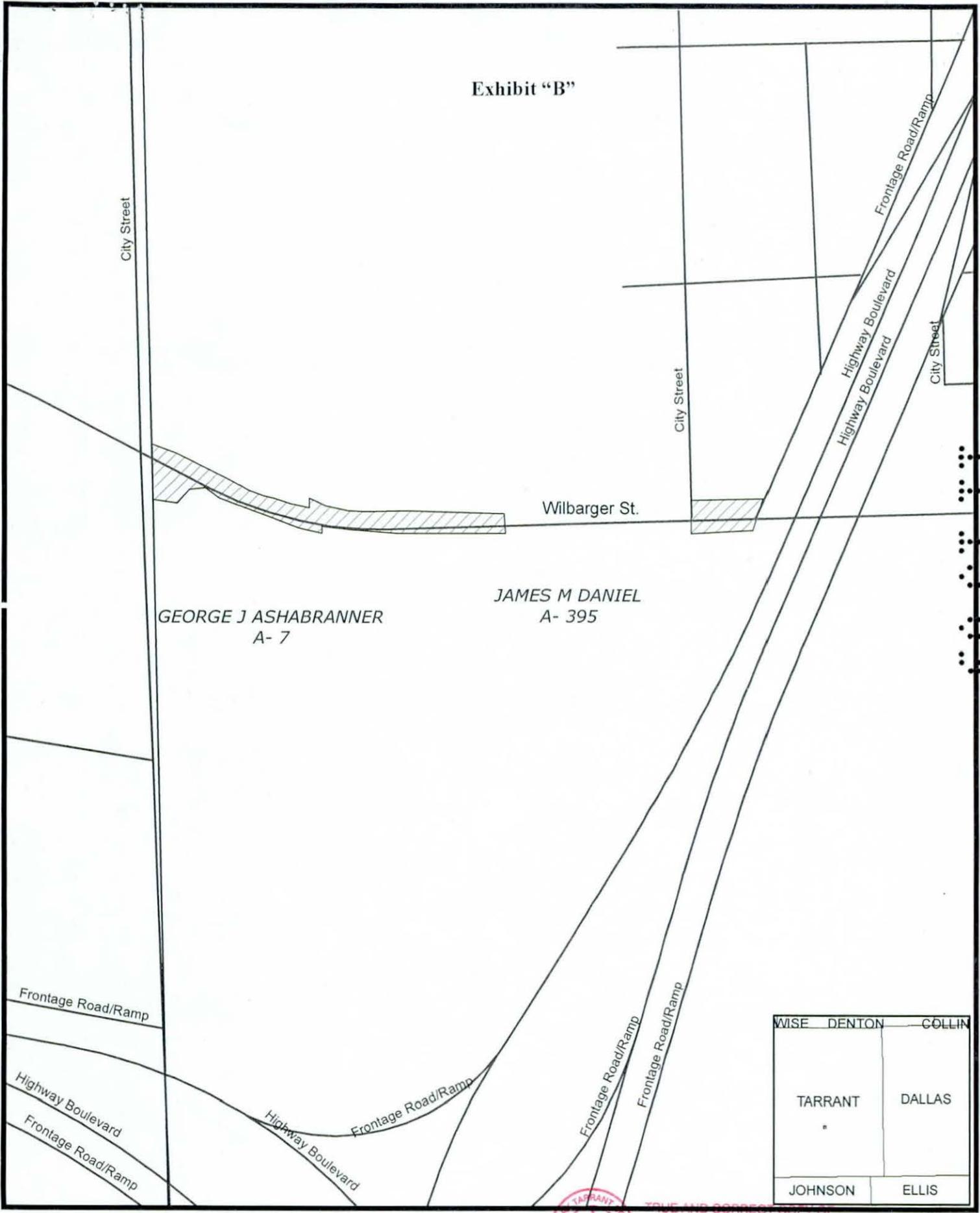
Where the City of Fort Worth acquired the lands described in the above-described Public Road Deeds for public road purposes, title thereto vested in the State of Texas. *Robbins v. Limestone County*, 114 Tex. 345, 265 S.W. 915 (Tex. 1925).

The following Opinions did not contain Public Road Deeds, and as a result, it is the examiner's opinion the acreage lying within Wilbarger Street is a as prescriptive easement insofar as it is located adjacent to the following land owners: ARC18TX LP Lease (Original Drilling Title Opinion and Letter Opinion), the Gary M. Reeder Lease (Original Drilling Title Opinion), the Lawhon, Inc. Lease (6.086 acres; Letter Opinion), and the Jimmy R. Kersey and wife, Audrey Kersey, Lease (Original Drilling Title Opinion).



TRUE AND CORRECT COPY OF  
ORIGINAL RECORD FILED IN  
TARRANT COUNTY, TEXAS  
SUZANNE HENDERSON, COUNTY CLERK

Exhibit "B"

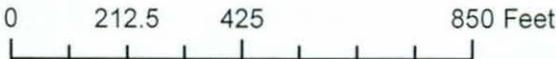


GEORGE J ASHABRANNER  
A- 7

JAMES M DANIEL  
A- 395

WISE	DENTON	COLLIN
TARRANT		DALLAS
JOHNSON		ELLIS

Map showing a  
Buffer of Wilbarger St.  
1.3488 acres  
Tarrant County



ORIGINAL RECORD FILED IN  
TARRANT COUNTY TEXAS  
COUNTY CLERK  
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  
October 6, 2009

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

QUICKSILVER RESOURCES INC  
777 WEST ROSEDALE STE 300  
FT WORTH, TX 76104

Submitter: QUICKSILVER RESOURCES  
INC

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

Filed For Registration: 10/27/2009 2:39 PM

Instrument #: D209283998

OPR 9 PGS \$44.00

By: *Suzanne Henderson*

D209283998

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.

Prepared by: CAMADDOCK



TRUE AND CORRECT COPY OF  
ORIGINAL RECORD FILED IN  
TARRANT COUNTY, TEXAS  
SUZANNE HENDERSON, COUNTY CLERK





KELLAM MAGEE AND COMPANY LLC  
Gary Wayne Kessler  
603 E. Belknap St.  
Ft. Worth, TX 76102  
936-674-5738

August 24, 2009

Texas General Land Office  
Lease Administration  
1700 N. Congress Ave., Suite 600  
Austin, TX 78701-1495

Attention: Mr. Drew Reid

Regarding: LETTER OF APPLICATION  
Oil, Gas, and Mineral Lease  
Ownership of Mineral Estate in a portion of Wilbarger Street  
Tarrant County, Texas  
Lake Arlington Prospect; Binder Packets covering: Frank Nguyen and wife,  
Lucinda Nguyen, Lease, 2.0 acres, more or less; T & O Service Marketing, Inc. Lease,  
1.359 acres, more or less; Lawhon Inc., 34.4487 acres, more or less; ARC18TX LP Lease,  
10.178 acres, more or less; Truck and Trailer Services, Inc. Lease, Lots 1 through 3,  
Block 6, and Lots 1 through 11, Block 2; Crown Enterprises, Inc. Lease, 1.062 acres,  
more or less; Fort Worth Terminals, LLC Lands, 29.50 acres, more or less; Gary M.  
Reeder Lease, 5.191 acres, more or less; Lawhon Inc. 6.086 acres, more or less; Jimmy  
R. Kersey and wife, Audrey Kersey, Lease, 0.6315 acres, more or less; and Estate of  
Clyde Peabody, Deceased, Lease, 0.505 acres, more or less.

Gentlemen:

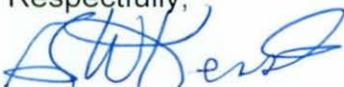
Quicksilver Resources Inc. hereby makes application to lease State of Texas Lands, as attached in Exhibit "A" Tracts A through G, being 1.3488 acres of land, more or less west of Hwy Loop 820, in Wilbarger Street, in Tarrant County, Texas. Quicksilver is an "adjacent lease hold owner" to these tracts as a result of currently existing oil and gas leases.

Attached to this application are the following:

- 1) Plat or map of the Right-of-Way tracts showing the boundaries and Source Deeds of said tracts with dimensions.
- 2) Copy of Source Deeds see Title Opinion attached with Source Deed references.

Please feel free to contact me at 936-674-5738 or I will make myself available for a meeting at your Austin Office.

Respectfully,



Gary Wayne Kessler  
Landman  
Enclosures

~~File No.~~ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Date Filed: \_\_\_\_\_  
Jerry E. Patterson, Commissioner  
By \_\_\_\_\_

KELLAM MAGEE AND COMPANY LLC  
Gary Wayne Kessler  
603 E. Belknap  
Fort Worth, TX 76102  
936-674-5738

August 24, 2009

Texas General Land Office  
Lease Administration  
1700 N. Congress Ave., Suite 600  
Austin, TX 78701-1495

No Money  
on 110325

4000.00  
1/4  
1/2  
Sub in 25.00

Attention: Mr. Drew Reid

Regarding: Oil, Gas, and Mineral Lease  
Ownership of Mineral Estate in a portion of Wilbarger Street  
Tarrant County, Texas  
Lake Arlington Prospect  
Binder Packets covering: Frank Nguyen and wife, Lucinda Nguyen, Lease, 2.0 acres, more or less; T & O Service Marketing, Inc. Lease, 1.359 acres, more or less; Lawhon Inc., 34.4487 acres, more or less; ARC18TX LP Lease, 10.178 acres, more or less; Truck and Trailer Services, Inc. Lease, Lots 1 through 3, Block 6, and Lots 1 through 11, Block 2; Crown Enterprises, Inc. Lease, 1.062 acres, more or less; Fort Worth Terminals, LLC Lands, 29.50 acres, more or less; Gary M. Reeder Lease, 5.191 acres, more or less; Lawhon Inc. 6.086 acres, more or less; Jimmy R. Kersey and wife, Audrey Kersey, Lease, 0.6315 acres, more or less; and Estate of Clyde Peabody, Deceased, Lease, 0.505 acres, more or less.

Dear Mr. Reid:

My name is Gary Kessler, I am a Landman with Kellam Magee and Company LLC. I met with you in January and with Beverly Boyd in March and this is our next request. Attached are the following items relating to the leasing of the above right-of-way tracts:

- 1) Application to lease Right-of-Way, with attachments
- 2) Names and Addresses of Adjacent Mineral Owners
- 3) Affidavit of Non-Production Within 2500 Feet
- 4) \$100 Processing Fee
- 5) Written Wavier of Statutory Notice
- 6) Certified Copy/Copies of Adjacent Lease/Leases
- 7) Notarized Affidavit of Consideration Paid
- 8) Title Opinion
- 9) Is the Right-of-Way on Relinquishment Act Land

Please feel free to contact me at 936-674-5738 or I will make myself available for a meeting at your Austin Office.

Respectfully



Gary Wayne Kessler  
Landman

GARY KESSLER  
ROBBIE KESSLER  
155 ROGER NERREN ROAD  
LUFKIN, TX 75901

88-2366/1131

DATE 7/29/09

PAY TO THE  
ORDER OF

Texas General Land Office \$ 100.00

One hundred

DOLLARS

 HUNTINGTON STATE BANK  
208 Highway 605 • Huntington, TX 75948  
Lufkin, Zavalla, Elgin, Central, Harpoghoras  
Member FDIC

MEMO

Application Fee "1.3488"  
AC.



4.

File No. MF 10325  
J. J. Lettara  
Date Filed: 11/3/09  
JERRY E. PATTERSON, Commissioner  
By: [Signature]



**JACKIE HALL**

Independent Petroleum Landman

603 E. Belknap

Fort Worth, Texas 76102

817-781-6103

[jhall82507@aol.com](mailto:jhall82507@aol.com)

November 11, 2009

Texas General Land Office  
Lease Administration  
Attention: Mr. Drew Reid  
1700 N. Congress Ave., Suite 600  
Austin, TX 78701-1495

Regarding: Oil, Gas, and Mineral Lease with Quicksilver Resources Inc.  
Ownership of Mineral Estate in a portion of Wilbarger Street  
Fort Worth, Tarrant County, Texas

Dear Mr. Reid:

Pursuant to your signing of the Oil and Gas Lease dated October 6, 2009 on the above referenced tract, please find attached the following items:

1. A Certified Copy of the Oil and Gas Lease on the above referenced lands
2. A check dated November 6, 2009 from Quicksilver Resources, Inc. issued to the Commissioner of the Texas General Land Office in the amount of \$5,395.20 for the bonus consideration
3. A check dated November 6, 2009 from Quicksilver Resources, Inc. issued to the Commissioner of the Texas General Land Office in the amount of \$80.53 for the processing fee

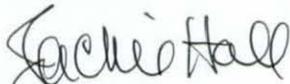
Also, please find enclosed the following:

4. One Order For Payment for the bonus consideration and letter to confirm receipt
5. One Order For Payment for the processing fee and letter to confirm receipt

We would appreciate it if you would sign the enclosed Order For Payments and the letters to confirm receipt for the bonus consideration and for the processing fee. Then, if you would please return these to me in the provided FedEx envelope.

Should you have any questions, please contact me at the e-mail address or telephone number listed above.

Respectfully,



Jackie Hall

Independent Petroleum Landman

Agent for Quicksilver Resources Inc.



Quicksilver Resources Inc.  
777 West Rosedale, Suite 300  
Fort Worth, Texas 76104  
(817) 665-5000

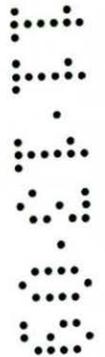
Vendor No.	Vendor Name	Date	Check No.	Check Total
68228	COMMISSIONER OF THE TEXAS	Nov-06-2009	112755	\$80.93

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11-AP-266	2009JH24	10/27/09	80.93	0.00	80.93
TOTAL INVOICES PAID					80.93

X

10702134

121



Quicksilver Resources Inc.  
777 West Rosedale, Suite 300  
Fort Worth, Texas 76104  
(817) 665-5000

Vendor No.	Vendor Name	Date	Check No.	Check Total
68228	COMMISSIONER OF THE TEXAS	Nov-06-2009	112754	\$5,395.20

VOUCHER	VENDOR INV #	INV DATE	TOTAL AMOUNT	PRIOR PMTS & DISCOUNTS	NET AMOUNT
11-AP-267	2009JH23	10/27/09	5,395.20	0.00	5,395.20
TOTAL INVOICES PAID					5,395.20

X

121

10702135



000111

5.

File No. MF110325

Letter, bonus, + fee

Date Filed: 11/13/09

Jerry E. Patterson, Commissioner

By 

**AFFIDAVIT OF NON-PRODUCTION**

STATE OF TEXAS                   §  
   §  
COUNTY OF TARRANT           §

BEFORE ME, the undersigned authority, on this day personally appeared GARY WAYNE KESSLER, known to me to be a credible person above the age of twenty-one (21) years, not incapacitated in any way, which after being first duly sworn, deposes and says to wit:

Affiant states that as an independent Landman currently engaged by Quicksilver Resources Inc. of 777 W. Rosedale, Suite 300 Ft. Worth, Texas 76104. Affiant states that from the [www.drillinginfo.com](http://www.drillinginfo.com) web site, the State of Texas Railroad Commission website and the well location plats attached, through the dates of 8-21-09, the facts appear that there are no producing oil or gas wells which meet the requirement , criteria as explained in the attached "Suggested Procedures for Leasing State Highway Right-of way Tracts, Revised September, 1991". Outline II-3.

Description of Acreage Researched:

Exhibit "A"

TRACT'S A through G: 1.3488 of land, more or less as shown on map

Affiant further states that said tract(s) / land(s) listed above correspond to the land listed on the attached Exhibit "A" Tracts: A through G.

Further affiant sayeth not

Dated this 25th day of August, 2009.

Gary Wayne Kessler

Gary Wayne Kessler, Landman

SUBSCRIBED AND SWORN TO BEFORE ME this 25th day of August, 2009.

L. Keith Schmotzer

Notary Public in and for the State of Texas

Notary Printed Name



ACKNOWLEDGEMENT

STATE OF TEXAS §

§

COUNTY OF TARRANT §

This instrument was acknowledged before me on the 25th day of August, 2009, by Gary Wayne Kessler.

L. Keith Schmotzer

Notary Public in and for the State of Texas

Notary Printed Name



6.

File No. MF 110325  
Alford  
Date Filed: 11/13/09  
Jerro E. Patterson, Commissioner  
By [Signature]



WAIVER OF STATUTORY NOTICE

STATE OF TEXAS                    §  
   §  
COUNTY OF TARRANT           §

WHEREAS: QUICKSILVER RESOURCES, INC. of Fort Worth, Texas proposes to exercise its preferential right to lease certain lands underneath Wilbarger Street, Tarrant County, Texas and hereby waives the Statutory Notice of the intent of the State lease of which it is hereby entitled.

EXECUTED, this 25<sup>th</sup> day of August, 2009.

By:   
Gary Wayne Kessler, Agent

7.

File No. MF 110325

Waiver

Date Filed: 4/13/09

Jerry E. Patterson, Commissioner

By: 

KELLAM MAGEE AND COMPANY LLC

Gary Wayne Kessler

603 E. Belknap

Ft. Worth, TX 76102

936-674-5738

Is the Right-of-Way on Relinquishment Act Land?

The Right-of-Way is not on Relinquishment Act Land.



Gary Wayne Kessler  
Independent Petroleum Landman

8.

File No. MF 110325

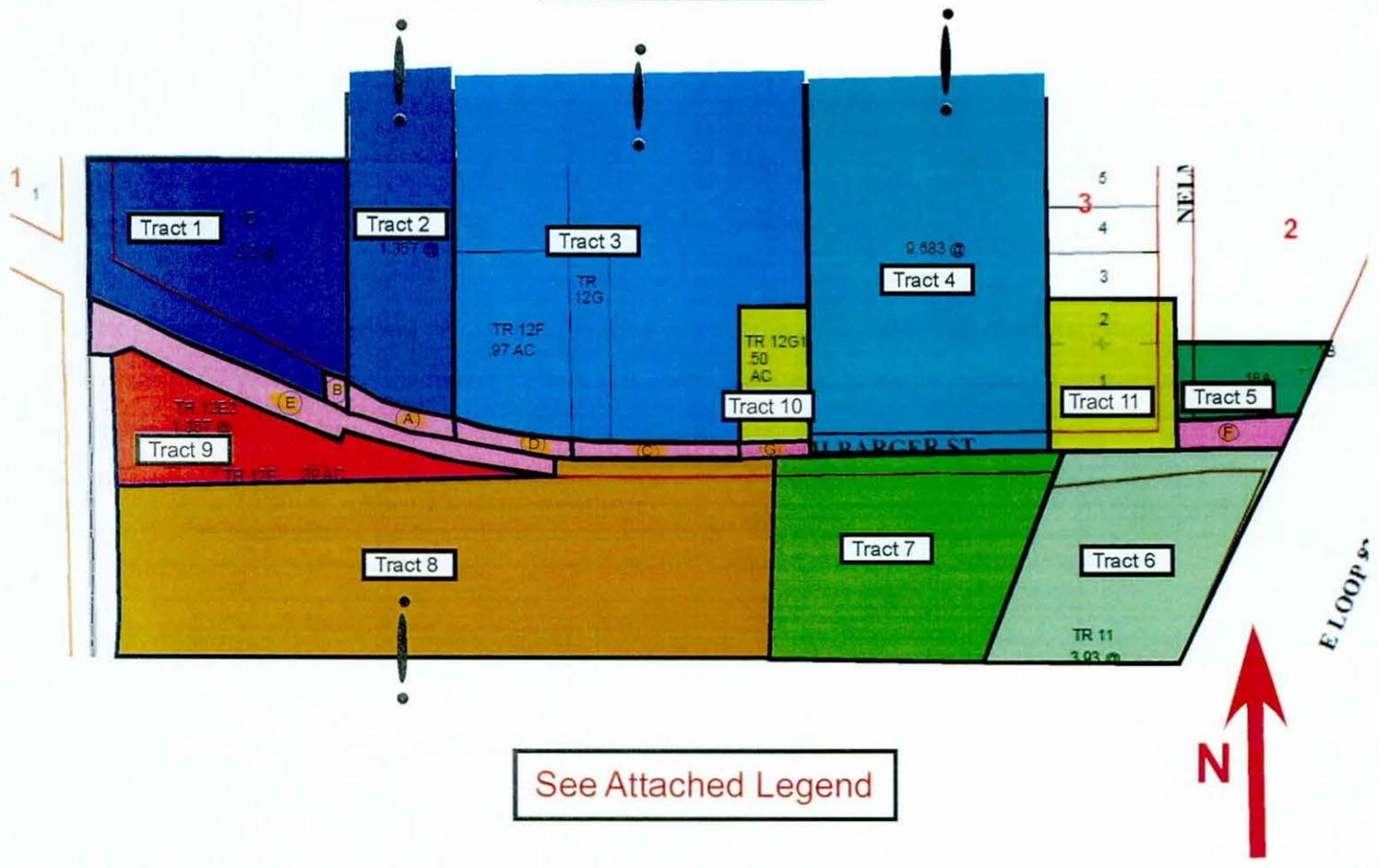
Letter - BOW

Date Filed: 11/13/09

Jeffy E. Patterson, Commissioner

By 

# Exhibit "A"



## Legend for Exhibit "A"

- Tract 1: Frank Nguyen and wife Lucinda Nguyen (2.0 ac)
- Tract 2: T & O Services Marketing, Inc. (1.359 ac)
- Tract 3: Lawhon, Inc. (34.4487 ac)
- Tract 4: ARC18TX, LP (10.178 ac)
- Tract 5: Truck & Trailer Services, Inc. (portion of Block 2, Village Gardens)
- Tract 6: Lawhon, Inc. (6.086 ac)
- Tract 7: Gary Reeder (5.191 ac)
- Tract 8: Fort Worth Terminals, LLC (29.50 ac)
- Tract 9: Crown Enterprises, Inc. (1.062 ac)
- Tract 10: Clyde Peabody (0.505 ac)
- Tract 11: Jimmy Kersey and wife Audrey Kersey (0.6315 ac)
- Tracts A through G: State of Texas



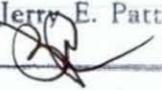
9.

File No. MF 110325

Exhibit "A"

Date Filed: 11/13/09

Jerry E. Patterson, Commissioner

By 

**KELLAM MAGEE & COMPANY, LLC**  
**603 E. Belknap**  
**Fort Worth, Texas 76102**  
**(936) 674-5738**

**Email: [gwk1962@hotmail.com](mailto:gwk1962@hotmail.com)**

August 25, 2009

Mr. Clay Blum  
Mr. Byron Dunn  
Quicksilver Resources Inc.  
777 W. Rosedale, Suite 300  
Fort Worth, Texas 76104

RE: State of Texas (Multiple Tracts – Map Tr. # 654)  
Letter of Application et al  
Wilbarger Street  
Lake Arlington Prospect  
Tarrant County, Texas

Dear Gentlemen,

Attached please find the documents as listed below:

ITEM #	DOCUMENT / LESSOR	GROSS ACRES	COMMENT
1	Original State of Texas Letter of Application Packet Wilbarger Street (Multiple Tracts) J.M. Daniel(s) Survey, A-395 <b>(Lake Arlington Prospect Tarrant County, Texas Whiz Q West Unit)</b>	1.3488	Client Copy of Original Letter of Application et al.

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

Respectfully,

*Gary Wayne Kessler*

Gary W. Kessler  
cc: Enclosures

State of Texas Lease

TOTAL 1.3488

<b>Tract</b>	<b>Acreage</b>
Tract A	0.1442
Tract B	0.0009
Tract C & D	0.373
Tract E	0.6376
Tract F	0.1306
Tract G	0.0625
	<span style="border: 1px solid black; padding: 2px;">1.3488</span>

MAP CALCULATIONS OF ACREAGE FOR EXHIBIT "A" TRACT'S A - G

**Exhibit "A" Tract "A"**

157'x40'=6280/43,560 sq. ft. per acre=**0.1442 acres**, more or less

Measurements derived from deed 9648/758 which states the length of southern property line and plat deed B/2495 showing the width of Wilbarger Street.

**Exhibit "A" Tract "B"**

In deed 9299/1701 RED ARROW FREIGHT LINES deed to the City of Fort Worth 41 square feet of property which equals **0.0009 acres**, more or less.

**Exhibit "A" Tract "C & D"**

406.20'x40'=16248/43560 sq. ft per acre=**0.3730 acres**, more or less

Measurements derived from deed D205042278 which states the length of southern property line and plat deed B/2495 showing the width of Wilbarger Street.

**Exhibit "A" Tract "E"**

In deed 9334/1093, Warranty Deed describes lands deeded to City of Fort Worth as being 27,775 sq feet which equals **0.6376 acres**, more or less

**Exhibit "A" Tract "F"**

350 sq. ft + 133.5'x40'=5690/43560=**0.1306 acres**, more or less

Measurements derived from deed 9733/362 which states the measurements for a easement and the length of the southern property line and plat deed B/2495 showing the width of Wilbarger Street.

**Exhibit "A" Tract "G"**

In deed 9654/1769 Warranty Deed describes lands deeded to the City of Fort Worth as being 2724 square feet which equals **0.0625**, acres more or less

Measurements derived from deed 9654/1769

**TOTAL ACRES 1.3488**

10.

File No. MF 110325  
Letter  
Date Filed: 11/13/09  
By Jerry H. Patterson, Commissioner

# AFFIDAVIT

STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, on this day personally appeared Gary Wayne Kessler, known to me to be a credible person above the age of twenty-one (21) years, not incapacitated in any way, who after being first duly sworn, deposes and says, to wit:

Affiant states that as an independent Landman currently engaged by Quicksilver Resources Inc., of 777 West Rosedale Street, Suite 300 Fort Worth, Texas 76104, he is aware of the consideration paid for oil and gas leases adjacent to the right-of-way tracts described below.

ACREAGE TO BE LEASED FROM STATE OF TEXAS IN TARRANT COUNTY.

The tracts are numbered A - G in Exhibit "A" in Wilbarger Street west of Hwy. Loop 820. Wilbarger Street is located within the J. Daniels Survey, Abstract No. 395, and is depicted on a Plat recorded in Volume 388-6, Page 102, Plat Records, Tarrant County, Texas.

LEASE TRACT	LESSORS	ACRES	TERM	LEASE DATE	REFERENCE	ROYALTY RATE	BONUS PER ACRE	RENTAL
1	Frank Nguyen, ET UX	2.0	3 YRS	8/12/2005	D206094635	.25	\$600.00	paid up
2	T&O Service Marketing, Inc.	1.359	3 YRS	12-7-2005	D206033400	.25	\$800.00	paid up
3	Lawhon, Inc.	34.44868	3 YRS	6-10-2005	D205209271	.25	\$500.00	paid up
4	ARC18TXd/b/a/ Mulberry Heights MHC	10.178	1.5 YRS	8-1-2006	D206242435	.25	\$4000.00	paid up
5	Truck & Trailer Services, Inc.	6.706	3 YRS	2-26-2009	D209082158	.25	\$3500.00	paid up
6	Lawhon, Inc.	6.086	3 YRS	8-1-2005	D205292849	.25	\$2500.00	paid up
7	Gary Reeder	5.191	3 YRS	8-10-2005	D205292850	.25	\$650.00	paid up
10	Clyde Peabody	.505	3 YRS	11-23-2005	D205384591	.20	\$500.00	paid up
11	Jimmy Kersey ET UX	0.6315	3 YRS	6-30-2008	D209109107	.25	\$12,500.00	paid up

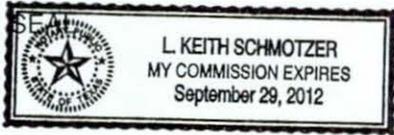
Affiant further states that said tracts/lands listed correspond to the lands listed as same on the attached Exhibit "A" covering the adjacent land to State of Texas, Right-of-Way, Tarrant County, Texas.

Further affiant sayeth not.

Dated this 25th day of August, 2009

Gary Wayne Kessler  
Gary Wayne Kessler, Landman

SUBSCRIBED AND SWORN TO BEFORE ME this 25th day of August, 2009.

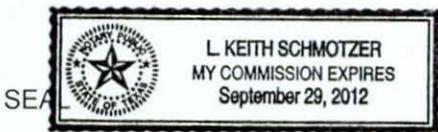


L. Keith Schmotzer  
Notary Public, State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 25th day of August, 2009, by Gary Wayne Kessler.



L. Keith Schmotzer  
Notary Public in and for the State of Texas  
Notary Printed Name  
Larry Schmotzer

**QUICKSILVER RESOURCES, INC.**  
 LAKE ARLINGTON PROSPECT  
 TARRANT COUNTY, TEXAS  
 STATE OF TEXAS GENERAL LAND OFFICE  
 REQUESTED INFORMATION

TRACT NO.	LESSOR	LESSEE	BONUS CONSIDERATION PER NET MINERAL ACRE	ESTIMATED ACREAGE	DATE OF LEASE	COMMENTS
1	Frank Nguyen, ET UX 5511 Gateway Lane, Arlington, TX 76017	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 600.00	2.0000	8/12/2005	
2	T & O Service Marketing, Inc. 5251 Wilbarger Street Fort Worth, TX 76119	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 800.00	1.3590	12/7/2005	
3	Lawhon, Inc. P.O. Box 40 Tolar, TX 76092	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 500.00	34.4487	6/10/2005	
4	ARC18TXLP, d/b/a/, Mulberry Heights MHC 7887 Belleview Avenue, Suite 200	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 4,000.00	10.1780	8/1/2006	
5	Truck and Trailer Services, Inc. 4300 East Loop 820 South Fort Worth, TX 76119	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 3,500.00	6.7060	2/26/2009	

TRACT NO.	LESSOR	LESSEE	BONUS CONSIDERATION PER NET MINERAL ACRE	ESTIMATED ACREAGE	DATE OF LEASE	COMMENTS
6	Lawhon, Inc. P.O. Box 40 Tolar, TX 76092	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 600.00	6.0860	8/1/2005	
7	Gary M. Reeder PO Box 8237 Fort Worth, TX 76107	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 650.00	5.1910	8/10/2005	
8	Fort Worth Terminals,LLC PO Box 869 Warren MI, 48090-0869	NOT LEASED	\$ -	0.0000		
9	Crown Enterprises 12225 Stevens Road Warren, MI 48089	NOT LEASED	\$ -	0.0000		
10	Clyde Peabody 600 Oak Hollow Lane Ft. Worth, TX 76112	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 500.00	0.5050	11/23/2005	
11	Jimmy R. Kersey 1713 Druid Ct. Fort Worth, TX 76112-3707	Quicksilver Resources, Inc. 777 W. Rosedale, Suite 300 Fort Worth, Texas 76104	\$ 12,500.00	0.6315	6/30/2008	

LEASE PURCHASE REPORT

PROJECT Barnett Shale PROSPECT Lake Arlington COUNTY Tarrant STATE TX  
DATE OF LEASE: 6/30/08 TERM: 3 yr EXPIRATION: 6/30/11  
EXT. EXPIR.: \_\_\_\_\_

LESSOR Jimmy R. Kersey, aka Jim R. Kersey and wife, Audrey L. Kersey

ADDRESS 1713 Druid Court, Fort Worth, Texas 76112

PHONE \_\_\_\_\_ SOCIAL SECURITY # [REDACTED] (Jimmy)

SPOUSE SS# [REDACTED] (Audrey)

LESSEE Quicksilver Resources Inc.

ADDRESS 777 West Rosedale, Suite 300, Fort Worth, Texas 76104

MINERAL INTEREST COVERED 1.0000

GROSS ACRES 0.6315 NET ACRES 0.6315

BONUS / ACRE 12,500.00 TOTAL BONUS \$7,893.75

ROYALTY INTEREST 1/4 (25%)

LEASE FORM Prod. 88 (4/76) Revised Paid-Up PAID UP X RENTAL      (Mark One)

RENTAL PER ACRE N/A GROSS RENTAL \_\_\_\_\_ SI ROYALTY / ACRE \$1.00/acre

LESSOR RENTAL AMOUNT \_\_\_\_\_ RENTAL DIVISION ORDER (Y / N) N

DEPOSITORY BANK \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

PROPERTY DESCRIPTION

0.6315 acres of land, more or less, situated in J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being the same land more particularly described in the following two (2) lots to wit:

0.4015 acres of land, more or less, situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, described as Lot 1, Block 3, Village Gardens an Addition to the City of Fort Worth, Tarrant County, Texas, as depicted in that certain plat dated May 4, 1954, recorded in Volume 388-Y, Page 84, Tarrant County Clerk's Public Records, Tarrant County, Texas, being that same land described in that certain Warranty Deed dated November 8, 2005, conveyed from Ruby Baxter to Jimmy R. Kersey, recorded in Instrument No. D208216670 of the Tarrant County Clerk's Official Public Records, Tarrant County, Texas.

0.2300 acres of land, more or less, situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, described as Lot 2, Block 3, Village Gardens an Addition to the City of Fort Worth, Tarrant County, Texas, as depicted in that certain plat dated May 4, 1954, recorded in Volume 388-Y, Page 84, Tarrant County Clerk's Public Records, Tarrant County, Texas, being that same land described in that certain Warranty Deed dated November 8, 2005, conveyed from Ruby Baxter to Jimmy R. Kersey, recorded in Instrument No. D208216670 of the Tarrant County Clerk's Official Public Records, Tarrant County, Texas.

NAME, ADDRESS & PHONE NO. OF SURFACE OWNER Jimmy R Kersey, aka Jim R. Kersey and wife, Audrey L. Kersey 1713 Druid Court, Fort Worth, Texas 76112

NAME, ADDRESS & PHONE NO. OF SURFACE TENANT \_\_\_\_\_

ARE ABSTRACTS AVAILABLE (Y / N) N If yes, NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

NOTABLE PROVISIONS \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DATE 8/4/08 SUBMITTED BY Jonni Sanders

FOR OFFICE USE ONLY

DATE \_\_\_\_\_ APPROVED BY \_\_\_\_\_

LEASE PURCHASE REPORT

Client Lease No. \_\_\_\_\_

PROSPECT NAME: LAKE ARLINGTON COUNTY/PARISH, STATE: TARRANT COUNTY, TEXAS

LESSOR: LARRY PEABODY, INDEPENDENT EXECUTOR OF THE ESTATE OF CLYDE PEABODY, DECEASED

ADDRESS: 600 Oak Hololw Lane, Fort Worth, Texas 76112

TELEPHONE: (817) 688-4585

SS/TAX ID NUMBER(S): \_\_\_\_\_

LESSEE AND ADDRESS: Marshall R. Young Oil Co., 1320 S. University, Suite 400, Fort Worth, Texas

LEASE DATE: 11/23/2005 PRIMARY TERM: 3 Years\* EXPIRATION DATE: 11/23/2008\*

MINERAL INT. COVERED Full GROSS ACRES .505 NET ACRES: 0.505000

BONUS PER ACRE: \$500.00 TOTAL BONUS PAID: \$252.50 FUNDS REQUEST ID: 12/22/2005

ANNUAL RENTAL/ACRE: N/A NET ANNUAL RENTAL: N/A GROSS ANNUAL RENTAL: N/A

ROYALTY: .2000 NPRI(S): \_\_\_\_\_ ORRI OR PRODUCTION PAYMENT: \_\_\_\_\_

OIL POOLING: 40 acres + 10% tolerance GAS POOLING: 640 acres + 10% tolerance

BRIEF PROPERTY DESCRIPTION:

.505 acres, more or less, J. M. Daniel Survey, A-395, Tarrant County, Texas

53520

PROSPECT MAP TRACT NUMBER(S): 38

OUTSTANDING INTEREST, ADDRESS, TELEPHONE, STATUS:

None

SURFACE OWNER, ADDRESS, TELEPHONE:

Same as Lessor

MORTGAGES, LIENS AND ENCUMBRANCES, HOLDER, ORIGINAL AMOUNT, STATUS:

Undetermined

DEPOSITORY BANK, ADDRESS:

Mail to Lessor at above address

RECEIVED  
NOV 27 2005  
THRU FORTH

DOCUMENTS FURNISHED:

- Memorandum- Original
- Lease - Original
- Ratification
- Schedule of Interest
- Draft - Copy
- Letter Receipt
- Form W-9 or Similar Form - Original
- Rental Division Order
- Reference Instruments - Copy
- Title Notes
- Assignment
- Affidavit
- Subordination of Lien
- Letter of Agreement
- Power of Attorney
- Other \_\_\_\_\_
- Other \_\_\_\_\_
- Plat (number separate tracts)

SPECIAL PROVISIONS

- Oil and Gas Only
- Damage
- Pugh Clause
- Horizontal Severance
- Pooling
- Shut-In Royalty
- Well/Seismic Information
- Salt Water
- Warranty
- Firearms/Hunting
- Counterparts
- Minimum Royalty
- Favored Nations
- Royalty In Kind
- Developed Acreage
- Continuous Development
- Depth Limitation
- Offset Wells

- Free Royalty
- Royalty Payments
- Assignment
- Notices to Lessor
- Division Order
- Pipe Lines
- Roads
- Drillsite Locations
- No Surface Operations
- Special Surface Use
- Water Well
- Idemnification
- Written Release of Lease
- Option to Extend (See Remarks)
- See Remarks
- Other \_\_\_\_\_
- Other \_\_\_\_\_
- Other \_\_\_\_\_

REMARKS:

\*Primary Term may be extended for two (2) years @ \$500.00 per net mineral acre.

17112-00

PREPARED BY: Don A. Brown

DATE:

12/22/2005

41  
24

LEASE PURCHASE REPORT

Client Lease No. \_\_\_\_\_

PROSPECT NAME: LAKE ARLINGTON COUNTY/PARISH, STATE: TARRANT COUNTY, TEXAS

LESSOR: GARY M. REEDER

ADDRESS: P. O. Box 8237, Fort Worth, Texas 76107

TELEPHONE: (817) 429-5957 SS/TAX ID NUMBER(S): [REDACTED]

LESSEE AND ADDRESS: Marshall R. Young, 1320 S. University, Suite 400, Fort Worth, Texas

LEASE DATE: 8/10/2005 PRIMARY TERM: 3 Years\* EXPIRATION DATE: 8/10/2008\*

MINERAL INT. COVERED Full GROSS ACRES 5.191 NET ACRES: 5.191000

BONUS PER ACRE: \$650.00 TOTAL BONUS PAID: \$3,374.15 FUNDS REQUEST ID: 9/28/2005

ANNUAL RENTAL/ACRE: N/A NET ANNUAL RENTAL: N/A GROSS ANNUAL RENTAL: N/A

ROYALTY: 1/4 NPRI(S): ORRI OR PRODUCTION PAYMENT:

OIL POOLING: 40 acres + 10% tolerance GAS POOLING: 640 acres plus 10% tolerance

BRIEF PROPERTY DESCRIPTION: 5.191 acres, more or less, J. M. Daniel Survey, A-395, Tarrant County, Texas

PROSPECT MAP TRACT NUMBER(S): 26

OUTSTANDING INTEREST, ADDRESS, TELEPHONE, STATUS:

SURFACE OWNER, ADDRESS, TELEPHONE: Same as Lessor

MORTGAGES, LIENS AND ENCUMBRANCES, HOLDER, ORIGINAL AMOUNT, STATUS: Undetermined

DEPOSITORY BANK, ADDRESS: Mail to Lessor at above address

DOCUMENTS FURNISHED:

- Memorandum- Original
Lease - Original
Draft - Copy
Form W-9 or Similar Form - Original
Reference Instruments - Copy
Plat (number separate tracts)

SPECIAL PROVISIONS:

- Oil and Gas Only
Damage
Pugh Clause
Horizontal Severance
Pooling
Shut-In Royalty
Well/Seismic Information
Salt Water
Warranty
Firearms/Hunting
Counterparts
Minimum Royalty
Favored Nations
Royalty In Kind
Developed Acreage
Continuous Development
Depth Limitation
Offset Wells

- Free Royalty
Royalty Payments
Assignment
Notices to Lessor
Division Order
Pipe Lines
Roads
Drillsite Locations
No Surface Operations
Special Surface Use
Water Well
Idemnification
Written Release of Lease
Option to Extend (See Remarks)

RECEIVED OCT 03 '05 FORT WORTH

REMARKS:

Primary Term may be extended for two (2) years @ \$650.00 per net mineral acre.

PREPARED BY: Sahron S. Brown DATE: 9/15/2005

LPR

**LEASE PURCHASE REPORT**

PROJECT Barnett Shale PROSPECT Lake Arlington COUNTY Tarrant STATE TX  
DATE OF LEASE: 8/1/2005 TERM: 3 years 3+2 EXPIRATION: 8/1/2008  
DATE OF AMENDMENT: 2/26/2009 Note: This Amendment of Oil, Gas and Mineral Lease amends the legal description of the Leases Premises. OPTION TO EXTEND: YES Exp. 8-1-2010 @ \$600.00/ nma

LESSOR Lawhon, Inc., a Texas corporation, by Sherry Lawhon as President  
ADDRESS P O Box 40, Tolar, Texas 76476  
PHONE 817-614-2007 SOCIAL SECURITY # [REDACTED]  
SPOUSE SS# [REDACTED]  
LESSEE Quicksilver Resources, Inc.  
ADDRESS 777 West Rosedale, Suite 300, Fort Worth, TX 76104

MINERAL INTEREST COVERED 1.0

GROSS ACRES 14.874 (6.086 original, leaving 8.788 unpaid previously by MRV) NET ACRES 14.874 (6.086 original, leaving 8.788 unpaid previously by MRV)  
BONUS / ACRE \$2500.00 (\$600.00 previously paid by MRV) TOTAL BONUS \$21,970.00 (for the unpaid 8.788 acres. \$3,651.60 previously paid by MRV)

ROYALTY INTEREST 1/4

LEASE FORM Producers 88 PAID UP / RENTAL (CIRCLE ONE)

RENTAL PER ACRE \_\_\_\_\_ GROSS RENTAL \_\_\_\_\_ SI ROYALTY / ACRE 10.00

LESSOR RENTAL AMOUNT \_\_\_\_\_ RENTAL DIVISION ORDER (Y / N) \_\_\_\_\_

DEPOSITORY BANK \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

PROPERTY DESCRIPTION **"14.874 acres of land, more or less, situated in the J.M. Daniel Survey, Abstract 395, Tarrant County, Texas, being further described as:**

6.086 acre tract of land, more or less, situated in the J.M. Daniel Survey, Abstract No. 395, in the City of Fort Worth, Tarrant County Texas, being more particularly described by metes and bounds in that certain deed dated July 7, 1998 from Loop 820 Properties, a Joint Venture to Wright Pump Company, Inc., a Texas corporation, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D198153119; and **8.788 approximate acres of land, more or less, being the lands located within the lateral boundaries of East Loop 820, east of and contiguous to the 6.086 acres described above, which lie under East Loop 820, by extension of the boundary lines through to the centerline of East Loop 820, together with all strips, gores and other acreage owned or claimed by Lessor located adjacent thereto."**

NAME, ADDRESS & PHONE NO. OF SURFACE OWNER Lawhon, Inc.  
PO Box 40  
Tolar, Texas 76092

State Of Texas (Loop 820 strip and gore acreage)

NAME, ADDRESS & PHONE NO. OF SURFACE TENANT N/A

ARE ABSTRACTS AVAILABLE (Y / N) No If yes, NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
PHONE \_\_\_\_\_

NOTABLE PROVISIONS: Primary term is 3 yrs. w/2 yr. Option to Extend,

The original Oil, Gas and Mineral Lease is amended so as to include strip and gore acreage for the portion of Loop 820 that is adjacent and contiguous to the subject tract. Please see the attached Letter Opinion rendered by Philip C. Mani. I calculated this additional acreage using a map provided by the Texas Department of Transportation, an Allen Scale and a compass. Deed plotter And instruments of conveyance for the subject tract. I have calculated the strip and gore acreage to be 2.175 acres. No instrument of record ever quantifies, qualifies, or conveys this strip and gore acreage. This is the reason why the "(approximate)" language is used in the legal description.

DATE 2/23/2009 SUBMITTED BY Jackie Hall

FOR OFFICE USE ONLY:

DATE \_\_\_\_\_ APPROVED BY \_\_\_\_\_  
Landman

**LEASE PURCHASE REPORT**

PROJECT Barnett Shale PROSPECT Lake Arlington COUNTY Tarrant STATE TX  
DATE OF LEASE: February 26, 2009 TERM: 3yrs +2yrs EXPIRATION: 02/26/2012  
OPTION TO EXTEND: YES 2 yr Optn. Pmnt. by 02/26/2012  
2 yr. Optn. expires 02/26/2014,  
Optn. Bonus @ \$3,500.00 pnma

LESSOR Truck and Trailer Services, Inc., a Texas Corporation

ADDRESS 4300 East Loop 820 South, Fort Worth, Texas 76119

PHONE (817) 825-0550 TAX ID NUMBER # [REDACTED]

LESSEE Quicksilver Resources, Inc.

ADDRESS 777 West Rosedale, Suite 300, Fort Worth, TX 76104

MINERAL INTEREST COVERED 1.0

GROSS ACRES 6.706 acres NET ACRES 6.706 acres

BONUS / ACRE \$3,500.00 pnma TOTAL BONUS \$23,471.00

ROYALTY INTEREST 1/4

LEASE FORM Producers 88 PAID UP / RENTAL (CIRCLE ONE)

RENTAL PER ACRE N/A GROSS RENTAL N/A SI ROYALTY / ACRE \$1.00

LESSOR RENTAL AMOUNT N/A RENTAL DIVISION ORDER (Y / N) N

DEPOSITORY BANK \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

PROPERTY DESCRIPTION:

**6.706 acres of land**, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being comprised of two (2) tracts of land described as follows:

**TRACT ONE:** **3.555 acres**, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being described as a 3.067 acre tract and an approximate 0.488 acre tract:

**TRACT TWO:** **3.151 acres**, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being described as a 2.083 acre tract, and an approximate 1.068 acre tract:

**SEE EXHIBIT "A" FOR A MORE COMPLETE DESCRIPTION**

NAME, ADDRESS & PHONE NO. OF SURFACE OWNER Same as above (for Tract One);  
Reza Alavi, 4201 Brady St., Ft. Worth, TX 76119 (for Tract Two)

NAME, ADDRESS & PHONE NO. OF SURFACE TENANT N/A

ARE ABSTRACTS AVAILABLE (Y / N) NO If yes, NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
PHONE \_\_\_\_\_

NOTABLE PROVISIONS: Non-Surface Use; 640 acre pooling; Pugh Clause; Free of Costs Clause;  
1/4 Royalty; \$100.00 Minimum Royalty Clause

The Secretary of State of Texas incorrectly states Cary Cagle's name to be "Gary Cagle". Additionally, according to their attorney, pursuant to internal corporate documents, Truck & Trailer Services, Inc. named Shirley Cagle President of the company and Cary Cagle as Vice President of the company and each signed documents as such.

OTHER: \_\_\_\_\_

DATE 03/12/2009 SUBMITTED BY John C. Soltau /

FOR OFFICE USE ONLY:

DATE \_\_\_\_\_ APPROVED BY \_\_\_\_\_  
Landman

**LEASE PURCHASE REPORT**

PROSPECT NAME: LAKE ARLINGTON

COUNTY, PARISH, STATE: TARRANT/TX

LESSOR: ARC18TX LP, d/b/a, Mulberry Heights MHC

77524

ADDRESS: 7887 E. Belleview AVenue, Suite 200, Englewood, CO 80111 (contact: Larry Gardner)

TELEPHONE: 303-383-7551

Social Security/Tax I.D. No.: [REDACTED]  
(ARC REAL ESTATE HOLDINGS, LLC)

LESSEE AND ADDRESS: MARSHALL R. YOUNG OIL CO., 1320 S. University Dr., #400, Fort Worth, TX 76107

LEASE DATE: 8/1/06      PRIMARY TERM: 1 yr. 6 months      EXPIRATION DATE: 1/1/08

FRACTIONAL INT. COVERED: full      GROSS ACRES: 10.178      NET ACRES: 10.178

BONUS PER ACRE: \$4,000.00      TOTAL BONUS PAID: \$40,712.00

ANNUAL RENTAL/ACRE: None      NET ANNUAL RENTAL: None      GROSS ANNUAL RENTAL: None

ROYALTY: 25%      ORRI OR PRODUCTION PAYMENT: NONE      OTHER ROYALTY BURDENS: NONE

OIL POOLING: 40 ACRES      GAS POOLING: 100 ACRES

BRIEF PROPERTY DESCRIPTION: 10.178 acres known as Mulberry Heights MHC as described in lease

53710

OUTSTANDING INTEREST (IF ANY), ADDRESS, TELEPHONE, STATUS: NONE

SURFACE OWNER (IF OTHER THAN LESSOR), ADDRESS, TELEPHONE: LESSOR IS SURFACE OWNER

MORTGAGES, LIENS AND ENCUMBRANCES (IF ANY), HOLDER, STATUS: NONE KNOWN

DEPOSITORY BANK, ADDRESS: Paid Directly to Lessor

**DOCUMENTS FURNISHED:**

- Option Agreement - Copy/Original
- x Lease - Copy/Original
- Schedule of Interest
- X Proof of wire transfer
- Rental Division Order - Copy/Original
- X Reference Instrument - Copy
- Title Notes
- Assignment of ORRI - Copy/Original
- Affidavit
- Subordination of Lien - Copy/Original
- Letter Agreement - Copy/Original
- Power of Attorney - Copy/Original
- X Plat (number separate tracts)
- Other -

**SPECIAL PROVISIONS:**

- Oil and Gas Only
- Damage
- Pugh Clause
- Horizontal Severance
- Pooling
- X Shut-In Royalty
- Well Information
- Salt Water
- Warranty
- Firearms/Hunting
- Counterparts
- Minimum Royalty
- Favored Nations
- Royalty In Kind
- Developed Acreage
- Continuous Development
- Royalty
- X Depth Limitation
- Assignment
- Pipe Lines
- X No Surface Operations
- Special Surface Use
- Water Well
- X Option to Renew/Extend
- Top Lease
- Other

**REMARKS:**

1. LIMITED TO BARNETT SHALE FORMATION ONLY
2. SHUT-IN ROYALTY PROVISION SPECIFIES AMOUNTS TO BE PAID, TO BEGIN WITHIN 30 DAYS OF SHUT-IN; FAILURE TO PAY WILL CAUSE TERMINATION OF LEASE; PAYMENTS CAN BE RECOUPED OUT OF 50% OF ROYALTY PAYABLE TO LESSOR
3. LEASE CAN BE EXTENDED ADDITIONAL 18 MONTHS BY PAYMENT OF ADDITIONAL \$4000/NET ACRE BONUS BEFORE END OF INITIAL PRIMARY TERM
4. NO SURFACE USE WITHOUT PRIOR WRITTEN CONSENT OF LESSOR

PREPARED BY: LINDA HOWARTH

Date: 8/8/06

UPMIF

# LEASE PURCHASE REPORT

Marshall Oil Lease File No. \_\_\_\_\_

PROSPECT NAME: LAKE ARLINGTON COUNTY/PARISH, STATE: TARRANT COUNTY, TEXAS

LESSOR: LAWHON, INC.

ADDRESS: P. O. Box 40, Tolar, Texas 76476

TELEPHONE: (817) 614-8117

TAX IDENTIFICATION NUMBER(S): [REDACTED]

LESSEE AND ADDRESS: Marshall R. Young Oil Co., 1320 S. University, Suite 400, Fort Worth, Texas 76107

LEASE DATE: June 10, 2005 PRIMARY TERM: 3 Years\* EXPIRATION DATE: June 10, 2008\*

FRACTIONAL INT. COVERED: Full GROSS ACRES: 34.44868 NET ACRES: 34.44868

BONUS PER ACRE: \$ 500.00 TOTAL BONUS PAID: \$ 17,224.34 (includes paid-up rentals)

ANNUAL RENTAL/ACRE: \$ N/A NET ANNUAL RENTAL: \$ N/A GROSS ANNUAL RENTAL: \$ N/A

ROYALTY: 1/4 ORRI OR PRODUCTION PAYMENT: OTHER ROYALTY BURDENS:

OIL POOLING: 40 acres plus 10% tolerance GAS POOLING: 640 acres plus 10% tolerance

BRIEF PROPERTY DESCRIPTION: 34.44868 acres, J. M. Daniel Survey, A-395, Tarrant County, Texas

OUTSTANDING INTEREST (IF ANY), ADDRESS, TELEPHONE, STATUS:

SURFACE OWNER (IF OTHER THAN LESSOR), ADDRESS, TELEPHONE:

MORTGAGES, LIENS AND ENCUMBRANCES (IF ANY), HOLDER, STATUS: Undetermined

DEPOSITORY BANK, ADDRESS: Mail directly to Lessor at above address

### DOCUMENTS FURNISHED:

- Memorandum - Copy/Original
- Lease - Copy/Original
- Schedule of Interest
- Draft - Copy
- Rental Division Order - Copy/Original
- Reference Instrument(s) - Copy
- Title Notes
- Assignment - Copy/Original
- Affidavit
- Subordination of Lien - Copy/Original
- Letter Agreement - Copy/Original
- Power of Attorney - Copy/Original
- Other IRS Form W-9 - Copy
- Other
- Plat (number separate tracts)

### SPECIAL PROVISIONS:

- Oil and Gas Only
- Damage
- Pugh Clause
- Horizontal Severance
- Pooling
- Shut-In Royalty
- Well Information
- Salt Water
- Warranty
- Firearms/Hunting
- Counterparts
- Minimum Royalty
- Favored Nations
- Royalty In Kind
- Developed Acreage
- Continuous Development
- Royalty
- Depth Limitation
- Assignment
- Pipe Lines
- No Surface Operations
- Special Surface Use
- Water Well
- Option to Renew\*
- Top Lease
- Other See Lease
- Other
- Other
- Other
- Other

REMARKS: \*Primary Term may be extended for two (2) years @ \$500.00 per net mineral acre.

Prepared By: Don A. Brown

Date: July 12, 2005

RECEIVED

JUL 18 '05

17052-00

FORT WORTH

UPRIF

LEASE PURCHASE REPORT

Client Lease No. \_\_\_\_\_

PROSPECT NAME: LAKE ARLINGTON COUNTY/PARISH, STATE: TARRANT COUNTY, TEXAS

LESSOR: FRANK NGUYEN, ET UX 153985

ADDRESS: 5511 Gateway Lane, Arlington, Texas 76017

TELEPHONE: (254) 834-3410 SS/TAX ID NUMBER(S): [REDACTED]

LESSEE AND ADDRESS: Marshall R. Young Oil Co., 1320 S. University, Suite 400, Fort Worth, Texas

LEASE DATE: 8/12/2005 PRIMARY TERM 3 Years\* EXPIRATION DATE: 8/12/2008

MINERAL INT. COVERED Full GROSS ACRES 2 NET ACRES: 2.000000

BONUS PER ACRE: \$600.00 TOTAL BONUS PAID: \$1,200.00 FUNDS REQUEST ID: 3/20/2006

ANNUAL RENTAL/ACRE: N/A NET ANNUAL RENTAL: N/A GROSS ANNUAL RENTAL: N/A

ROYALTY: .25 NPRI(S): ORRI OR PRODUCTION PAYMENT:

OIL POOLING: 40 acres + 10% GAS POOLING: 640 acres + 10%

BRIEF PROPERTY DESCRIPTION: 2.0 acres, more or less, out of the J. M. Daniel Survey, A-395, Tarrant County, Texas

PROSPECT MAP TRACT NUMBER(S): 56

OUTSTANDING INTEREST, ADDRESS, TELEPHONE, STATUS: None

SURFACE OWNER, ADDRESS, TELEPHONE: Same as Lessor

MORTGAGES, LIENS AND ENCUMBRANCES, HOLDER, ORIGINAL AMOUNT, STATUS: Undetermined

DEPOSITORY BANK, ADDRESS: Mail to Lessor at above address

DOCUMENTS FURNISHED:

- Memorandum- Original
Lease - Original
Ratification
Schedule of Interest
Draft - Copy
Letter Receipt
Form W-9 or Similar Form Original
Rental Division Order
Reference Instruments - Copy
Title Notes
Assignment
Affidavit
Subordination of Lien
Letter of Agreement
Power of Attorney
Other
Other
Plat (number separate tracts)

SPECIAL PROVISIONS

- Oil and Gas Only
Damage
Pugh Clause
Horizontal Severance
Pooling
Shut-In Royalty
Well/Seismic Information
Salt Water
Warranty
Firearms/Hunting
Counterparts
Minimum Royalty
Favored Nations
Royalty In Kind
Developed Acreage
Continuous Development
Depth Limitation
Offset Wells

- Free Royalty
Royalty Payments
Assignment
Notices to Lessor
Division Order
Pipe Lines
Roads
Drillsite Locations
No Surface Operations
Special Surface Use
Water Well
Idemnification
Written Release of Lease
Option to Extend (See Remarks)
See Remarks
Other
Other
Other

REMARKS:

\*Primary Term may be extended for two (2) years @ \$600.00 per net mineral acre.

PREPARED BY: Don A. Brown DATE: 3/22/2006

# LEASE PURCHASE REPORT

Client Lease No. \_\_\_\_\_

PROSPECT NAME: LAKE ARLINGTON COUNTY/PARISH, STATE: TARRANT COUNTY, TEXAS

LESSOR: T & O SERVICE MARKETING, INC. *T43843*

ADDRESS: 5251 Willbarger Street, Fort Worth, TX 76119

TELEPHONE: (817) 429-8188

SS/TAX ID NUMBER(S): [REDACTED]

LESSEE AND ADDRESS: Marshall R. Young Oil Co., 1320 S. University, Suite 400, Fort Worth, Texas

LEASE DATE: 12/7/2005 PRIMARY TERM: 3 Years EXPIRATION DATE: 12/7/2008

MINERAL INT. COVERED Full GROSS ACRES 1.359 NET ACRES: 1.359000

BONUS PER ACRE: \$800.00 TOTAL BONUS PAID: \$1,087.20 FUNDS REQUEST ID: 1/27/2006

ANNUAL RENTAL/ACRE: N/A NET ANNUAL RENTAL: N/A GROSS ANNUAL RENTAL: N/A

ROYALTY: .25 NPRI(S): \_\_\_\_\_ ORRI OR PRODUCTION PAYMENT: \_\_\_\_\_

OIL POOLING: 40 acres + 10% tolerance GAS POOLING: 640 acres + 10% tolerance

**BRIEF PROPERTY DESCRIPTION:**

1.359 acres, more or less, J. M. Daniel Survey, A-395, Tarrant County, Texas

PROSPECT MAP TRACT NUMBER(S): 44

OUTSTANDING INTEREST, ADDRESS, TELEPHONE, STATUS:

None

SURFACE OWNER, ADDRESS, TELEPHONE:

MORTGAGES, LIENS AND ENCUMBRANCES, HOLDER, ORIGINAL AMOUNT, STATUS:

Undetermined

DEPOSITORY BANK, ADDRESS:

Mail to Lessor at above address

**DOCUMENTS FURNISHED:**

- Memorandum- Original
- Lease - Original
- Ratification
- Schedule of Interest
- Draft - Copy
- Letter Receipt
- Form W-9 or Similar Form - Original
- Rental Division Order
- Reference Instruments - Copy
- Title Notes
- Assignment
- Affidavit
- Subordination of Lien
- Letter of Agreement
- Power of Attorney
- Other \_\_\_\_\_
- Other \_\_\_\_\_
- Plat (number separate tracts)

**SPECIAL PROVISIONS**

- Oil and Gas Only
- Damage
- Pugh Clause
- Horizontal Severance
- Pooling
- Shut-In Royalty
- Well/Seismic Information
- Salt Water
- Warranty
- Firearms/Hunting
- Counterparts
- Minimum Royalty
- Favored Nations
- Royalty In Kind
- Developed Acreage
- Continuous Development
- Depth Limitation
- Offset Wells
- Free Royalty
- Royalty Payments
- Assignment
- Notices to Lessor
- Division Order
- Pipe Lines
- Roads
- Drillsite Locations
- No Surface Operations
- Special Surface Use *No restrictions*
- Water Well
- Idemnification
- Written Release of Lease
- Option to Extend (See Remarks) *None*
- See Remarks
- Other \_\_\_\_\_
- Other \_\_\_\_\_
- Other \_\_\_\_\_

**REMARKS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RECEIVED JAN 31 2006

PREPARED BY: Don A. Brown

DATE: \_\_\_\_\_

1/27/2006

*LRP/ML*

11.

File No. MF 110325

*Affidavit*

Date Filed: 11/13/09

By: *[Signature]*  
Jermy E. Patterson, Commissioner

Philip C. Mani  
Board Certified Oil, Gas & Mineral Law,  
Texas Board of Legal Specialization  
Geologist (B.A. & M.S.)

Telephone 210.403.9461  
Fax 210.403.9264  
Cell 210.860.6264  
email: phil@philipcmani.com

Erica B. Sloan

Stephen M. Little

August 21, 2009

Quicksilver Resources Inc.  
777 West Rosedale Street, Suite 300  
Fort Worth, Texas 76104

Attention: Mr. Clay Blum  
Mr. Byron Dunn

Re: Ownership of Mineral Estate in a portion of Wilbarger Street, J. Daniels Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Frank Nguyen and wife, Lucinda Nguyen, Lease, 2.0 acres, more or less, (QRI Tract No. \_\_\_); T & O Service Marketing, Inc. Lease, 1.359 acres, more or less (QRI Tract No. \_\_\_); Lawhon Inc., 34.4487 acres, more or less (QRI Tract No. 122); ARC18TX LP Lease, 10.178 acres, more or less (QRI Tract No. \_\_\_); Truck and Trailor Services, Inc. Lease, Lots 1 through 3, Block 6, and Lots 1 through 11, Block 2 (Packet No. \_\_\_); Crown Enterprises, Inc. Lease, 1.062 acres, more or less (QRI Tract No. 518); Fort Worth Terminals, LLC Lands, 29.50 acres, more or less (QRI Tract No. 517); Gary M. Reeder Lease, 5.191 acres, more or less (QRI Tract No. \_\_\_); Lawhon Inc. 6.086 acres, more or less (Packet No. 32); Jimmy R. Kersey and wife, Audrey Kersey, Lease, 0.6315 acres, more or less (QRI Tract No. 432); and Estate of Clyde Peabody, Deceased, Lease, 0.505 acres, more or less (QRI Tract No. 90)**

Dear Clay and Byron:

This is a First Supplemental Letter covering the mineral ownership to the portion of Wilbarger Street which lies adjacent to the lands described in the examiner's previous Title Opinions and Letter Opinions and two very recent Title Opinions covering divided portions of the same. This Letter, as did the Letter dated July 13, 2009, again separately discusses each tract adjoining this section of Wilbarger Street, reports the examiner's opinion as to ownership, and then reports whether it is (i) properly covered by an existing Oil and Gas Lease, (ii) sets forth the proposed description for the Lease you obtain, or (iii) provides an amended description to the Lease in order to cover the lands within Wilbarger Street. Also, where the lands located within Wilbarger Street owned by the State of Texas, the examiner has provided the deed references to be used for the legal description in the Oil and Gas Lease you obtain from the State of Texas to ensure that it covers the State-owned portions of Wilbarger Street.

A plat depicting the approximate location of the tracts adjacent to Wilbarger Street and the mineral ownership of the lands lying within Wilbarger Street is attached to this Letter Opinion as Exhibit "A". A plat depicting the unleased State of Texas Lands is attached to this Letter Opinion as Exhibit "A1". The materials examined in preparation of this Letter Opinion are the Original Drilling Title Opinions and Letter Opinions listed on Exhibit "B" of this Letter Opinion. The Public Road Deeds contained in the materials examined listed on Exhibit "B" and affecting the portion of Wilbarger Street reviewed in preparation of this Letter Opinion are listed on Exhibit "C" of this Letter.

### **Owned by State of Texas**

The materials examined submitted in preparation of the examiner's previous Letter Opinions contained Public Road Deeds A through G, which are set forth on Exhibit "C" of this Letter Opinion, in detail. In Public Road Deeds A through G the adjoining lot owners conveyed the State of Texas divided portions the lands contained within Wilbarger Street without reserving the minerals (Exhibits "A" and "A1" depict the separate tracts which are owned by the State of Texas in light pink with the letter of its designated Public Road Deed). As a result, the mineral estate in the lands conveyed in Public Road Deeds A through G are owned by the State of Texas. In order to drill horizontally across Wilbarger Street, an Oil and Gas Lease must be obtained from the State of Texas covering the State-owned portions of Wilbarger Street required for your proposed, pooled unit.

REQUIREMENT NO. 1. You should obtain and file for record, from the State of Texas, as Lessor, to Quicksilver Resources Inc., as Lessee, an Oil and Gas Lease covering the portions of Wilbarger Street described in Public Road Deeds A, B, C, D, E, F and G set forth on Exhibit "C" of this Letter Opinion you determine are required for your proposed, pooled unit. Here, you will have the preferential right to acquire an Oil and Gas Lease covering such lands because you own the Oil and Gas Leases from Frank Nguyen and wife, Lucinda Nguyen, T & O Service Marketing, Inc., Lawhon, Inc., Truck & Trailer Services, Inc. (assuming Quicksilver has obtained an Assignment), Crown Enterprises, Inc. and the Estate of Clyde Peabody, Deceased, whose interest is now owned by Charles E. Martin, on the lands located adjacent to Wilbarger Street.

### **Prescriptive Easement**

The materials examined did not contain Deeds or Easements conveying or encumbering the lands located within Wilbarger Street from several of the lot owners adjacent to Wilbarger Street. Insofar as those landowners own lands which lie adjacent to Wilbarger Street, the

examiner has assumed Wilbarger Street is a prescriptive easement, owned to its centerline by application of the doctrine of strip and gore. Specifically, the portions of Wilbarger Street which are owned to its centerline by the adjoining landowners are depicted on the plat attached as Exhibit "A". These lands are described as the portion of the Frank Nguyen and wife, Lucinda Nguyen, tract containing 2.0 acres, except insofar as it is adjacent to Public Road Deed B. ARC 18TX, LP owns 10.178 acres and also the lands within Wilbarger Street to its centerline. Fort Worth Terminals, LLC owns 29.50 acres and also the lands within Wilbarger Street to its centerline insofar as the tract lies adjacent to Wilbarger Street. Gary Reeder owns 5.191 acres and Lawhon Inc. owns 6.086 acres which parties also own through to the centerline of Wilbarger Street. Jimmy R. Kersey and wife, Audrey L. Kersey, own the acreage lying south of their lands within Wilbarger Street to its centerline.

The examiner has reviewed the chains of title to each adjoining tract and the Oil and Gas Leases covering the tracts lying adjacent to the portions of Wilbarger Street which are prescriptive easements. Below are the examiner's opinions and recommendations regarding which Oil and Gas Leases either contain sufficient language to cover the lands located within Wilbarger Street and do not require amendment, or need an amendment, lease, or other document to ensure the lands located within the road are leased (including setting forth the language which should be included in the unrecorded Oil and Gas Lease and providing the language sufficient to cover the lands located within Wilbarger Street).

Frank Nguyen and wife, Lucinda Nguyen, Lease. Frank Nguyen and wife, Lucinda Nguyen, executed an Oil and Gas Lease covering 2.0 acres, more or less, recorded as Tarrant County Clerk's Instrument No. D206094635, Official Public Records, Tarrant County, Texas. Frank Nguyen and wife, Lucinda Nguyen, are the record owners of the full (8/8) surface and mineral interest to the 2.0 acres, lying outside Wilbarger Street (Tarrant County Clerk's Instrument No. D203090441, Official Public Records). It is the undersigned's opinion Frank Nguyen and wife, Lucinda Nguyen, also own the minerals under Wilbarger Street adjacent to their 2.0 acres, insofar as the tract does not adjoin the lands owned by the State of Texas (described in Public Road Deed B on Exhibit "C"; Exhibit "A" depicts all the acreage in which Frank Nguyen and wife, Lucinda Nguyen, own the minerals under in dark pink and located on the far left of the plat attached north of the road). The examiner has reviewed the Oil and Gas Lease, dated August 12, 2005, from Frank Nguyen and wife, Lucinda Nguyen, as Lessors, to Marshall R. Young Oil Co., as Lessee, covering the 2.0 acres (Tarrant County Clerk's Instrument No. D206094635, Official Public Records). It is the examiner's opinion the Oil and Gas Lease contains a Mother Hubbard clause sufficient to pick up the lands located within Wilbarger Street. Accordingly, it is the examiner's opinion, the Oil and Gas Lease does not require amending for the purpose of separately describing and covering the lands owned by Frank Nguyen and wife, Lucinda Nguyen, located within Wilbarger Street.

ARC18TX, LP Lease. ARC18TX, LP executed an Oil and Gas Lease covering 10.178 acres, more or less, recorded as Tarrant County Clerk's Instrument No. D206242435, Official Public Records, Tarrant County, Texas. ARCML06 LLC is now the record owner of the surface and mineral interest to the 10.178 acres, lying outside Wilbarger Street (Tarrant County Clerk's Instrument No. D207289125, Official Public Records). At the time of the Lease it is the undersigned's opinion ARC18TX, LP also owned the minerals under Wilbarger Street adjacent to its 10.178 acres (Exhibit "A" depicts all the acreage in which ARC18TX, LP own the minerals under in light green). The examiner has reviewed the Oil and Gas Lease, dated August 1, 2006, from ARC18TX, LP, as Lessor, to Marshall R. Young Oil Co., as Lessee, covering the 10.178 acres (Tarrant County Clerk's Instrument No. D206242435, Official Public Records). It is the examiner's opinion the Oil and Gas Lease contains a Mother Hubbard clause sufficient to pick up the lands located within Wilbarger Street. Accordingly, it is the examiner's opinion, the Oil and Gas Lease does not require amending for the purpose of separately describing and covering the lands owned by ARC18TX, LP located within Wilbarger Street.

Fort Worth Terminals, LLC Lands. The Original Drilling Title Opinion, dated June 2, 2009, from the Law Office of Philip C. Mani & Associates, contains Requirement No. 3 which must be satisfied in order to confirm Fort Worth Terminals, LLC is the record owner of the full (8/8) surface and mineral interest in the 29.50 acres covered by the Opinion. As of the closing date of the Opinion, Fort Worth Terminals, LLC was the record owner of the full (8/8) surface and mineral interest in the Subject Lands and the 29.50 acres was unleased (Tarrant County Clerk's Instrument No. D204114992, Official Public Records). It is the undersigned's opinion Fort Worth Terminals, LLC also owns the minerals under Wilbarger Street adjacent to its 29.50 acres (Exhibit "A" depicts all the acreage in which Fort Worth Terminals, LLC owns the minerals under in light purple and located on the far left of the plat attached south of the road).

REQUIREMENT NO. 2. The Original Drilling Title Opinion, dated June 2, 2009, from the Law Office of Philip C. Mani & Associates, contains Requirement No. 3 which must be satisfied in order to confirm Fort Worth Terminals, LLC is the record owner of the full (8/8) surface and mineral interest in the 29.50 acres covered by the Opinion. Thereafter, you should obtain and file for record, from Fort Worth Terminals, LLC, as Lessor, to Quicksilver Resources Inc., as Lessee, an Oil and Gas Lease covering the Subject Lands. The Oil and Gas Lease you obtain should contain a Mother Hubbard clause similar to those contained in the other Leases covering lands along Wilbarger Street. You may elect to describe the lands as follows: "29.50 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being the same lands described in a Deed without Warranty, dated April 14, 2004, from CFCD 2002 LLC to Fort Worth Terminals, LLC, recorded as Tarrant County Clerk's Instrument No. D204114993, Official Public Records, Tarrant County, Texas. This lease also covers all the lands described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys."

Gary M. Reeder Lease. Gary M. Reeder executed an Oil and Gas Lease covering 5.191 acres, more or less, recorded as Tarrant County Clerk's Instrument No. D205292850, Official Public Records, Tarrant County, Texas. Gary M. Reeder is the record owner of the surface and mineral interest to the 5.191 acres, lying outside Wilbarger Street (Volume 7989, Page 2089, Deed Records). It is the undersigned's opinion Gary M. Reeder also own the minerals under Wilbarger Street adjacent to his 5.191 acres (Exhibit "A" depicts all the acreage in which Gary M. Reeder owns the minerals under in orange). The examiner has reviewed the Oil and Gas Lease, dated August 10, 2005, from Gary M. Reeder, as Lessor, to Marshall R. Young Oil Co., as Lessee, covering the 5.191 acres (Tarrant County Clerk's Instrument No. D205292850, Official Public Records). It is the examiner's opinion the Oil and Gas Lease contains a Mother Hubbard clause sufficient to pick up the lands located within Wilbarger Street. Accordingly, it is the examiner's opinion, the Oil and Gas Lease does not require amending for the purpose of separately describing and covering the lands owned by Gary M. Reeder located within Wilbarger Street.

Lawhon, Inc. Lease. Lawhon, Inc. executed an Oil and Gas Lease covering 6.086 acres, more or less, recorded as Tarrant County Clerk's Instrument No. D205292849, Official Public Records, Tarrant County, Texas. Lawhon, Inc. remains the record owner of the surface and mineral interest to the 6.086 acres, lying outside Wilbarger Street. It is the undersigned's opinion Lawhon, Inc. also owns the minerals under Wilbarger Street adjacent to the 6.086 acres to the centerline of Wilbarger Street (Exhibit "A" depicts all the acreage in which Lawhon, Inc. owns the minerals under in dark blue). The examiner has reviewed the Memorandum of Oil, Gas and Mineral Lease, dated August 1, 2005, from Lawhon, Inc., as Lessor, to Marshall R. Young Oil Co., as Lessee, covering the 6.086 acres (Tarrant County Clerk's Instrument No. D205292849, Official Public Records). The examiner has not reviewed the unrecorded Oil, Gas, and Mineral Lease and the examiner cannot determine whether it contains a Mother Hubbard clause in order to cover the acreage located in Wilbarger Street comprising the northern boundary of the 6.086 acres. Note, you were previously required to obtain an amendment to this Lease expressly describing the lands located within East Loop 820 (in addition to the 6.086 acres already covered by the Lease) and this Mother Hubbard requirement is in addition to the same.

REQUIREMENT NO. 3. You should obtain and review a copy of the unrecorded Oil and Gas Lease from Lawhon, Inc., as Lessor, to Marshall R. Young Oil Co., as Lessee, to determine whether the Oil and Gas Lease contains a Mother Hubbard clause. If you determine it does not, you should obtain and file for record, an Amendment to the above-referenced Oil and Gas Lease from Lawhon, Inc., as Lessor, which contains a Mother Hubbard clause. Note, you were previously required to obtain an amendment to this Lease expressly describing the lands located within East Loop 820 (in addition to the 6.086 acres already covered by the Lease) and this Mother Hubbard requirement is in addition to the same.

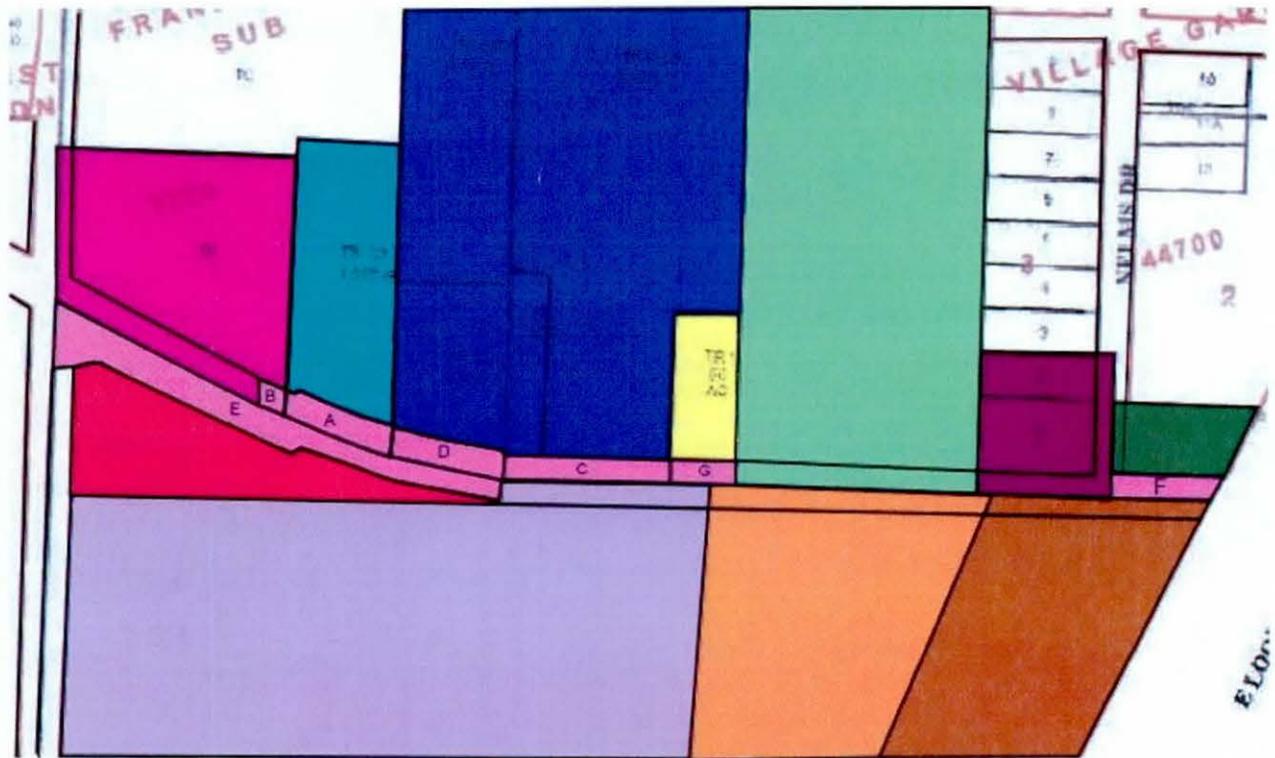
Jimmy R. Kersey and wife, Audrey L. Kersey, Lease. Jimmy R. Kersey and wife, Audrey L. Kersey, executed an Oil and Gas Lease covering 0.6315 acres, more or less, recorded as Tarrant County Clerk's Instrument No. D208326305, Official Public Records, Tarrant County, Texas. Jimmy R. Kersey and wife, Audrey L. Kersey, are the record owners of the full (8/8) surface and mineral interest to the 0.6315 acres, lying outside Wilbarger Street (Tarrant County Clerk's Instrument No. D208216670, Official Public Records). It is the undersigned's opinion Jimmy R. Kersey and wife, Audrey L. Kersey, also own the minerals under Wilbarger Street adjacent to their 0.6315 acres (Exhibit "A" depicts all the acreage in which Jimmy R. Kersey and wife, Audrey L. Kersey, own the minerals under in dark purple). The examiner has reviewed the Oil and Gas Lease, dated June 30, 2008, from Jimmy R. Kersey and wife, Audrey L. Kersey, as Lessors, to Quicksilver Resources Inc., as Lessee, covering the 0.6315 acres (Tarrant County Clerk's Instrument No. D208326305, Official Public Records). It is the examiner's opinion the Oil and Gas Lease contains a Mother Hubbard clause sufficient to pick up the lands located within Wilbarger Street. Accordingly, it is the examiner's opinion, the Kersey Oil and Gas Lease does not require amending for the purpose of separately describing and covering the lands owned by Jimmy R. Kersey and wife, Audrey L. Kersey, located within Wilbarger Street.

If you have any questions or comments, please do not hesitate to call.

Very truly yours,

Erica B. Sloan

Attachments



**EXHIBIT "A"**

Ownership Depiction Wilbarger Street

	Frank Nguyen and wife, Lucinda Nguyen, Lease (2.0 acres)		ARC18TX, LP Lease (10.178 acres)		Fort Worth Terminals, LLC Lands (29.50 acres)
	T & O Service Marketing, Inc. Lease (1.359 acres)		Jimmy Kersey and wife, Audrey Kersey (0.6315 acres)		Gary Reeder Lease (5.191 acres)
	Lawhon, Inc. Lease (34.4487 acres)		Truck & Trailor Services, Inc. Lease (portion of Block 2, Village Gardens)		Lawhon, Inc. Lease (6.086 acres)
	Estate of Clyde Peabody, Deceased (0.505 acres)		Crown Enterprises, Inc. Lease (1.062 acres)		Public Road Deeds A through G



**Exhibit "B"**

(Original Drilling Title Opinions and Letter Opinions)

1. Original Drilling Title Opinion, dated April 8, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s T & O Service Marketing, Inc. Lease, containing 1.359 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit**).

2. Original Drilling Title Opinion, dated April 15, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Bower and Parker Investments, Inc. Lease and Frank Nguyen and wife, Lucinda Nguyen, Lease, containing 11.098 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Olcott West Unit or Lawhon West Unit**).

3. Letter Opinion, dated June 26, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Ownership of Mineral Estate in a portion of East Loop 820, Tarrant County, Texas (**Lake Arlington Prospect; Lots 1 through 9, Block 1, Lots 1 and 18, Block 2, and Lots 1 through 3, Block 6, Village Gardens Addition, Lot A, Block 2, Village Gardens Subdivision and Lots 6 through 8, Block 4, and Lots 1 through 3, Block 11, Wilkes Estates subdivision**).

4. Original Drilling Title Opinion, dated July 7, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Gary M. Reeder Lease, containing 5.191 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect, Lawhon West Unit, AFE No. 2008424120/42.1034.906**).

5. Original Drilling Title Opinion, dated November 13, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Lawhon, Inc., Lease, containing 34.4487 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit; AFE No. 2008424120/42.1034.906**).

6. Original Drilling Title Opinion, dated November 21, 2008, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s ARC18TX LP Lease, containing 10.178 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit; AFE No. 2008424120/42.1034.906**).

7. Letter Opinion, dated February 13, 2009, prepared by Philip C. Mani & Associates, for Quicksilver Resources Inc.'s Ownership of Mineral Estate in a portion of East Loop 820, J. Daniels Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Whiz-Q Inc., 14.248 acres, more or less (Strip & Gore Packet Nos. 21 and 22), Lawhon, Inc., 6.086 acres, more or less (Strip & Gore Packet No. 32), and Kyle Equities, L.P., 6.148 acres, more or less (Strip & Gore Packet No. 34)**).

8. Letter Opinion, dated April 16, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Lawhon, Inc., Lease, containing 34.4487 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit; AFE No. 2008424120/42.1034.906; QRI File 122**).

9. Letter Opinion, dated April 29, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s ARC18TX LP Lease, containing 10.178 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit; AFE No. 2008424120/42.1034.906**).

10. Original Drilling Title Opinion, dated May 5, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Crown Enterprises, Inc. Lands, containing 1.062 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Whiz-Q/Lawhon Unit; AFE No. 2009424086; QRI Tract No. 518**).

11. Original Drilling Title Opinion, dated June 2, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc.'s Fort Worth Terminals, LLC Lands, containing 29.50 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Whiz-Q/Lawhon Unit; AFE No. 2009424086; QRI Tract No. 517**).

12. Original Drilling Title Opinion, dated July 31, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc., et al.'s, Estate of Clyde Peabody, Deceased, Lease, containing 0.505 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Lawhon West Unit; AFE No. 2008424120, QRI Tract No. 90**).

13. Original Drilling Title Opinion, dated August 6, 2009, prepared by Philip C. Mani & Associates, P.C., for Quicksilver Resources Inc., et al.'s, Jimmy R. Kersey and wife, Audrey L. Kersey, Lease, containing 0.6315 acres, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas (**Lake Arlington Prospect; Whiz-Q West Unit; AFE No. 2009424170; QRI Tract No. 432**).

**Exhibit "C"**

**(Public Road Deeds)**

**T & O Service Marketing, Inc. (Original Drilling Title Opinion)**

Public Road Deed A, dated November 9, 1987, from T & O Management Agency, Inc., to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 92, Official Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 772 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

**Frank Nguyen and wife, Lucinda Nguyen (Original Drilling Title Opinion)**

Public Road Deed B, dated December 7, 1987, from Red Arrow Fright Lines, Inc. to the City of Fort Worth (State of Texas), recorded in Volume 9299, Page 1701, Official Records, Tarrant County, Texas. The Deed conveyed two (2) parcels of land, containing approximately 1,211 square feet of land, in fee simple, for a portion of Wilbarger Street.

**Lawhon, Inc., Lease (Original Drilling Title Opinion and Letter Opinion)**

Public Road Deed C, dated July 2, 1987, from Clyde Peabody to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 97, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 250 square feet of land (0.0057 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

Public Road Deed D, dated September 23, 1988, from Don Morris Enterprises Investment Group II, L.P. to the City of Fort Worth (State of Texas), recorded in Volume 9465, Page 2211, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 1,322 square feet of land (0.03 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

**Crown Enterprises, Inc. (Original Drilling Title Opinion)**

Public Road Deed E, dated July 20, 1988, from Iris Alain Maddox Farkas to the City of Fort Worth (State of Texas), recorded in Volume 9334, Page 1093, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 0.6376 acres of land, more or less, in fee simple for public road purposes, being portions of Wilbarger Street and Carey Street.

**Truck & Traylor Services (Letter Opinion)**

Public Road Deed F, dated June 19, 1989, from NCNB Texas National Bank to the City of Fort Worth (State of Texas), recorded in Volume 9733, Page 362, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 350 square feet of land, more or less, in fee simple for public road purposes, being a portion of Wilbarger Street.

**Estate of Clyde Peabody, Deceased (Original Drilling Title Opinion)**

Public Road Deed G, dated April 13, 1989, from Clyde Peabody to the City of Fort Worth, Texas, recorded in Volume 9654, Page 1769, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 2724 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

Where the City of Fort Worth acquired the lands described in the above-described Public Road Deeds for public road purposes, title thereto vested in the State of Texas. *Robbins v. Limestone County*, 114 Tex. 345, 265 S.W. 915 (Tex. 1925).

The following Opinions did not contain Public Road Deeds, and as a result, it is the examiner's opinion the acreage lying within Wilbarger Street is a prescriptive easement insofar as it is located adjacent to the following land owners: ARC18TX LP Lease (Original Drilling Title Opinion and Letter Opinion), the Gary M. Reeder Lease (Original Drilling Title Opinion), the Lawhon, Inc. Lease (6.086 acres; Letter Opinion), and the Jimmy R. Kersey and wife, Audrey Kersey, Lease (Original Drilling Title Opinion).

12.

File No. MF 110325

Letter with "Exhibits"

Date Filed: 11/13/09

Jerry E. Patterson, Commissioner

By



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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into this 12TH day of August, 2005, by and between

Frank Nguyen and Lucinda Nguyen MM134

with mailing address at 5511 Gateway Lane, Arlington, Texas 76017, Lessor (whether one or more), and MARSHALL R. YOUNG OIL CO., 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS to-wit:

2.0 acres, more or less, situated in the **J. M. Daniel Survey, Abstract No. 395**, Tarrant County, Texas, being more particularly described as Lot 1-D, Block 1-R, Frank Collins Subdivision to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Cabinet B, Slide 2495, Plat Records, Tarrant County, Texas and being the same tract of land described in that certain deed dated March 4, 2003, from Bower And Parker Investments, INC., to Frank Nguyen and Lucinda Nguyen, duly recorded at Volume 16483, Page 21 of the Deed Records of Tarrant County, Texas.

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such pooled unit as provided in the pooling provision of this lease.

17133-00

6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

\_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

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

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

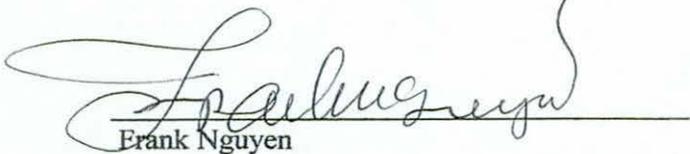
ADDENDUM

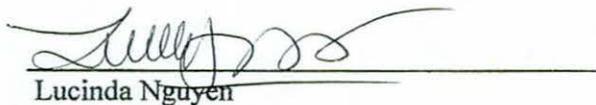
Attached to and made a part of that certain Oil, Gas and Mineral Lease dated August 12<sup>th</sup>, 2005, by and between **Frank Nguyen and Lucinda Nguyen**, as Lessor, and **MARSHALL R. YOUNG OIL CO.**, as Lessee, covering **2.0 acres**, more or less, a part of the **J. M. Daniel Survey, Abstract No. 395**, Tarrant County, Texas.

12. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying \_\_\_\_\_ \*\*\*SIX HUNDRED\*\*\* and No/100 Dollars (\$600.00\*\*\*) per net mineral acre to Lessor or to the credit of Lessor in the MAIL OR DELIVER PAYMENT TO LESSOR AT LESSOR'S ADDRESS STATED ABOVE Bank, at NOT APPLICABLE, (which bank and its successors are Lessor's agents and shall continue as the depository regardless of changes in ownership of said land.) This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be held in default for failure to make such payment until thirty (30) days after Lessor's delivery to Lessee of a proper recordable instrument naming another bank as agent to receive such payment. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years
13. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder. Any production from the leased premises shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

  
Frank Nguyen

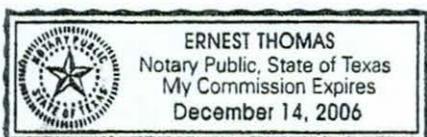
  
Lucinda Nguyen

THE STATE OF TEXAS                   §  
  §  
COUNTY OF Tarrant                   §

ACKNOWLEDGMENT

This instrument was acknowledged before me on March 9th, 2006, by Frank Nguyen and Lucinda Nguyen.

[Seal]



  
Notary Public, State of Texas  
Ernest Thomas  
Notary's Name (Typed, Stamped or Printed)  
My Commission Expires: 12-14-06

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

**MEMORANDUM OF OIL AND GAS LEASE**

THE STATE OF TEXAS  
COUNTY OF TARRANT

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§

KNOW ALL MEN BY THESE PRESENTS:

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by **MARSHALL R. YOUNG OIL CO.**, hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to **Frank Nguyen and Lucinda Nguyen**, hereinafter called "Lessor", whose address is, 5511 Gateway Lane, Arlington, Texas 76017, Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

2.0 acres, more or less, situated in the **J. M. Daniel Survey, Abstract No. 395**, Tarrant County, Texas, being more particularly described as Lot 1-D, Block 1-R, Frank Collins Subdivision to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Cabinet B, Slide 2495, Plat Records, Tarrant County, Texas and being the same tract of land described in that certain deed dated March 4, 2003, from Bower And Parker Investments, INC., to Frank Nguyen and Lucinda Nguyen, duly recorded at Volume 15483, Page 21 of the Deed Records of Tarrant County, Texas.

FILED  
TARRANT COUNTY TEXAS  
2006 APR -3 PM 1:06  
COUNTY CLERK

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated August 12, 2005, covering said land, and providing for a primary term of three (3) years, which may be extended for two (2) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of the August 12, 2005.

LESSOR(S):

  
\_\_\_\_\_  
Frank Nguyen

  
\_\_\_\_\_  
Lucinda Nguyen

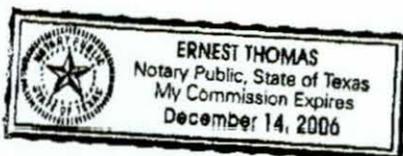
THE STATE OF TEXAS  
COUNTY OF Tarrant

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ACKNOWLEDGMENT

This instrument was acknowledged before me on March 9th, 2006 by Frank Nguyen and Lucinda Nguyen.

[Seal]



  
\_\_\_\_\_  
Notary Public, State of Texas  
Ernest Thomas  
Notary's Name (Typed, Stamped or Printed)  
My Commission Expires: 12-14-06

17133-00



MARSHALL R YOUNG OIL CO  
1320 S UNIVERSITY DR 400

FTW TX 76107

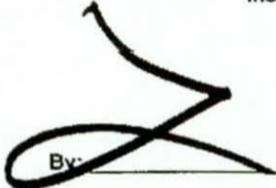
Submitter: MARSHALL R YOUNG OIL CO

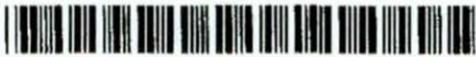
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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

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

Filed For Registration: 04/03/2006 01:06 PM  
Instrument #: D206094635  
OPR 2 PGS \$16.00

By: 



D206094635

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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into this 7<sup>th</sup> day of December, 2005, by and between

T & O Service Marketing, Inc.,  
a Texas Corporation

with mailing address at 5251 Wilbarger St., Fort Worth, Texas 76119, Lessor (whether one or more), and MARSHALL R. YOUNG OIL CO., 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS, to-wit:

**1.359 acres**, more or less, out of 1.377 acres situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 26, 1977 from Helen M. Stephens Independent Executor of the Estate W. F. Stephens, Charles M. Culp, Philip S. Nickel, Jr. and Philip S. Nickel, Jr., Trustee of the Stephens Company of Dallas Profit Sharing Plan, to Jake A. Cash, duly recorded at Volume 6359, Page 541 of the Deed Records of Tarrant County, Texas. **Save and Except:** 772 square feet of land being more particularly described by metes and bounds in that certain deed dated November 9, 1977 from, T and O Management Agency, INC., to the City of Fort Worth, Texas duly recorded at Volume 9236, Page 92 of the Deed Records of Tarrant County, Texas.

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such

pooled unit as provided in the pooling provision of this lease.

6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
\_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
\_\_\_\_\_  
Social Security Number: \_\_\_\_\_  
\_\_\_\_\_  
Social Security Number: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

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

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



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

**MEMORANDUM OF OIL AND GAS LEASE**

THE STATE OF TEXAS  
COUNTY OF TARRANT

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KNOW ALL MEN BY THESE PRESENTS:

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by **MARSHALL R. YOUNG OIL CO.**, hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to **T & O Service Marketing, INC.**, whose address is 5251 Wilbarger St., Fort Worth, Texas 76119. Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

**1.359 acres**, more or less, out of 1.377 acres situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 26, 1977 from Helen M. Stephens Independent Executor of the Estate W. F. Stephens, Charles M. Culp, Phillip S. Nickel, Jr. and Phillip S. Nickel, Jr., Trustee of the Stephens Company of Dallas Profit Sharing Plan, to Jake A. Cash, duly recorded at Volume 6359, Page 541 of the Deed Records of Tarrant County, Texas. **Save and Except:** 772 square feet of land being more particularly described by metes and bounds in that certain deed dated November 9, 1977 from, T and O Management Agency INC., to the City of Fort Worth, Texas duly recorded at Volume 9236, Page 92 of the Deed Records of Tarrant County, Texas.

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated December 7<sup>th</sup>, 2005, covering said land, and providing for a primary term of three (3) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of the December 7<sup>th</sup>, 2005.

Lessor(s):  
T & O SERVICE MARKETING, INC.,

*Cynthia A. Bradley*  
Cynthia A. Bradley, President

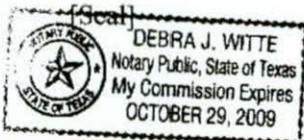
THE STATE OF TEXAS

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COUNTY OF Tarrant

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on January 5, 2005, by Cynthia A. Bradley, President, of T & O Service Marketing, INC., a Texas corporation, on behalf of said corporation.



*Debra J. Witte*  
Notary Public, State of Texas  
*Debra J. Witte*  
Notary's Name (Typed, Stamped or Printed)  
My Commission Expires: 10/29/09

FILED  
TARRANT COUNTY TEXAS  
2006 FEB -3 AM 11:53  
C. HENDERSON  
CLERK



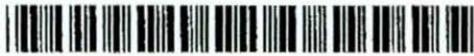
MARSHALL R. YOUNG OIL CO  
1320 SOUTH UNIVERSITY DRIVE  
#400  
FT WORTH TX 76107  
Submitter: MARSHALL R. YOUNG CO

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

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

Filed For Registration: 02/03/2006 11:55 AM  
Instrument #: D206033400  
OPR 2 PGS \$16.00

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



D206033400

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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into this 10TH day of June, 2005, by and between

**LAWHON, INC., A TEXAS CORPORATION**

with mailing address at P.O. Box 40, Tolar, Texas 76476, Lessor (whether one or more), and **MARSHALL R. YOUNG OIL Co.**, 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS, to-wit:

**34.44868 acres**, more or less, **out of 34.49 acres** situated in the **J.M. Daniel Survey, Abstract No. 395**, in the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated February 10, 2005, from Wilbarger Street, LP to Lawhon, Inc., a Texas corporation, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D205129530; **SAVE AND EXCEPT 0.04132 acres** being more particularly described by metes and bounds in that certain deed dated February 3, 1989, from Clyde Peabody. to City of Fort Worth, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D189032936, leaving thereby 34.44868 acres, more or less;

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such pooled unit as provided in the pooling provision of this lease.

UA  
BKI

6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

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

My Commission Expires: \_\_\_\_\_

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

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

ADDENDUM

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated June 10<sup>th</sup>, 2005, by and between **Lawhon, Inc., A TEXAS CORPORATION**, as Lessor, and **MARSHALL R. YOUNG OIL CO.**, as Lessee, covering **34.44868 acres**, more or less, a part of the **J. M. Daniel Survey, A-395**, Tarrant County, Texas.

12. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying \_\_\_\_\_ \*\*\*FIVE HUNDRED\*\*\* and No/100 Dollars (\$500.00\*\*\* ) per net mineral acre to Lessor or to the credit of Lessor in the MAIL OR DELIVER PAYMENT TO LESSOR AT LESSOR'S ADDRESS STATED ABOVE Bank, at NOT APPLICABLE, (which bank and its successors are Lessor's agents and shall continue as the depository regardless of changes in ownership of said land.) This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be held in default for failure to make such payment until thirty (30) days after Lessor's delivery to Lessee of a proper recordable instrument naming another bank as agent to receive such payment. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

LESSOR:

Lawhon, Inc., a Texas Corporation

By: Sherry Lawhon  
Sherry Lawhon, President

THE STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT       §

This instrument was acknowledged before me on this the 5<sup>th</sup> day of July, 2005, by Sherry Lawhon, President of Lawhon, Inc., a Texas corporation, on behalf of said Corporation.

[SEAL]

Mary Galloway  
MARY GALLOWAY  
(Printed Name)  
Notary Public in and for the State of Texas  
My Commission Expires 2.28.2006



**MEMORANDUM OF OIL AND GAS LEASE** FILED  
TARRANT COUNTY TEXAS

THE STATE OF TEXAS       §  
  §  
COUNTY OF TARRANT     §

2005 JUL 20 PM 2:58

KNOW ALL MEN BY THESE PRESENTS:  
SUZANNE HILKERSON  
COUNTY CLERK

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by MARSHALL R. YOUNG OIL CO., hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to LAWHON, INC., a Texas Corporation, hereinafter called "Lessor", whose address is, P.O. Box 40, Tolar, Texas 76476, Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

34.44868 acres, more or less, out of 34.49 acres situated in the J.M. Daniel Survey, Abstract No. 395, in the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated February 10, 2005, from Wilbarger Street, LP to Lawhon, Inc., a Texas corporation, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D205129530; SAVE AND EXCEPT 0.04132 acres being more particularly described by metes and bounds in that certain deed dated February 3, 1989, from Clyde Peabody to City of Fort Worth, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D189032936, leaving thereby 34.44868 acres, more or less;

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated June 10<sup>th</sup>, 2005, covering said land, and providing for a primary term of three (3) years, which may be extended for two (2) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of June 10<sup>th</sup>, 2005.

LESSOR:  
Lawhon, Inc.

By Sherry Lawhon  
Sherry Lawhon, President

THE STATE OF TEXAS       §  
  §  
COUNTY OF TARRANT     §

This instrument was acknowledged before me on this the 5<sup>th</sup> day of July, 2005, by Sherry Lawhon, President of Lawhon, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]



Mary Galloway  
Mary Galloway (Printed Name)  
Notary Public in and for the State of Texas  
My Commission Expires 2-28-2008



MARSHALL R YOUNG OIL CO  
1320 S UNIVERSITY DR 400

FT WORTH TX 76107

Submitter: MARSHALL R YOUNG OIL CO

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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: 07/20/2005 02:56 PM  
Instrument #: D205209271  
OPR 2 PGS \$14.00

By: 



D205209271

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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into as of this 1st day of August, 2006, by and between **ARC18TX LP, d.b.a. Mulberry Heights MHC's**, with mailing address at 7887 E. Belleview Ave., Suite 200 Englewood Colorado 80111, Lessor (whether one or more), and **MARSHALL R. YOUNG OIL Co.**, 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor, in consideration of Four Thousand Dollars (\$4,000.00) per mineral acre, in hand paid, as well as royalties and other good and valuable consideration, as herein provided, and of the agreement(s) 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, to produce, save, take care of, treat, transport and own said products, the following land in Tarrant County, Texas, to wit:

OIL, GAS AND MINERAL RIGHTS TRANSFERRED HEREBY CONTAIN ONLY THOSE IN THE BARNETT SHALE STRATUM (THE "LEASED ACREAGE") AS LOCATED SPECIFICALLY IN THE LAND AS SPECIFIED IN THE ADDENDUM HERETO.

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys.

3. It is agreed that this lease shall remain in force for a term of 18 months from this date (the "Primary Term") and as long thereafter as oil, gas or other mineral is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the Primary Term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the Primary Term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of a dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the Primary Term of this lease and said term has not lapsed as a result of continuously prosecuted operations as herein provided, then this lease shall continue in force so long as oil, gas or other mineral is being produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the Primary Term. Notwithstanding the foregoing, Lessee acknowledges that it is in the best interests of Lessor to commence drilling on the unitized leasehold of which the leased premises is a part as soon as practicable and Lessee hereby undertakes to prosecute its drilling thereon as expeditiously as possible consistent with sound business practices. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. Except as may otherwise be provided herein, the royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. Either during or after the Primary Term, if there is an oil or gas well or wells on this lease or on land pooled therewith capable of producing in paying quantities, and this lease is not otherwise being maintained so as to generate revenue from the sale thereof, Lessee shall pay or tender an annual shut-in royalty of \$65,000 for the initial year of payment, \$33,000 for the second year and \$16,500 for each year thereafter to which such payments are applicable. Payment with respect to a well shut-in as described above will be due within thirty (30) days after the well is shut-in. All subsequent shut-in royalty payments shall be made or tendered on or before the anniversary date of the first shut-in royalty payment. If Lessee, for any reason, should fail to make a shut-in royalty payment on or before its due date, this lease shall automatically terminate unless otherwise agreed to in writing by Lessor and Lessee. After a well that has been shut-in begins producing in paying quantities, Lessee may recoup the amount tendered or paid to Lessor as shut-in royalty during the period when the well was shut-in from 50 percent of the royalty then otherwise payable to Lessor until the entire amount paid as shut-in royalty has been recouped by Lessee. While shut-in royalty is timely and properly paid, the well or wells for which payment is made will be considered as producing in paying quantities for all purposes of this lease for the one year period following the date on which the shut-in royalty payment is made. The obligation of Lessee to pay shut-in royalty is a condition of this lease. The payment or tender of shut-in royalty under this paragraph may be made by the check of Lessee mailed or delivered to the parties entitled thereto at the address specified above on or before the due date.

6. Lessee hereby commits to pool or combine the land covered by this lease, as to oil and gas, or either of them, with other appropriate land, lease or leases in order to specifically drill and properly develop and operate said premises on a unitized basis, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding 100 acres, plus an acreage tolerance of ten percent (10%) of 100 acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed and approved by governmental authorities having jurisdiction and provided further that any wellhead located thereon may not be closer than 330 feet from the surface property line associated with any interest(s) hereby leased. 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 subject to this lease, and units so formed need not conform in size or area with the unit or units into which

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the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. Consistent with the above commitments, the pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder, provided that any such pooling arrangement(s) shall be approved by governmental authorities having jurisdiction and provided further that such pooling shall not reduce Lessor's percentage of participation as heretofore fixed by the terms of this lease. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except for the payment of royalties, lease acreage bonuses and/or shut in royalty allowances, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, lease acreage bonuses and/or shut in royalty allowances, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Consistent with the commitments undertaken in this lease and subject to appropriate governmental approval, Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Except for any obligation to pay shut-in royalty allowances, should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. Lessor hereby transfers such right, title and interest to said leased land as it currently possess without warranty or any covenant as to the status of the interest so transferred. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Subject to title verification by means of an independent third party title opinion to be provided to Lessor at the cost of Lessee, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

SEE ADDENDUM ATTACHED FOR ADDITIONAL PROVISIONS AND SIGNATURE(S)

### ADDENDUM

This Addendum is attached to and by this reference made a part of that certain Oil, Gas and Mineral Lease dated as of August 1 2006, by and between **ARC18TX LP, d.b.a. Mulberry Heights MHC's**, as Lessor, and **MARSHALL R. YOUNG OIL CO.**, as Lessee, transferring the Leased Acreage, covering **10.178 acres**, more or less, (also known as Mulberry Heights) situated in the **J.M. Daniel Survey, Abstract 395**, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated July 11, 2006, from ARC III, L.L.C., a Delaware limited liability company, Grantor, to ARC18TX LP, a Delaware limited partnership, Grantee, duly recorded in the Official Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D206223969.

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 above described leased land without first obtaining the prior written consent of Lessor; however, Lessee may recover oil, gas and associated hydrocarbons from said land by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

13. Lessee is hereby given the option to extend the Primary Term of this lease for an additional 18 months from the expiration of the original Primary Term hereof. This option may be exercised by Lessee at any time during the original Primary Term by paying \$4,000 and No/100 Dollars (\$ Four Thousand) per net mineral acre to Lessor. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other

provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor at the address stated above any time during the original Primary Term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the appropriate proportion to each such party. Should this option to extend the Primary Term be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of thirty-six (36) months.

14. Notwithstanding anything herein to the contrary, all royalties payable under this lease shall be made without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, transporting, marketing and/or otherwise making the oil, gas and other products produced hereunder ready for transportation, sale or use.
15. LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS LESSOR, AS WELL AS LESSOR'S AFFILIATES, AND ITS AND THEIR MANAGERS, MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES, ASSIGNS, INSURERS AND SUCCESSORS IN INTEREST AGAINST ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE FOR NUISANCE, INJURY TO OR DEATH OF PERSONS, VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS AND FOR LOSS OR DAMAGE TO PROPERTY, OR ANY OF THEM, INCLUDING, WITHOUT LIMITATION, ATTORNEY FEES, EXPERT FEES, AND COURT COSTS, CAUSED BY OR RESULTING FROM LESSEE'S OPERATIONS OR LESSEE'S MARKETING OF PRODUCTION FROM THE LAND SUBJECT TO LEASE OR ANY VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS BY LESSEE. AS USED IN THIS PARAGRAPH, THE TERM "LESSEE" INCLUDES LESSEE, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, ANY OTHER PERSON ACTING UNDER ITS DIRECTION AND CONTROL, ITS INDEPENDENT CONTRACTORS AND ASSIGNS AND/OR SUCCESSORS IN INTEREST. LESSEE'S INDEMNITY OBLIGATIONS SURVIVE THE TERMINATION OF THIS LEASE.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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



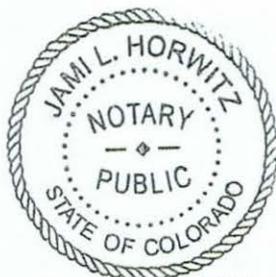
ARC18TX LP  
BY: Larry D. Willard  
ITS: Chief Executive Officer

THE STATE OF COLORADO §

COUNTY OF DENVER §

This instrument was acknowledged before me on the 2nd day of August, 2006,  
by Larry D. Willard, the CEO of ARC18TX LP, a limited partnership  
on behalf of said entity.

[SEAL]



My commission expires 8/8/2009

Jami L. Horwitz  
Printed Name: Jami L. Horwitz  
Notary Public, State of Colorado  
My Commission Expires: 8/8/09

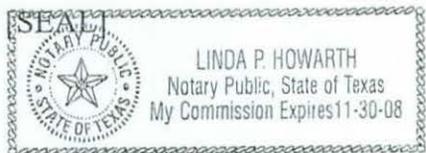


MARSHALL R. YOUNG OIL COMPANY  
BY: J.G. Wilson  
ITS: Vice President

THE STATE OF TEXAS §

COUNTY OF Tarrant §

This instrument was acknowledged before me on the 4th day of August, 2006,  
by J.G. Wilson, the Vice President of MARSHALL R. YOUNG OIL CO.  
a corporation on behalf of said company.



Printed Name: Linda P. Howarth  
Notary Public, State of Texas  
My Commission Expires: 11-30-2008

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

MEMORANDUM OF OIL AND GAS LEASE

THE STATE OF TEXAS  
COUNTY OF TARRANT

§  
§  
§

KNOW ALL MEN BY THESE PRESENTS:

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by **MARSHALL R. YOUNG OIL CO.**, a Delaware corporation, hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to **ARC18TX LP, d.b.a. Mulberry Heights MHC**, hereinafter called "Lessor", whose address is, 7887 E. Belleview Ave., Suite 200 Englewood Colorado 80111, Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land, said oil, gas and constituent products being specifically limited to those contained in the Barnett Shale stratum located therein, located in Tarrant County, Texas, to wit: **10.178 acres**, more or less, (also known as Mulberry Heights) situated in the **J.M. Daniel Survey, Abstract 395**, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated July 11, 2006, from ARC III, L.L.C., a Delaware limited liability company, Grantor, to ARC18TX LP, a Delaware limited partnership, Grantee, duly recorded in the Official Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D206223969;

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease by and between the parties hereto, dated as of August 1, 2006, covering said land, and providing for a primary term of 1.5 years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties, Lessor and Lessee, and is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of August 1, 2006.

Lessor: ARC18TX LP

By: [Signature]  
Larry D. Willard, C.E.O.

THE STATE OF COLORADO  
COUNTY OF DENVER

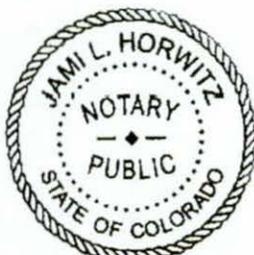
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CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on August 2, 2006, by Larry D. Willard, Chief Executive Officer, of **ARC18TX LP**, a limited partnership, on behalf of said entity.

[Seal]

[Signature]  
Notary Public, State of Colorado

Jami L Horwitz  
Notary's Name (Typed, Stamped or Printed)  
My Commission Expires: 8/8/09



17176-00



MARSHALL R YOUNG OIL CO  
1320 SOUTH UNIVERSITY DR  
STE 400  
FT WORTH TX 76107

Submitter: MARSHALL R YOUNG OIL CO

---

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

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

Filed For Registration: 08/07/2006 04:21 PM  
Instrument #: D206242435  
OPR 2 PGS \$18.00

By: 



**D206242435**

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.



QUICKSILVER RESOURCES INC  
MR BYRON DUNN  
777 W ROSEDALE ST, STE 300  
FT WORTH TX 76104  
Submitter: CHRISTINA F GLAVIANO

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: 03/27/2009 10:18 AM  
Instrument #: D209082158  
LSE 3 PGS \$20.00

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



**D209082158**

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: DS

**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.**

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 26<sup>th</sup> day of February, 2009 between **TRUCK AND TRAILER SERVICES, INC.**, a Texas corporation, Lessor (whether one or more), whose address is **4300 East Loop 820 South, Fort Worth, Texas 76119** and **QUICKSILVER RESOURCES, INC.**, Lessee, whose address is **777 West Rosedale, Suite 300, Fort Worth, Texas 76104**, WITNESSETH:

1. Lessor in consideration of Ten and no/100 and other good and valuable consideration Dollars (\$ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee here 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:

**6.706** acres of land, more or less, located in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, and being described as two (2) tracts in EXHIBIT "A" attached hereto;

**FOR A MORE COMPLETE DESCRIPTION, SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.**

**FOR ADDITIONAL SPECIAL PROVISIONS SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.**

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or 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 eighth (1/8) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one eighth (1/8) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one eighth (1/8) of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, one eighth (1/8) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, one eighth (1/8) of the amount realized from the sale of gasoline or other products extracted therefrom and one eighth (1/8) 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 **paid directly to Lessor at the above address**, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

5. If at the expiration of the primary term, oil, gas, or other 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 90 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 90 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or 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 90 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 90 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and

within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

TRUCK AND TRAILER SERVICES, INC.,  
a Texas corporation:

Shirley Cagle  
By: Shirley Cagle, as President

Cary Cagle  
By: Cary Cagle, as Vice President

ACKNOWLEDGEMENTS

~~Ky.~~  
STATE OF ~~TEXAS~~ §  
LEWIS §  
COUNTY OF ~~TARRANT~~ §

This instrument was acknowledged before me on the 9<sup>th</sup> day of March, 2009, by Shirley Cagle, as President of TRUCK AND TRAILER SERVICES, INC., a Texas corporation, on behalf of said corporation.

Judith H. Thompson  
Notary Public, State of Texas

~~Ky.~~  
STATE OF ~~TEXAS~~ §  
LEWIS §  
COUNTY OF ~~TARRANT~~ §

This instrument was acknowledged before me on the 9<sup>th</sup> day of March, 2009, by Cary Cagle, as Vice President of TRUCK AND TRAILER SERVICES, INC., a Texas corporation, on behalf of said corporation.

Judith H. Thompson  
Notary Public, State of Texas



## ADDENDUM

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated February 27<sup>th</sup>, 2009, by and between **TRUCK AND TRAILER SERVICES, INC.**, a Texas corporation, as Lessor, and **QUICKSILVER RESOURCES, INC.**, as Lessee, covering approximately 6.706 acres of land, more or less, and situated in the J. M. Daniel Survey, A-395, Tarrant County, Texas. 26<sup>th</sup> SD

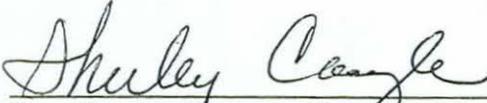
11. The provisions of this Addendum shall supersede and govern the foregoing provisions of this lease, and wherever the forgoing provisions of the lease are in conflict with the Addendum, the Addendum shall control. This lease, including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns.
12. Notwithstanding anything herein to the contrary, it is understood and agreed that Lessee, its successors or assigns, shall not enter upon nor use the leased premises for conducting any surface or drilling operations hereunder, including, but not by way of limitation, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon. Any production from the leased premises shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands and bottomed under the leased premises or land(s) pooled therewith.
13. The right or power to pool or unitize as granted herein in paragraph 4 above for the production of gas shall be limited 640 acres plus tolerance of ten percent (10%).
14. In the event only a part, or parts of the land covered by this lease instrument is pooled or unitized with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit, or units, will maintain this lease in force only as to the land included in such unit or units.
15. This lease cannot be maintained in force and effect by the payment of shut-in royalties as provided by paragraph 5 above for more than twenty-four (24) cumulative months beyond the end of the primary term. Royalty on the actual production during the shut-in period will not be reduced by the amount of shut-in payments.
16. Lessee shall sell the oil and gas and other substances leased hereby at the then prevailing respective market value for said oil, gas and/or other substances in the field and/or area where the lease is located. The royalty due Lessor shall be based on the market value, or the actual amount received by Lessee, whichever is greater. Royalties shall be paid within ninety (90) days of production. First production for a gas well shall be defined as the date of first sale of gas and for an oil well the date oil is first produced, other than for testing purposes. In addition, the interest rate to be applied to any payments not made within the times set forth above shall be calculated using the prime rate charged by Bank of America, NA, or its successor, plus two (2) percent per annum.
17. Lessor hereby warrants and agrees to defend, by through or under Lessor but not otherwise, the title to said land and agrees that Lessee, at its option, may discharge and tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately, however in the event of a failure of title with respect of ownership of the leased premises by Lessor, Lessor shall bear no liability or obligation for return of the bonus consideration paid for the execution of this lease.
18. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of Three Thousand, Five Hundred and No/100 Dollars (\$3,500.00) per net mineral acre to Lessor at the above address. This payment shall be based upon the net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor at any time during the

last year of the original primary term hereof. If at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. In the event this lease is being maintained by any other lease provisions at the expiration of the primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

19. Lessee has paid Lessor bonus monies based on the assumption that Lessor owns 6.706 net mineral acres under the land described and set forth on page one of this Lease and in Exhibit A. In the event it is determined that Lessor owns more than 6.706 net mineral acres then this Lease shall be deemed to cover the additional net mineral acres but Lessee shall pay to Lessor additional bonus money for the additional net mineral acres equal to the same per net mineral acre price as originally paid for the 6.706 net mineral acres.
20. The royalty fraction to be paid Lessor shall be twenty five (25%) percent, provided however, once production is established, Lessor shall be entitled to receive \$100.00 per month minimum royalty payment.
21. Lessor's royalty shall be free and clear of all costs and expenses whatsoever including expenses of separation, compression, marketing, transportation, treating or manufacturing oil or gas produced hereunder, save and except ad valorem and production taxes. Provided, however, Lessor's royalty shall be subject proportionately to any charges incurred by Lessee for compressing, treating, processing, gathering, transporting and marketing under Lessee's gas purchase contract with a nonaffiliated third party covering the sale of production from the lands included in this lease, provided such costs do not exceed \$0.25 per MCF.

Signed for Identification:

**TRUCK AND TRAILER SERVICES, INC.,**  
**a Texas corporation:**

  
By: Shirley Cagle, as President

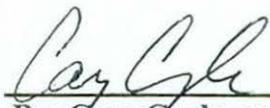
  
By: Gary Cagle, as Vice President

EXHIBIT "A"

Attached hereto and made a part of that certain Oil, Gas and Mineral Lease dated the 26<sup>th</sup> day of February, 2009, by and between **TRUCK AND TRAILER SERVICES, INC., a Texas corporation**, as Lessor, and **QUICKSILVER RESOURCES, INC.**, as Lessee.

**"6.706 acres of land**, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being comprised of two (2) tracts of land described as follows:

**TRACT ONE: 3.555 acres, more or less, situated in the J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being described as follows:

**3.067 acres of land**, more or less, being <sup>all of Lot 17, and</sup> portions of Lots 11 and Lot 18, Block 2 of Village Gardens, an Addition to the City of Fort Worth, according to the plat thereof record in Volume 388-Y, Page 84, Plat Records Tarrant County, Texas, and a portion of Lot A, Block 2 of Village Gardens, an Addition to the City of Fort Worth, Texas, according to the plat recorded in Volume 388-93, Page 372, Plat Records, Tarrant County, Texas; and being more particularly described by metes and bounds on Exhibit "A" in that Special Warranty Deed executed on June 24, 1993, from Federal Deposit Insurance Corporation to Truck and Trailer Services, Inc., a Texas corporation, duly recorded at Volume 11119, Page 1396 of the Deed Records, Tarrant County Clerk's Office, Tarrant County, Texas; and **0.488 approximate acres of land**, more or less, being the lands located within the lateral boundaries of East Loop 820, that are east of and contiguous to Lots 1 and 18, Block 2, of said Village Gardens Addition, which underlies East Loop 820 by extension of the boundary lines through to the centerline of East Loop 820 together with all strip and gores and other acreage owned or claimed by Lessor located adjacent thereto; and

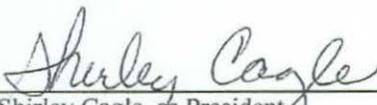
**TRACT TWO: 3.151 acres, more or less, situated in the J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being described as follows:

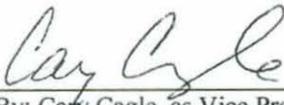
**2.083 acres of land**, more or less, being a portion of Lots 1, 2, and 3 and all of Lots 4, 5, 6, 7, 8, and 9, Block 6 of Village Gardens, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 388-Y, Page 84, Plat Records, Tarrant County, Texas; and a Portion of Lot 3, Block 11 of Wilkes Estates, an Addition to the City of Fort Worth, according to the plat thereof recorded at Volume 388-L, Page 58 of the Plat Records, Tarrant County, Texas, and being more particularly described by metes and bounds in that certain Correction Warranty Deed with Vendor's Lien, dated March 22, 2004, from Djavad Ghazisaid and wife, Rosetta P. Ghazisaid to Truck and Trailer Services, Inc., a Texas corporation, duly recorded in the Official Public Records, Tarrant County Clerk's Office, Tarrant County, Texas, bearing County Clerk's Instrument Number D204375473; and **1.068 approximate acres of land**, more or less, being the lands located within the lateral boundaries of East Loop 820, east of and contiguous to Lots 1, 2, and 3, Block 6, of said Village Gardens Addition, and a portion of Lot 3, Block 11, of said Wilkes Estates Addition, which underlies East Loop 820 by extension of the boundary lines through to the centerline of East Loop 820 together with all strip and gores and other acreage owned or claimed by Lessor located adjacent thereto.

Together with all strips, gores and other parcels of land owned or claimed by Lessor adjacent to the Leased Premises."

Signed for Identification:

**TRUCK AND TRAILER SERVICES, INC.,  
a Texas corporation:**

  
By: Shirley Cagle, as President

  
By: Cary Cagle, as Vice President

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

## MEMORANDUM OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT   §

THIS MEMORANDUM, made this 26<sup>th</sup> day of February, 2009, by and between TRUCK AND TRAILER SERVICES, INC., a Texas corporation, as Lessor, whose address is 4300 East Loop 820 South, Fort Worth, Texas 76119, hereinafter called "Lessor", and QUICKSILVER RESOURCES, INC., whose address is 777 West Rosedale, Suite 300, Ft. Worth, Texas 76104, hereinafter called "Lessee."

WITNESSETH That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil, Gas and Mineral Lease made and entered into this day by and between the parties hereto covering the land hereinafter described, does hereby lease unto Lessee for the sole and only purpose of exploring for and producing and marketing oil and gas, including casinghead gas and other gaseous substances from, all that certain land situated in the County of Tarrant, State of Texas, and more particularly described as follows:

"6.706 acres of land, more or less, situated in the J.M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being comprised of two (2) tracts of land described as follows:

**Tract One (1): 3.555 acres being described as follows:**

3.067 acres of land, more or less, being <sup>all of lot 12 and or</sup> portions of Lots 11 and Lot 18, Block 2 of Village Gardens, an Addition to the City of Fort Worth, according to the plat thereof record in Volume 388-Y, Page 84, Plat Records Tarrant County, Texas, and a portion of Lot A, Block 2 of Village Gardens, an Addition to the City of Fort Worth, Texas, according to the plat recorded in Volume 388-93, Page 372, Plat Records, Tarrant County, Texas; and being more particularly described by metes and bounds on Exhibit "A" in that Special Warranty Deed executed on June 24, 1993, from Federal Deposit Insurance Corporation to Truck and Trailer Services, Inc., a Texas corporation, duly recorded at Volume 11119, Page 1396 of the Deed Records, Tarrant County Clerk's Office, Tarrant County, Texas; and 0.488 approximate acres of land, more or less, being the lands located within the lateral boundaries of East Loop 820, that are east of and contiguous to Lots 1 and 18, Block 2, of said Village Gardens Addition, which underlies East Loop 820 by extension of the boundary lines through to the centerline of East Loop 820 together with all strip and gores and other acreage owned or claimed by Lessor located adjacent thereto; and

**Tract Two (2): 3.151 acres being described as follows:**

2.083 acres of land, more or less, being a portion of Lot 1, 2, and 3 and all of Lots 4, 5, 6, 7, 8, and 9, Block 6 of Village Gardens Addition to the City of Fort Worth, Tarrant County, Texas, according to the plat recorded in Volume 388-Y, Page 84, Plat Records, Tarrant County, Texas; and a Portion of Lot 3, Block 11 of Wilkes Estates, an Addition to the City of Fort Worth, according to the plat thereof recorded at Volume 388-L, Page 58, of the Plat Records, Tarrant County, Texas and being more particularly described by metes and bounds in that certain Correction Warranty Deed with Vendor's Lien dated March 22, 2004, from Djavad Ghazisaid and wife, Rosetta P. Ghazisaid to Truck and Trailer Services, Inc., a Texas corporation, duly recorded in the Official Public Records, Tarrant County Clerk's Office, Tarrant County, Texas, bearing County Clerk's Instrument Number D204375473; and 1.068 approximate acres of land, more or less, being the lands located within the lateral boundaries of East Loop 820, east of and contiguous to Lots 1, 2, and 3, Block 6, of said Village Gardens Addition, and a portion of Lot 3, Block 11, of said Wilkes Estates Addition, which underlies East Loop 820 by extension of the boundary lines through to the centerline of East Loop 820 together with all strip and gores and other acreage owned or claimed by Lessor located adjacent thereto.

Together with all strips, gores and other parcels of land owned or claimed by Lessor adjacent to the Leased Premises."



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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into this 1<sup>st</sup> day of August, 20 05, by and between

LAWHON, INC., A TEXAS CORPORATION,

with mailing address at P.O. Box 40, Tolar, Texas 76476, Lessor (whether one or more), and MARSHALL R. YOUNG OIL Co., 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS, to-wit:

6.086 acre tract of land, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, in the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated July 7, 1998 from Loop 820 Properties, a Joint Venture to Wright Pump Company, Inc., a Texas corporation, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D198153119.

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2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such pooled unit as provided in the pooling provision of this lease.

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6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

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

My Commission Expires: \_\_\_\_\_

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

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

ADDENDUM

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated August 1<sup>st</sup>, 2005, by and between **Lawhon, Inc.**, A TEXAS CORPORATION, as Lessor, and **MARSHALL R. YOUNG OIL CO.**, as Lessee, covering **6.086 acres**, more or less, a part of the **J. M. Daniel Survey, A-395**, Tarrant County, Texas.

12. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying \_\_\_\_\_  
\*\*\*SIX HUNDRED\*\*\* and No/100 Dollars (\$600.00\*\*) per net mineral acre to Lessor or to the credit of Lessor in the MAIL OR DELIVER PAYMENT TO LESSOR AT LESSOR'S ADDRESS STATED ABOVE Bank, at NOT APPLICABLE, (which bank and its successors are Lessor's agents and shall continue as the depository regardless of changes in ownership of said land.) This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be held in default for failure to make such payment until thirty (30) days after Lessor's delivery to Lessee of a proper recordable instrument naming another bank as agent to receive such payment. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

LESSOR:

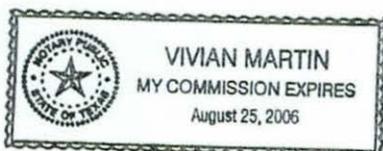
Lawhon, Inc., a Texas corporation.

By: Sherry Lawhon, Pres.  
Sherry Lawhon, President

THE STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT       §

This instrument was acknowledged before me on this the 18 day of Aug, 2005, by Sherry Lawhon, President of Lawhon, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]



Vivian Martin  
VIVIAN MARTIN  
(Printed Name)  
Notary Public in and for the State of Texas  
My Commission Expires 8-25-2006

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

**MEMORANDUM OF OIL AND GAS LEASE**

THE STATE OF TEXAS  
COUNTY OF TARRANT

§  
§  
§

**KNOW ALL MEN BY THESE PRESENTS:**

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by MARSHALL R. YOUNG OIL CO., hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to LAWHON, INC., a Texas corporation, hereinafter called "Lessor", whose address is, P.O. Box 40, Tolar, Texas 76476, Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

6.086 acre tract of land, more or less, situated in the J.M. Daniel Survey, Abstract No. 395, in the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated July 7, 1998 from Loop 820 Properties, a Joint Venture to Wright Pump Company, Inc., a Texas corporation, duly recorded in the Official Public Records of Tarrant County, Texas, bearing County Clerk's Instrument No. D198153119.

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated August 1<sup>st</sup>, 2005, covering said land, and providing for a primary term of three (3) years, which may be extended for two (2) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of August 1<sup>st</sup>, 2005.

LESSOR:

Lawhon, Inc., a Texas corporation

By: Sherry Lawhon  
Sherry Lawhon, President

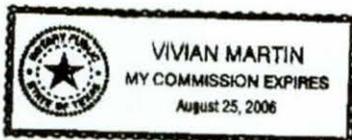
FILED  
TARRANT COUNTY TEXAS  
2005 OCT - 18  
11:42  
S/2/NAME PERSON  
COUNTY CLERK

THE STATE OF TEXAS  
COUNTY OF TARRANT

§  
§  
§

This instrument was acknowledged before me on this the 18 day of Aug, 2005, by Sherry Lawhon, President of Lawhon, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]



Vivian Martin  
VIVIAN MARTIN  
(Printed Name)  
Notary Public in and for the State of Texas  
My Commission Expires 8-25-2006



MARSHALL R YOUNG OIL  
1320 S UNIVERSITY DR  
STE 400  
FT WORTH TX 76107

Submitter: MARSHALL R YOUNG OIL

---

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: 10/04/2005 08:59 AM  
Instrument #: D205292849  
OPR 2 PGS \$16.00

By: 



**D205292849**

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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

75796

THIS AGREEMENT, made and entered into this 10<sup>th</sup> day of August, 2005, by and between

**GARY M. REEDER**

dealing solely in his separate property, no part of which is homestead,

with mailing address at PO Box 8237, Fort Worth, Texas 76124, Lessor (whether one or more), and MARSHALL R. YOUNG OIL CO., 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS, to-wit:

5.191 acres, more or less, situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 17, 1984, from Loop 820 Properties, a Joint Venture to Gary M. Reeder, duly recorded at Volume 7989, Page 2089 of the Deed Records of Tarrant County, Texas.

53501

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fourth (1/4) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fourth (1/4) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fourth (1/4) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such pooled unit as provided in the pooling provision of this lease.

17091-00

Handwritten initials/signature

6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
Social Security Number: \_\_\_\_\_

THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

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

My Commission Expires: \_\_\_\_\_

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

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

SEE ADDENDUM ATTACHED FOR ADDITIONAL PROVISIONS AND SIGNATURE(S)

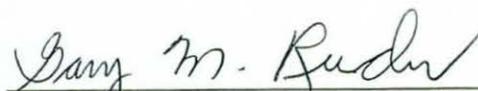
**ADDENDUM**

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated August 10<sup>th</sup>, 2005, by and between **GARY M. REEDER**, as Lessor, and **MARSHALL R. YOUNG OIL CO.**, as Lessee, covering **5.191 acres**, more or less, a part of the **J. M. Daniel Survey, Abstract No. 395**, Tarrant County, Texas.

12. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying \_\_\_\_\_  
\*\*\*SIX HUNDRED FIFTY\*\*\* and No/100 Dollars (\$650.00\*\*) per net mineral acre to Lessor or to the credit of Lessor in the MAIL OR DELIVER PAYMENT TO LESSOR AT LESSOR'S ADDRESS STATED ABOVE Bank, at NOT APPLICABLE, (which bank and its successors are Lessor's agents and shall continue as the depository regardless of changes in ownership of said land.) This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be held in default for failure to make such payment until thirty (30) days after Lessor's delivery to Lessee of a proper recordable instrument naming another bank as agent to receive such payment. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

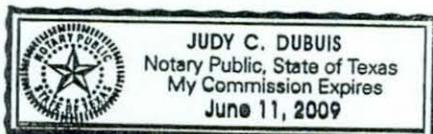
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

  
\_\_\_\_\_  
Gary M. Reeder

THE STATE OF TEXAS    §  
  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 2<sup>nd</sup> day of Sept 2005,  
by GARY M. REEDER

[SEAL]



  
\_\_\_\_\_  
Judy Dubuis  
Notary Public in and for the State of Texas.  
My Commission Expires: June 11 2009

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

MEMORANDUM OF OIL AND GAS LEASE

FILED  
TARRANT COUNTY TEXAS  
2005 OCT -4 AM 11:42  
SUSAN DENSON  
CLERK

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by **MARSHALL R. YOUNG OIL CO.**, hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to **GARY M. REEDER**, hereinafter called "Lessor", dealing solely in his separate property, no part of which is homestead, whose address is, PO. Box 8237, Fort Worth, Texas 76124, Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

5.191 acres, more or less, situated in the **J. M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 17, 1984, from Loop 820 Properties, a Joint Venture to Gary M. Reeder, duly recorded at Volume 7989, Page 2089 of the Deed Records of Tarrant County, Texas.

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated August 10<sup>th</sup>, 2005, covering said land, and providing for a primary term of three (3) years, which may be extended for two (2) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of the August 10<sup>th</sup>, 2005.

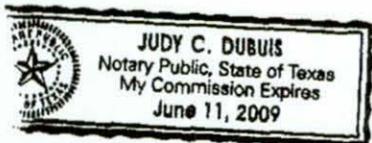
Lessor(s):

*Gary M. Reeder*  
\_\_\_\_\_  
Gary M. Reeder

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 2<sup>nd</sup> day of September 2005, by GARY M. REEDER

[SEAL]



*Judy Dubuis*  
\_\_\_\_\_  
Judy Dubuis  
(Printed Name)  
Notary Public in and for the State of Texas  
My Commission Expires 6-11-09



MARSHALL R YOUNG OIL  
1320 S UNIVERSITY DR  
STE 400  
FT WORTH TX 76107

Submitter: MARSHALL R YOUNG OIL

---

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: 10/04/2005 08:59 AM  
Instrument #: D205292850  
OPR 2 PGS \$16.00

By: 



D205292850

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 Paid-Up Lease (719 2-64) (Y 3-01)

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT, made and entered into this 23<sup>rd</sup> day of November, 2005, by and between

Larry Peabody as Independent Executor of the Estate of Clyde Peabody, deceased,

with mailing address at 600 Oak Hollow Lane, Fort Worth, Texas 76112, Lessor (whether one or more), and MARSHALL R. YOUNG OIL Co., 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, Lessee.

1. Lessor in consideration of Ten and no/100 Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreement 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, laying pipe lines, building tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport and own said products, the following land in TARRANT County, TEXAS, to-wit:

0.505 acres of land, more or less, situated in the **J.M. Daniel Survey**, Abstract No. 395, Tarrant County, Texas, and being more particularly described by metes and bounds in that certain dated December 14, 1988, from Mark Glaze and wife, Diane Glaze to Clyde Peabody duly recorded at Volume 9461, Page 271 of the Official Public Records of Tarrant, Texas.

2. This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if it were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein.

3. It is agreed that this lease shall remain in force for a term of three (\*3\*) years from this date and as long thereafter as oil, gas or other minerals is produced from said leased premises, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil, gas or other mineral is not being produced on the leased premises but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises; and operations shall be considered to be continuously prosecuted if not more than sixty (60) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If, after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within sixty (60) days from date of cessation of production or from date of completion of dry hole. If oil, gas or other mineral shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas or other mineral shall be produced from the leased premises.

4. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may, at any time or times, surrender this lease as to all or any portion of said land by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

5. The royalties to be paid by Lessee are: (a) on oil, one-fifth (1/5) of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipe line to which the wells may be connected; Lessee may, from time to time, purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value of one-fifth (1/5) of the gas so sold or used, provided that, on gas sold at the wells, the royalty shall be one-fifth (1/5) of the amount realized from such sale; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be fifty cents (\$.50) per long ton. Lessee shall have free use of oil, gas, coal, wood and water from said land, except water from Lessor's wells, for all operations hereunder, and the royalty on oil, gas and coal shall be computed after deducting any so used. If the land covered hereby is placed in a unit as hereinafter provided, all of the royalties provided for herein shall be apportioned on a unitized basis. While there is a well on this lease, or on acreage pooled therewith, which well is capable of producing only gas, gas condensate, or some combination of gas and gas condensate, but from which well production is not being sold or used, and this lease is not otherwise maintained in effect, Lessee may pay or tender on or before ninety (90) days from the date such well is shut-in, as shut-in royalty, to the party or parties entitled to receive royalties on actual production of gas at the time payment or tender is made, a sum equal to \$10 per acre of land subject to this lease at the time payment is made which payment will extend the lease for a period of one year from the date of shut-in. Payment or tender of such royalty may be made by check or draft of Lessee mailed or delivered to Lessor, with the first payment to be made on or before ninety (90) days from and after the date on which such well is shut-in, and similar payment to be made annually thereafter on or before the anniversary date on which such well is shut-in, and if such payments are so made, it shall be considered that gas, gas condensate, or a combination of gas and gas condensate is being produced from the above-described land under all the terms, conditions and limitations of this lease. The amount of such shut-in royalty payment shall be reduced proportionately as hereinafter provided if Lessor owns an interest in said land less than the entire fee simple estate and shall be further reduced in the proportion that the amount of surface acreage out of this lease included in any pooled unit upon which such gas or gas condensate well is situated bears to the entire surface acreage contained in such pooled unit as provided in the pooling provision of this lease.

6. Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, 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 said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six hundred forty (640) acres, plus an acreage tolerance of ten percent (10%) of six hundred forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed or permitted by governmental authorities having jurisdiction. 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 units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units or to amend any unit created hereunder. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The formation of the unit shall be effective as of the date stated in the designation which may be a date retroactive to the date of first production from the well or wells included in the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or re-working operations thereon or production of oil or 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, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of its royalty interest bears to the total acreage so pooled in the particular unit involved. Lessee may, at any time, whether before or after production is obtained from any unit created hereunder, amend the unit by adding additional acreage thereto, removing acreage therefrom, or substituting acreage in the unit, but the amended unit shall in no event exceed acreage content hereinabove specified. In the event an existing unit is so amended, Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land in the amended unit, provided that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event, the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. Lessee may terminate any unitized area by filing of record notice of termination.

7. 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.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the 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. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a certified copy of the recorded instrument evidencing same. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or re-working operations thereon or from producing oil or gas therefrom by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failures 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 re-working operations or from producing oil or gas from the leased premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

10. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor", as used in this lease, shall mean any one or all of the parties who execute this lease as Lessor.

11. 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 the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other monies which may accrue shall be reduced proportionately.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

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

\_\_\_\_\_  
 Social Security Number: \_\_\_\_\_

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

§  
 §  
 §

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

My Commission Expires: \_\_\_\_\_

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

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

SEE ADDENDUM ATTACHED FOR ADDITIONAL PROVISIONS AND SIGNATURE(S)



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

MEMORANDUM OF OIL AND GAS LEASE

THE STATE OF TEXAS                   §  
  §           **KNOW ALL MEN BY THESE PRESENTS:**  
COUNTY OF TARRANT   §

THAT, for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by **MARSHALL R. YOUNG OIL CO.**, hereinafter called "Lessee", whose address is 1320 South University Drive, Suite 400, Fort Worth, Texas 76107, to **Larry Peabody as Independent Executor of the Estate of Clyde Douglas Peabody, Deceased** whose address is 600 Oak Hollow Ln., Fort Worth, Texas 76112 . Lessor has and does hereby GRANT, LEASE and LET unto Lessee for the purposes and with the exclusive right of exploring, drilling and operating for, producing and owning oil and gas, and their respective constituent products, including sulphur produced therewith, the following described land located in Tarrant County, Texas, to wit:

0.505 acres, more or less, situated in the **J. M. Daniel Survey, Abstract No. 395**, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated December 14, 1988, from Mark Glaze and wife Diane Glaze to Clyde Peabody, duly recorded at Volume 9461, Page 271 of the Official Public Records of Tarrant County, Texas.

upon and subject to all of the terms and provisions set forth in that certain Oil and Gas Lease dated November 23, 2005, covering said land, and providing for a primary term of three (3) years, which may be extended for two (2) years, and as long thereafter as operations, as defined in said lease, are conducted upon the leased premises with no cessation for more than sixty (60) consecutive days or oil, gas or other related hydrocarbons produced with oil or gas is produced from the leased premises or the lease is otherwise maintained in force as therein provided. A copy of said lease is in the possession of each of the parties Lessor and Lessee and which is incorporated herein by reference and made a part hereof as if set forth at length herein, and to which reference is made for all purposes.

IN WITNESS WHEREOF, this instrument is executed effective as of the November 23, 2005.

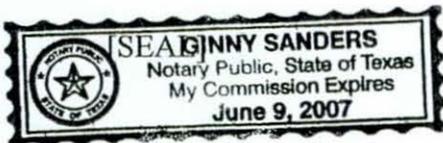
Lessor(s):

*Larry Peabody*

Larry Peabody, as Independent Executor  
Of the Estate of Clyde Douglas Peabody,  
Deceased

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on this 1st day of Dec., 2005, by Larry Peabody as independent Executor of the Estate of Clyde Douglas Peabody, Deceased.



*Ginny Sanders*  
Ginny Sanders  
(Printed Name)

Notary Public in and for the State of Texas  
My Commission Expires June 9, 2007

17112-00  
Page 1 of 1

D205384591

COPY

FILED  
COUNTY CLERK  
TARRANT COUNTY TEXAS  
NOV 23 2005  
11:17 AM



MARSHALL R YOUNG OIL CO  
1320 SOUTH UNIVERSITY DR  
SUITE 400  
FT WORTH TX 76107

Submitter: MARSHALL R YOUNG OIL CO

---

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

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

Filed For Registration: 12/28/2005 04:21 PM  
Instrument #: D205384591  
OPR 2 PGS \$16.00

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



D205384591

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.

A-395

J.M. DANIEL SURVEY A-395

EASTLAND AVE ADD 10705

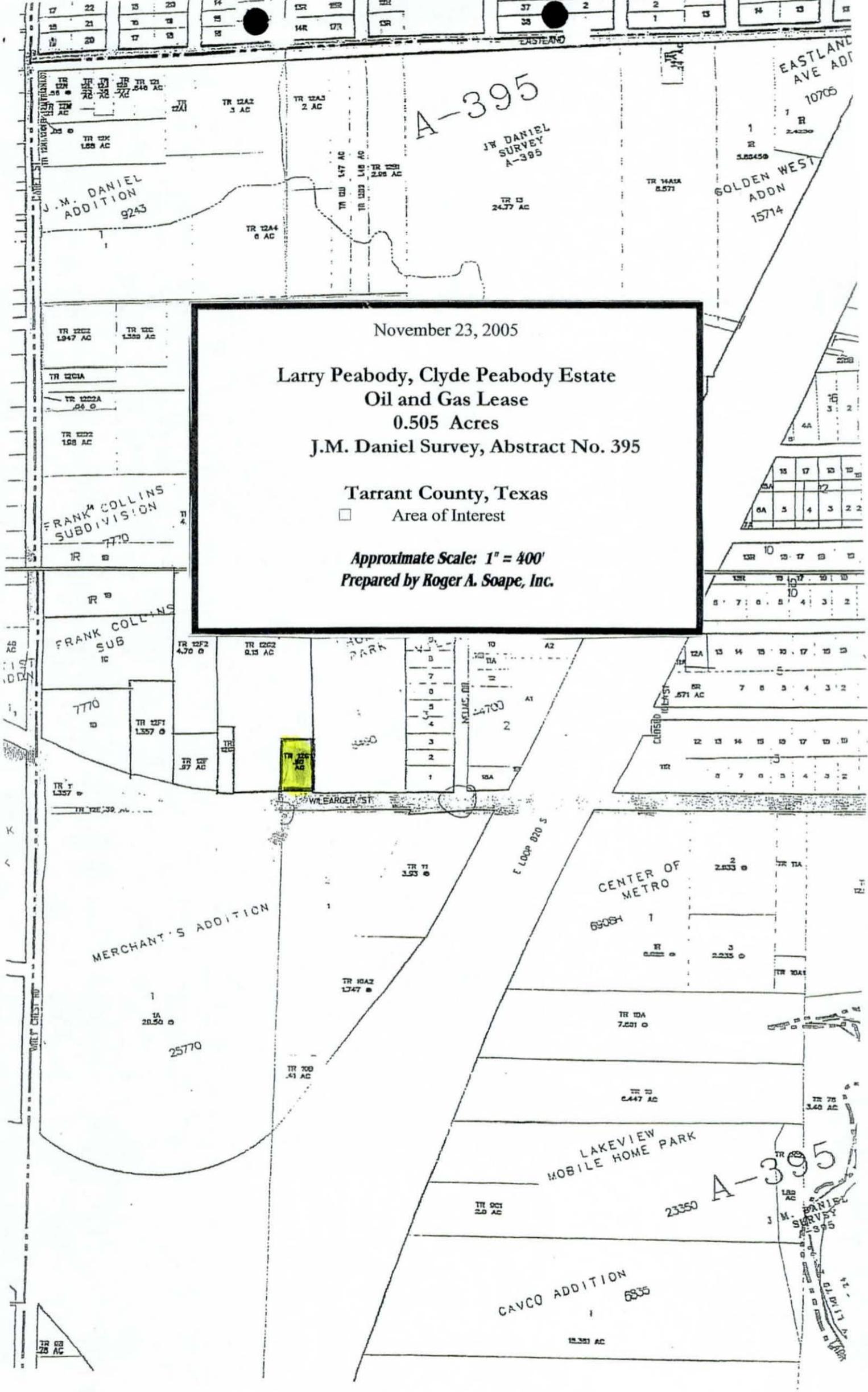
GOLDEN WEST ADDN 15714

November 23, 2005

Larry Peabody, Clyde Peabody Estate  
Oil and Gas Lease  
0.505 Acres  
J.M. Daniel Survey, Abstract No. 395

Tarrant County, Texas  
□ Area of Interest

Approximate Scale: 1" = 400'  
Prepared by Roger A. Soape, Inc.



A-395

J.M. DANIEL SURVEY A-395

CAVCO ADDITION 6835

LAKEVIEW MOBILE HOME PARK

CENTER OF METRO

MERCHANT'S ADDITION

FRANK COLLINS SUB

FRANK COLLINS SUBDIVISION

J.M. DANIEL ADDITION 9243

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

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS §

COUNTY OF TARRANT §

THIS MEMORANDUM, made this 30<sup>th</sup> day of June, 2008, by and between Jimmy R. Kersey, aka Jim R. Kersey and wife, Audrey L. Kersey, whose address is 1713 Druid Court, Fort Worth, Texas 76112, hereinafter called "Lessor", and QUICKSILVER RESOURCES INC., 777 West Rosedale, Suite 300, Ft. Worth, Texas 76104, hereinafter called "Lessee."

WITNESSETH: That Lessor, for a valuable consideration and in consideration of the covenants of the Lessee set forth in that certain Oil, Gas and Mineral Lease made and entered into this day by and between the parties hereto covering the land hereinafter described, does hereby lease unto Lessee for the sole and only purpose of exploring for and producing and marketing oil and gas, including casinghead gas and other gaseous substances from, all that certain land situated in the County of Tarrant, State of Texas, and more particularly described as follows:

0.6315 acres of land, more or less, situated in J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, being the same land more particularly described in the following two (2) lots to wit:

0.4015 acres of land, more or less, situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, described as Lot 1, Block 3, Village Gardens an Addition to the City of Fort Worth, Tarrant County, Texas, as depicted in that certain plat dated May 4, 1954, recorded in Volume 388-Y, Page 84, Tarrant County Clerk's Public Records, Tarrant County, Texas, being that same land described in that certain Warranty Deed dated November 8, 2005, conveyed from Ruby Baxter to Jimmy R. Kersey, recorded in Instrument No. D208216670 of the Tarrant County Clerk's Official Public Records, Tarrant County, Texas.

0.2300 acres of land, more or less, situated in the J. M. Daniel Survey, Abstract No. 395, Tarrant County, Texas, described as Lot 2, Block 3, Village Gardens an Addition to the City of Fort Worth, Tarrant County, Texas, as depicted in that certain plat dated May 4, 1954, recorded in Volume 388-Y, Page 84, Tarrant County Clerk's Public Records, Tarrant County, Texas, being that same land described in that certain Warranty Deed dated November 8, 2005, conveyed from Ruby Baxter to Jimmy R. Kersey, recorded in Instrument No. D208216670 of the Tarrant County Clerk's Official Public Records, Tarrant County, Texas.

The term of said Oil, Gas and Mineral Lease is for Two (3) years from the date thereof and so long thereafter as oil or gas is being produced in paying quantities from the lease premises, or land pooled therewith, or so long thereafter as drilling, deepening or reworking operations for the production of oil and gas are being conducted thereon, as therein provided.

Reference is hereby made to executed copies of said Oil, Gas and Mineral Lease in possession of Lessor and Lessee respectively, for all of the provisions thereof, and by this reference same are incorporated herein and made a part hereof in all respects as though fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused the Memorandum of Oil, Gas and Mineral Lease to be executed effective as of the day and year first herein written.

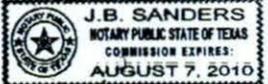
LESSOR:

*Jimmy R. Kersey*  
Jimmy R. Kersey, aka Jim R. Kersey

*Audrey L. Kersey*  
Audrey L. Kersey

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2 day of July, 2008, by Jimmy R. Kersey, aka Jim R. Kersey and wife, Audrey L. Kersey



*J.B. Sanders*  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:  
QUICKSILVER RESOURCES INC.  
ATTN: CLAY BLUM  
777 WEST ROSEDALE, SUITE 300  
FORT WORTH, TX 76104



QUICKSILVER RESOURCES INC  
ATTN CLAY BLUM  
777 W ROSEDALE STE 300  
FT WORTH TX 76104  
Submitter: MATT MCWILLIAMS

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 09:33 AM  
Instrument #: D208326305  
LSEM 2 PGS \$18.00

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



**D208326305**

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.

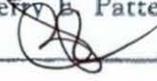
Printed by: MC

File No. MF 110325

Lease

Date Filed: 11/13/09

Jerry E. Patterson, Commissioner

By 

# The State of Texas



Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 110325)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

Whit-O West  
HROW Lease  
Revised 8/06

RECORDED  
TARRANT COUNTY TEXAS  
2009 OCT 27 PM 2:40

SHIRAZI, JESSICA  
COUNTY CLERK

BY \_\_\_\_\_

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 **Quicksilver Resources, Inc.**, whose address is **777 West Rosedale, Suite 300, Ft. Worth, TX 76104** hereinafter called "Lessee".

1 Lessor, in consideration of **Five Thousand Three Hundred Ninety Five 20/100 (\$ 5,395.20)** 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.

**1.3488 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 **1.3488 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2 PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **one year, from October 6th, 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 **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee **1/4** of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **1/4** of such gas and casing head gas

TX 4390953.00

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

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

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

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

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

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



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

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

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

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

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

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

8. NOTICE. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all



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

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

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

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

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

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

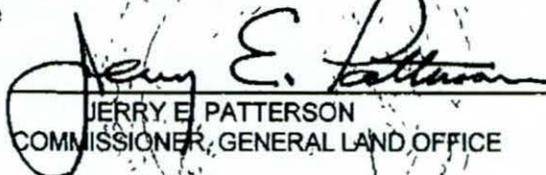
14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well.



causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty** and shall maintain this lease in effect for so long as such payments are made as provided herein

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved

ML: DR

DC: CLB

CC: [Signature]

**Exhibit "A"**

**(Public Road Deeds)**

**T & O Service Marketing, Inc. (Original Drilling Title Opinion)**

Public Road Deed A, dated November 9, 1987, from T & O Management Agency, Inc., to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 92, Official Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 772 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

**Frank Nguyen and wife, Lucinda Nguyen (Original Drilling Title Opinion)**

Public Road Deed B, dated December 7, 1987, from Red Arrow Fright Lines, Inc. to the City of Fort Worth (State of Texas), recorded in Volume 9299, Page 1701, Official Records, Tarrant County, Texas. The Deed conveyed two (2) parcels of land, containing approximately 1,211 square feet of land, in fee simple, for a portion of Wilbarger Street.

**Lawhon, Inc., Lease (Original Drilling Title Opinion and Letter Opinion)**

Public Road Deed C, dated July 2, 1987, from Clyde Peabody to the City of Fort Worth (State of Texas), recorded in Volume 9236, Page 97, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 250 square feet of land (0.0057 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

Public Road Deed D, dated September 23, 1988, from Don Morris Enterprises Investment Group II, L.P. to the City of Fort Worth (State of Texas), recorded in Volume 9465, Page 2211, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 1,322 square feet of land (0.03 acres), more or less, in fee simple for public road purposes, Wilbarger Street.

**Crown Enterprises, Inc. (Original Drilling Title Opinion)**

Public Road Deed E, dated July 20, 1988, from Iris Alain Maddox Farkas to the City of Fort Worth (State of Texas), recorded in Volume 9334, Page 1093, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 0.6376 acres of land, more or less, in fee simple for public road purposes, being portions of Wilbarger Street and Carey Street.



**Truck & Traylor Services (Letter Opinion)**

Public Road Deed F, dated June 19, 1989, from NCNB Texas National Bank to the City of Fort Worth (State of Texas), recorded in Volume 9733, Page 362, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 350 square feet of land, more or less, in fee simple for public road purposes, being a portion of Wilbarger Street.

**Estate of Clyde Peabody, Deceased (Original Drilling Title Opinion)**

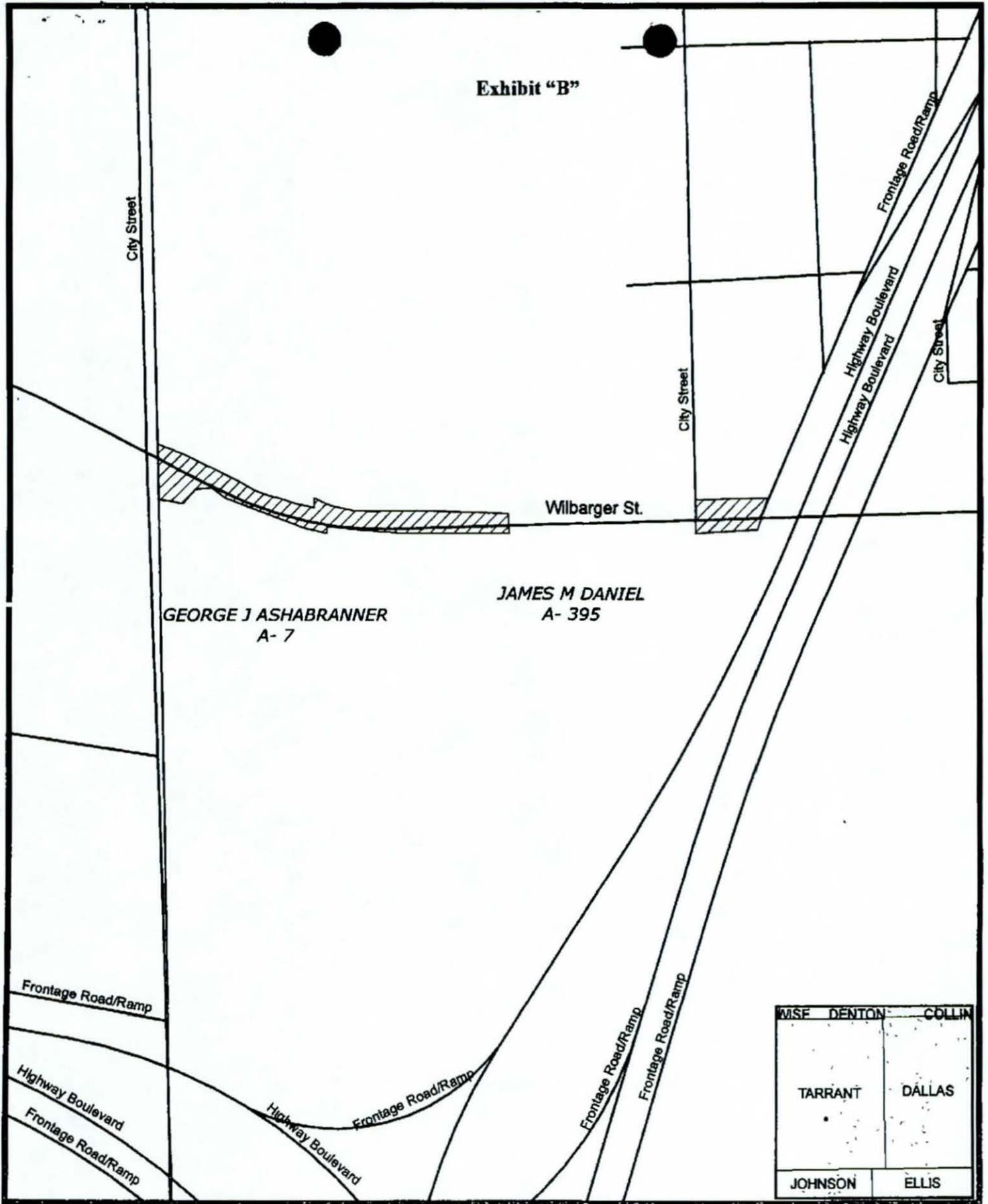
Public Road Deed G, dated April 13, 1989, from Clyde Peabody to the City of Fort Worth, Texas, recorded in Volume 9654, Page 1769, Deed Records, Tarrant County, Texas. The Public Road Deed conveyed approximately 2724 square feet of land, more or less, in fee simple for public road purposes, Wilbarger Street.

Where the City of Fort Worth acquired the lands described in the above-described Public Road Deeds for public road purposes, title thereto vested in the State of Texas. *Robbins v. Limestone County*, 114 Tex. 345, 265 S.W. 915 (Tex. 1925).

The following Opinions did not contain Public Road Deeds, and as a result, it is the examiner's opinion the acreage lying within Wilbarger Street is a as prescriptive easement insofar as it is located adjacent to the following land owners: ARC18TX LP Lease (Original Drilling Title Opinion and Letter Opinion), the Gary M. Reeder Lease (Original Drilling Title Opinion), the Lawhon, Inc. Lease (6.086 acres; Letter Opinion), and the Jimmy R. Kersey and wife, Audrey Kersey, Lease (Original Drilling Title Opinion).



Exhibit "B"



GEORGE J ASHABRANNER  
A-7

JAMES M DANIEL  
A-395

Wilbarger St.

City Street

City Street

Highway Boulevard

City Street

Frontage Road/Ramp

Frontage Road/Ramp

Highway Boulevard

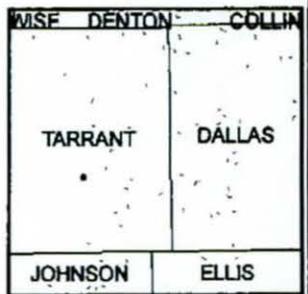
Frontage Road/Ramp

Highway Boulevard

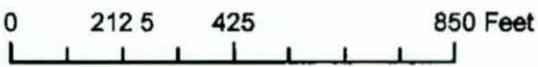
Frontage Road/Ramp

Frontage Road/Ramp

Frontage Road/Ramp



Map showing a  
Buffer of Wilbarger St  
1.3488 acres  
Tarrant County



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 support or depict or establish boundaries between private and public land.



Map Compiled By Zake Gullien  
October 6, 2009

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

QUICKSILVER RESOURCES INC  
777 WEST ROSEDALE STE 300  
FT WORTH, TX 76104

Submitter: QUICKSILVER RESOURCES  
INC

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Filed For Registration: 10/27/2009 2:39 PM

Instrument #: D209283998

OPR

9

PGS

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

*Suzanne Henderson*

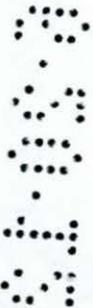
D209283998

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.

Prepared by: CAMADDOCK

21.02.9

#14



File No. MF 110 325

Recorded Copy

Date Filed: 10-31-12

Jerry E. Patterson, Commissioner

By Boyd



TEXAS GENERAL LAND OFFICE  
COMMISSIONER DAWN BUCKINGHAM, M.D.

August 27, 2024

Certified USPS # 7011 1150 0001 2420 0214

Matt Hendrix  
Diversified Production, LLC  
211 North Robinson Avenue, Suite N-1000  
Oklahoma City, OK 73102

Re: Termination of State Leases No. MF 109585, MF 110325, MF 110554, MF 110644, and  
GLO Unit 6132

- Whiz-Q West Unit Well No. 4H / API No. 42-439-35052 / RRC No. 09-258658
- Whiz-Q West Unit Well No. 5H / API No. 42-439-35056 / RRC No. 09-259961
- Whiz-Q West Unit Well No. 6H / API No. 42-439-35051 / RRC No. 09-259966

Mr. Hendrix:

The Texas General Land Office (GLO) has completed a review of the above captioned State Leases of which Diversified Production, LLC is the current listed operator. The review of our internal records, along with production records provided by the Texas Railroad Commission, indicate the Whiz-Q West Unit Well No. 6H / RRC No. 09-259966 (API No. 42-439-35051) ceased production January of 2024. The above referenced mineral file does not contain documentation of any additional shut-in royalty payments or reworking operations. As such, pursuant to Paragraph No. 2 of the four above-referenced State Leases dated December 16<sup>th</sup>, 2008 through March 23<sup>rd</sup>, 2010, the GLO considers the above referenced State Leases and Unit terminated effective May 1st, 2024.

Should you disagree with this assessment please provide evidence to the GLO at the address shown below within thirty (30) days of receipt of this letter. Failure to reply or failure to present sufficient evidence of the continuation of said State Leases will result in the mineral files being endorsed as terminated. You will receive no further communication from this office prior to this endorsement.

Additionally, Title 31, §9.92, of the Texas Administrative Code requires that a recorded original or certified copy of a Release of each State Lease, along with a filing fee of twenty-five dollars (\$25.00) per lease, be filed with our office. Please discontinue filing GLO production reports and immediately delete the GLO RRAC control record for these wells. If there are royalties due, our Audit Division will notify you of the amount due. Lastly, when the wells have been plugged, copies of Railroad Commission Form W-3 are required to be filed with our office. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

Best,

Johnny Boatright  
Energy Resources  
512-305-9106  
Johnny.Boatright@glo.texas.gov

#15

File No. MF110325

Tarrant County

Termination letter

Date Filed: 8/27/2024

Commissioner Dawn Buckingham, M.D.

By: 

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OKLAHOMA CITY, OK 73102

September 3, 2024, 1:11 pm

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16

File No. ME110325  
Tarrant County  
USPS Tracking of Termination Letter  
Date Filed: 11/14/2024  
Commissioner Dawn Buckingham, M.D.  
By: 