

MF110332

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF110332	65-902205		TARRANT

<i>Survey</i>	TARRANT COUNTY ROADS	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>		
<i>Part Description</i>		
<i>Acres</i>	4.556	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
0	0	
<i>Name</i>	DALE PROPERTY SERVICES, LLC	
<i>Lease Date</i>	10/6/2009	
<i>Primary Term</i>	1 yrs	
<i>Bonus (\$)</i>	\$22,780.00	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2500	

EXPIRED
 DATE 2-10-16
 LEASING TM
 MAPS ~~MC~~
 GIS MC

Leasing: [Signature]
Analyst: [Signature]
Maps: _____
GIS: ZG



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!



CONTENTS OF FILE NO. MF- 110332

- 1. Lease 9/15/09
- 2. Letter, bonus, + fee 9/15/09
- 3. Map 9/15/09
- 4. Affidavit 9/15/09
- 5. Plat Legend + leases 9/15/09
- 6. Deed 9/15/09
- 7. AIO letter 10/7/09

ASSIGNMENT FILED IN MF110324#8. 7/6/10

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EXPIRED LEASE 2-10-16

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The State of Texas



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 110332)
GENERAL LAND OFFICE
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and **Dale Property Services, LLC**, whose address is **3000 Alta Mesa Blvd., Suite 300, Ft. Worth, TX 76133** hereinafter called "Lessee".

1. Lessor, in consideration of **Twenty Two Thousand Seven Hundred Eighty 00/100 (\$22,780.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Tarrant** State of Texas, and is described as follows:

4.556 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 **4.556 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 per acre**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

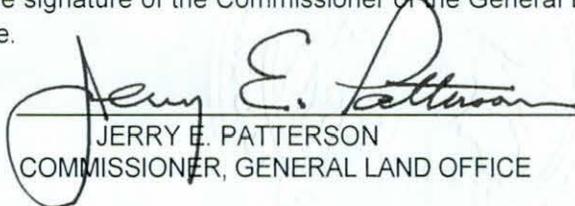
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

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

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

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

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


JERRY E. PATTERSON
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR

DC: cue

CC: DR

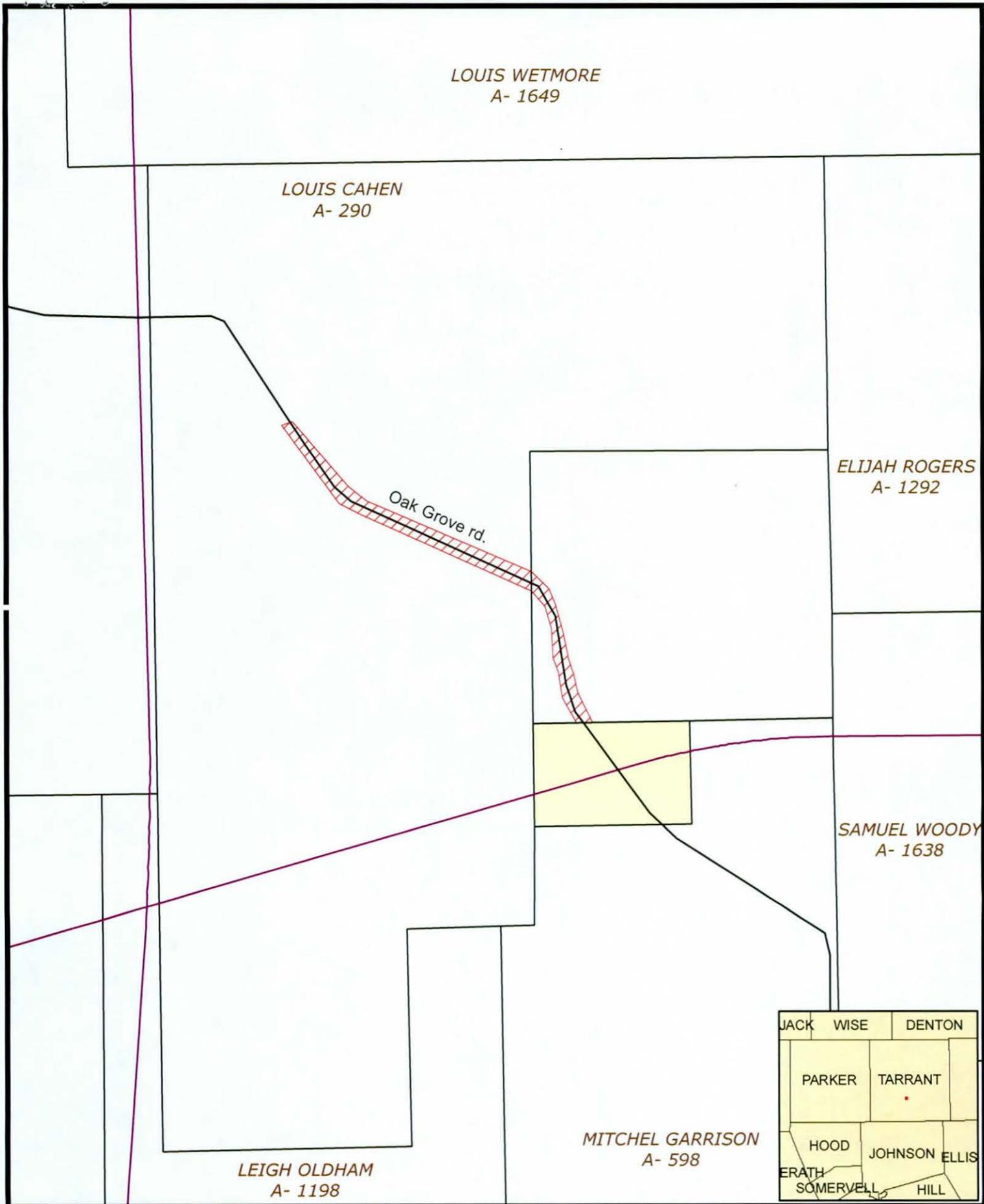
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated October 6th, 2009, by and between the State of Texas, as lessor, and Dale Properties, LLC as lessee, covering acreage to be leased in Tarrant County, Texas, being part of the Oak Grove Road ROW.

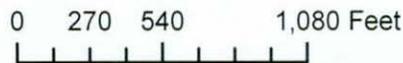
4.556 acres of land, more or less, situated in the Louis Cohen Survey, A-290 and the Robert Gillaster Survey, A-619. Said lands being described in the following deed filed in the Deeds of Records of Tarrant County.

City of Fort Worth ("City") received the following described land designated as a R-O-W for Oak Grove Road:

1. Deed dated January 23, 1967, recorded as Volume 4366, Page 16, from Texas Electric Service Company to City of Fort Worth conveying .143 acres of land out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas.
2. Deed dated July 3, 1967, recorded as Volume 4431, Page 209, from 1001 Oak Grove Ltd. to City of Fort Worth conveying .186 acres of land out of the Robert Gillaster Survey, Abstract 619, Tarrant County, Texas.
3. Deed dated March 7, 1960, recorded as Volume 3422, Page 413, from Ryan Mortgage Company to City of Fort Worth conveying .062 acres of land out of the John Kirby Survey, Abstract 2022, the M. Garrison Survey, Abstract 598, and the R. Gillaster Survey, Abstract 619, Tarrant County, Texas.
4. Deed dated May 10, 1967, recorded as Volume 4407, Page 330, from Cowtown Posse, Inc. to City of Fort Worth conveying 1.183 acres of land out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas.
5. Deed dated July 21, 1967, recorded as Volume 4436, Page 507, from Ryan Mortgage Company to City of Fort Worth conveying 2.982 acres of land out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas.



Map showing a
Buffer of Oak Grove Rd.
4.556 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

1,
File No. MF110332

Case

Date Filed: 9/16/09
Jerry Patterson, Commissioner

By: 

DALE PROPERTY SERVICES, L.L.C.

3000 Alta Mesa Boulevard, Suite 300

FORT WORTH, TX 76133

(817) 451-5353

August 11, 2009

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

*Have Money
m-110332*

*5000.00
1/4
1 yr
Shut in 25.00
Per Acre*

Re: Application by Dale Property Services, L.L.C. to acquire Oil and Gas Lease covering 4.556 acres, more or less, being the Oak Grove Road R-O-W, Tarrant County, Texas.

Dear Drew:

City of Fort Worth ("City") received the following described land designated as a R-O-W for Oak Grove Road:

1. Deed dated January 23, 1967, recorded as Volume 4366, Page 16, from Texas Electric Service Company to City of Fort Worth conveying .143 acres of land out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas.
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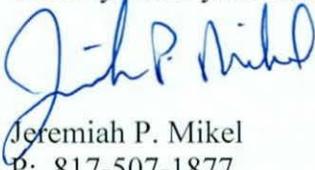
Dale Property Services, L.L.C. ("Dale") has researched the aforementioned R-O-W and discovered that the City owns a portion of it. Dale owns oil and gas leases on either side of said R-O-W, and it is necessary for Dale to acquire an oil and gas lease covering the same in order to drill a horizontal well from an off-site location. We therefore request that the State of Texas grant Dale Property Services, L.L.C. an oil and gas lease covering said land. If granted the lease, Dale will combine this lease with their present leases in a concerted plan of development for the Bautista prospect area.

Dale is currently offering in the range of \$1,500-\$2,500 per net mineral acre for consideration for other mineral leases in the immediate area of the above described lands. Per our conversation on August 11, 2009, Dale agrees to pay five thousand dollars (\$5,000.00) per net mineral acre for said lease. Both



parties have agreed that this per acre consideration is fair and relative to current market prices in the immediate area.

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



Jeremiah P. Mikel

P: 817-507-1877

F: 817-496-3822

jeremiahm@dale-resources.com

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

00518

DALE OPERATING COMPANY

Check No. 00307868

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
09/09/09	090909		22780.00	121	22780.00
				TOTAL	22780.00

10700388

DALE OPERATING COMPANY

Check No. 00307869

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
09/09/09	090909		100.00	121	100.00
				TOTAL	100.00

10700389

2.

File No: MF 110332

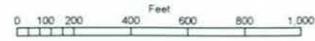
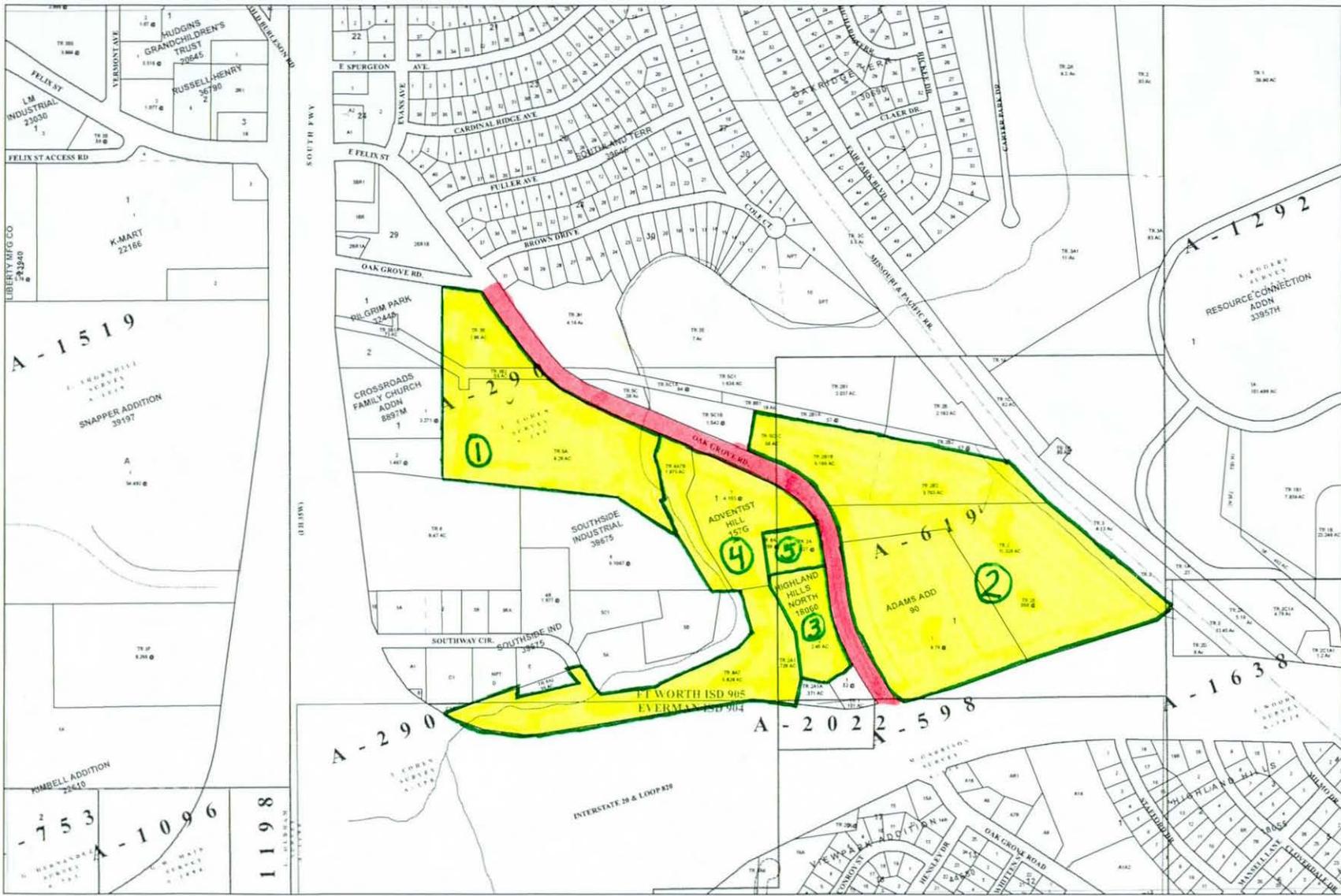
Letter, bonus, & fee

Date Filed: 9/17/09

Jerry Patterson, Commissioner

By: 

█ - Oak Grove Rd. R-O-W
█ - Dale Leases



3.

File No. MF 110332

Date Filed: May 9/15/09

Jerry Patterson, Commissioner

By: 



84200

AFFIDAVIT

STATE OF TEXAS

COUNTY OF TARRANT

KNOW ALL MEN BY THESE PRESENTS:

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

That I know the consideration Dale Resources, L.L.C. ("Dale") paid for the leases on adjacent lands to the property designated as Oak Grove Road.

1. That Dale paid Plaza Tierra Caliente Inc. three thousand dollars (\$3,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded as Instrument #D206329740 in the Official Public Records of Tarrant County, Texas covering 11.60 acres adjacent to Oak Grove Road.
2. That Dale paid Choice Capital Group, Inc. three thousand dollars (\$3,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded in Instrument # D207044804 in the Official Public Records, Tarrant County, Texas covering 28.64 acres adjacent to Oak Grove Road
3. That Dale paid Peppertree Acres Apartments three thousand dollars (\$3,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded in Instrument # D206343147 in the Official Public Records, Tarrant County, Texas covering 2.606 acres adjacent to Oak Grove Road
4. That Dale paid Texas Conference Association of Seventh-Day Adventists three thousand dollars (\$3,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded in Instrument # D206252269 in the Official Public Records, Tarrant County, Texas covering 12.617 acres adjacent to Oak Grove Road

That I know the consideration Dale Property Services, LLC ("DPS") paid for the leases on adjacent lands to the property designated as Oak Grove Road.

5. That DPS paid Land Rover, Ltd. fifteen thousand dollars (\$15,000.00) per net mineral acre as bonus consideration for the oil, gas and mineral lease recorded in Instrument # D208233289 in the Official Public Records, Tarrant County, Texas covering 1.367 acres adjacent to Oak Grove Road.

The average consideration paid by Dale for the leases on adjacent lands to the property designated as Oak Grove Road is \$3,288.65 per acre.

Further Affiant sayeth not.



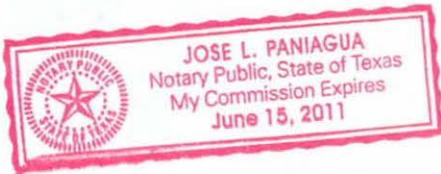
Affiant

Jeremiah Mikel
Jeremiah Mikel

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 9th day of September, 2009 by Jeremiah Mikel.

Jose L. Paniagua
Notary Public, State of Texas



4.

File No. MF110332

Officer

Date Filed: 9/15/09
Jerry Patterson, Commissioner

By [Signature]



2009

Plat Legend

- (1) Oil, Gas and Mineral Lease
Lessor: Plaza Tierra Caliente Inc.
Lessee: Dale Resources, L.L.C.
Recording Info: D206329740, Official Public Records of Tarrant County, Texas
- (2) Oil, Gas and Mineral Lease
Lessor: Choice Capital Group, Inc.
Lessee: Dale Resources, L.L.C.
Recording Info: D207044804, Official Public Records, Tarrant County, Texas
- (3) Oil, Gas and Mineral Lease
Lessor: Peppertree Acres Apartments
Lessee: Dale Resources, L.L.C.
Recording Info: D206343147, Official Public Records, Tarrant County, Texas
- (4) Oil, Gas and Mineral Lease
Lessor: Texas Conference Association of Seventh-Day Adventists
Lessee: Dale Property Services, L.L.C.
Recording Info: D206252269, Official Public Records, Tarrant County, Texas
- (5) Oil, Gas and Mineral Lease
Lessor: Land Rover, Ltd
Lessee: Dale Property Services, L.L.C.
Recording Info: D208233289, Official Public Records, Tarrant County, Texas

#3K / APE

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 891476) Revised Paid Up
With 640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 1 day of September, 2006, between Plaza Tierra Caliente Inc., Lessor (whether one or more), whose address is 6905 Hidden Acres Drive, Cleveland, Texas, 77328, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LBV, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

11.60 acres of land, more or less, being two tracts out of the LOUIS COHEN SURVEY, Abstract No.290, more particularly as described by metes and bounds in that certain Warranty Deed dated October 15, 2004 by and between L.B. Bledsue and Carolyn Bledsue, husband and wife, as Grantors, and Plaza Tierra Caliente Inc., as Grantee, recorded in Volume 13721, Page 264, of the Deed Record, Tarrant County, Texas.

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

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty five percent (25%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty five percent (25%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty five percent (25%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty five percent (25%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee on said land or in the manufacture of gasoline or other products twenty five percent (25%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty five percent (25%) 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 value at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at _____ or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the



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completion of a dry hole or the cessation of production on said land. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

Salvador Cornejo 09-01-06
Salvador Cornejo, as Director of the Plaza Tierra Caliente, Inc.

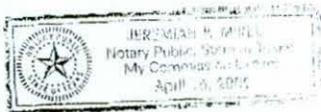
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 15th day of September, 2006,

by Salvador Cornejo, as Director of the Plaza Tierra Caliente Inc., on behalf of said Corporation.



Jeremiah B. Miller
Notary Public, State of
Notary's name (printed):
Notary's commission expires:

STATE OF

COUNTY OF

This instrument was acknowledged before me on the _____ day of _____,

by _____

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





SHAW INTERESTS INC
POB 9642

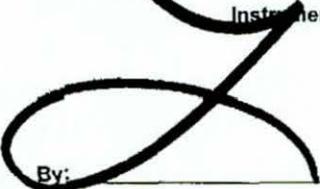
MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 10/20/2006 02:15 PM
Instrument #: D206329740
A 3 PGS \$20.00

By: 



D206329740

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.

50516

#3K/ACRE

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

OIL AND GAS LEASE

FILED
TARRANT COUNTY TEXAS
MAY 11 2006
A 10:15

THIS AGREEMENT made this 2nd day of May, 2006, between Choice Capital Group, Inc., Lessor (whether one or more), whose address is 16507 Northcross Drive, Huntersville, North Carolina 28078, and Dine Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB 9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling for and producing oil and gas and conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and all into subsurface strata, laying pipe lines, building roads, tanks, 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:

28.64 acres of land, more or less, out of the R. Gillaster Survey, Abstract #619, the M. Garrison Survey, Abstract #598, and the L. Cohen Survey, Abstract #290, Tarrant County, Texas, being more particularly described by metes bounds in that certain deed dated February 11, 1997 between Skylark Development I, L.C., a Texas limited liability company, as Grantor, to Russell Fox, as Grantee, recorded in Volume 12672, Page 113 of the Deed Records of Tarrant County, Texas.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above. Notwithstanding the foregoing, all operations shall be limited to the operation area as specified in the Addendum.

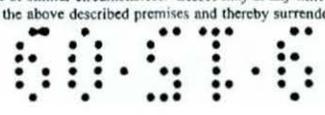
2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of two (2) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As a royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-five percent (25%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-five percent (25%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-five percent (25%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, twenty-five percent (25%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, twenty-five percent (25%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-five percent (25%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at Lessor's address given above or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

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

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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. 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), of no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as 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, provided however, the maximum amount of time which this lease may be extended by force majeure for inability to obtain or to use equipment or material shall be one (1) year, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

11. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional one (1) year(s) by paying or tendering to Lessor by check the sum of \$3,000.00 multiplied by the net mineral acres subject to this lease as to which Lessee desires to extend this lease. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is three (3) years.

12. Lessee agrees that the operations site shall be limited to the lands depicted in Exhibit "A" or, if applicable, Exhibit "A-1" attached hereto.

13. Lessee agrees to restore the surface of the land to as near its former condition as is reasonably practical after the completion of each operation conducted hereunder. Lessee agrees upon completion of any operation, to clean up the premises and remove all debris, equipment and personal property of every nature which Lessee has placed on the land except for equipment needed for the operation of producing wells.

14. If the well site is located on the described property the Lessee will pay damages for the site and Lessee shall construct a new road to the well site. Such well location damages shall include the road, tank battery, meter runs, flow lines, power lines, telephone lines, electric lines and such additional equipment as may be necessary for the normal production of oil and gas.

15. (A) In addition to the right to use the surface of the Lease Premises for purposes set forth in this Lease, Lessee is hereby granted the exclusive right to use the Lease Premises for the purpose of drilling directional and horizontal oil and gas wells from the surface of the Lease Premises and to drill through the subsurface in order to operate and produce such wells for production of oil, gas and associated hydrocarbons from lands other than the Lease Premises. As consideration for the rights granted in this paragraph, Lessor shall be entitled to an overriding royalty of 2.5% of 8/8ths of the production from each well with a surface location on the Lease Premises which overriding royalty shall be proportionately reduced based on the amount of Lease royalty participation of the Lessor in production from such well as hereinafter set forth:

(1) In the event that the well produces from lands other than the Lease Premises and no portion of the Lease Premises is included in a pooled unit from which such well produces such that Lessor receives no Lease royalty on production from the well, the Lessor will be entitled to receive 100% of the overriding royalty of 2.5% of 8/8ths.

(2) In the event that the well produces from a pooled unit which includes a portion of the Lease Premises such that Lessor receives lease royalty on an allocated share of production from the well, then the overriding royalty shall be proportionately reduced based on the amount of acreage from the Lease Premises included in the pooled unit. The amount of reduction shall be a fraction with the denominator being the total amount of acreage in the pooled unit and the numerator being the amount of acreage from the Lease Premises within the pooled unit. For example, if the well is producing from a pooled unit comprising a total of 160 acres of which 10 acres is from the Lease Premises, the overriding royalty will be reduced by $10 \div 160 = 6.25\%$. Reduction of the 2.5.0% overriding royalty by 6.25% results in an overriding royalty of 2.343% to the Lessor.

(B) Lessee shall convey the overriding royalty set forth above to Lessor within sixty (60) days from the date of first production from each well. The overriding royalty assignment shall be limited to the production from the well and shall be free and clear of all costs and expenses of production save and except applicable taxes.

(C) It is intended that the overriding royalty for surface sites provided by this paragraph shall be owned by Lessor as owner of the mineral interest covered by this Lease and in the event of severance of the mineral estate from the surface estate, the right to the overriding royalty shall remain with the owner of the mineral estate.

(D) In the event the well is a Lease well bottomed entirely on the Lease Premises such that Lessor receives the Lease royalty provided by this Lease on 100% of the production from such well without dilution, then Lessor shall receive none of the overriding royalty.

(E) Notwithstanding the expiration of the term of this Lease, the right to use of the surface granted herein shall survive for a period of one (1) year from the expiration of this Lease and as long thereafter as there is production, or drilling or reworking operations on any well surfaced on the Lease Premises with no cessation of more than 120 consecutive days. It is not the intent of Lessor or Lessee that any provision herein violate any applicable law regarding the rule against perpetuities, the suspension of the absolute power of alienation, or other rules regarding the vesting or duration of estates, and Lessor's right to future assignments of an overriding royalty shall be construed as not violating such rule to the extent the same can be so construed consistent with the intent of the parties. In the event, however, that any provision hereof is determined to violate such rule, then such provision shall nevertheless be effective for the maximum period (but not longer than the maximum period) permitted by such rule that will result in no violation. To the extent such maximum period is permitted to be determined by reference to "lives in being", Lessor and Lessee agree that "lives in being" shall refer to the lifetime of the last to die of the now living lineal descendants of the late Senator Prescott Bush (paternal grandfather of the current President).

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SEE ADDENDUM TO OIL AND GAS LEASE, EXHIBIT AND EXHIBIT "A-1" (IF APPLICABLE) ATTACHED HERETO AND BY REFERENCE BE A PART
HEREOF

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

Choice Capital Group, Inc.

By: [Signature]
As: Russell Fox
President

ACKNOWLEDGMENTS

STATE OF NORTH CAROLINA §
COUNTY OF ROWAN §

This instrument was acknowledged before me on the 2nd day of May, 2006
by Russell Fox as President of Choice Capital Group, Inc., on behalf of said entity.



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

UNRECORDED COPY OF ORIGINAL DOCUMENT

ADDENDUM TO OIL AND GAS LEASE

1. This Addendum contains additional terms and conditions between the Lessor, Choice Capital Group, Inc., and Lessee, Dale Resources, L.L.C., and, to the extent of any conflict between this Addendum and those of the Lease, the terms and conditions of this Addendum shall control. As used in the Addendum, the term "Lease Premises" shall refer to the lands subject of the Lease.

2. Royalty.

(a) As royalties, Lessee agrees:

(1) To deliver free of cost to Lessor at the wells or to the credit of Lessor at the pipeline to which the wells will be connected, one-fourth (25%) (the "Royalty Fraction" or "Specified Interest") of all oil and other liquid hydrocarbons produced and saved from the Lease Premises. At Lessor's option, which may be exercised from time to time, Lessee shall pay to Lessor the same part of the market value at the well of oil and other liquid hydrocarbons of like grade and gravity prevailing on the day the oil and other hydrocarbons are run from the Lease in the general area in which the Lease Premises is located.

(2) To pay to Lessor:

(i) On gas produced from the Lease Premises and sold by Lessee or used on or off the Lease Premises and to which the following subparagraphs (ii) and (iii) do not apply, the Royalty Fraction of the market value at the point of sale, use, or other disposition.

(ii) On gas produced from the Lease Premises that is processed in a processing plant in which Lessee or an affiliate of Lessee has a direct or indirect interest, the higher of the Royalty Fraction of the market value of the gas at the inlet to the processing plant, or the Royalty Fraction of the market value of all processed liquids saved from the gas at the plant plus the Royalty Fraction of the market value of all residue gas at the point of sale, use, or other disposition.

(iii) On gas produced from the Lease Premises that is processed in facilities other than a processing plant in which Lessee or an affiliate of Lessee has a direct or indirect interest, the Royalty Fraction of the market value at the plant of all processed liquids credited to the account of Lessee and attributable to the gas plus the Royalty Fraction of the market value of all residue gas at the point of sale, use, or other disposition.

(b) If gas from the Lease Premises is sold by Lessee pursuant to an arms-length contract with a purchaser that is or is not an affiliate of Lessee, and for a term no longer than that which is usual and customary in the industry at the time the contract is made, then the market value of the gas sold pursuant to the contract shall be the total proceeds received by Lessee in the sale, subject to the provisions of subparagraph (c) below.

(c) The market value of gas will be determined at the specified location by reference to the gross heating value (measured in British thermal units) and quality of gas. The market value used in the calculation of oil and gas royalty will never be less than the total proceeds received by Lessee in connection with the sale, use, or other disposition the oil or gas produced or sold. For purposes of this paragraph, if Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, or if Lessee realizes proceeds of production after deduction for any expense of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage, or marketing, then the reimbursement or the deductions will be added to the total proceeds received by Lessee.



(d) If Lessee compresses, transports, processes, or treats gas produced from the Lease Premises, Lessor's royalty shall not bear any of the costs associated therewith. If a third party that is or is not an affiliate of Lessee, compresses, transports, processes, or treats gas produced from the Lease Premises, Lessor's royalty will bear its proportionate share of costs and expenses associated therewith, but the price charged for compression, transportation, processing, and treatment shall not exceed the price that would be paid under similar circumstances in an arms-length transaction between unaffiliated parties.

(e) Lessor shall be paid the Royalty Fraction of all payments and other benefits made under any oil or gas sales contract or other arrangement, including take-or-pay payments and payments received in settlement of dispute; provided that if Lessor receives a take-or-pay payment or similar payment for gas that has not been produced, and if the gas is subsequently produced, Lessor will only receive its Royalty Fraction of any payments made for make-up gas taken pursuant to the take-or-pay provisions or similar provision.

(f) Lessee must disburse or cause to be disbursed to Lessor its royalty on production from a particular well not later than 90 days after completion of the well, in the case of an oil well, or after the pipeline connection, in the case of a gas well. Thereafter, Lessee must disburse or cause to be disbursed to Lessor its royalty on production by the last day of the month after the month of production for oil and by the last day of the second month after the month of production for gas. If not paid when due, Lessor's royalty will bear interest at the maximum lawful rate from due date until paid, which amount Lessee agrees to pay. Acceptance by Lessor of royalties that are past due will not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor. The royalty payment obligation under this Lease shall be affected by any provision order or the provisions of the Section 91.402 of the Texas Natural Resource Code or any similar statute.

(g) As used in this Lease, "affiliate" means (i) a corporation, joint venture, partnership, or other entity which owns more than ten percent of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent of the outstanding voting interest; or (ii) a corporation, joint venture, partnership, or other entity in which, together with Lessee, more than ten percent of the outstanding voting interests of both Lessee and the other corporation, joint venture, partnership, or other entity is owned or controlled by the same persons or group of persons.

(h) The receipt by Lessee from a purchaser or a pipeline company of proceeds of production for distribution to Lessor will not result in Lessee acquiring legal or equitable title to those proceeds, but Lessee will at all times hold the proceeds in trust for the benefit of the Lessor. Notwithstanding the insolvency, bankruptcy, or other business failure of a purchaser of production from the Lease Premises or pipeline company transporting production from the Lease Premises, Lessee will remain liable for payment to Lessor for, and agrees to pay Lessor all royalties due Lessor together with interest if not timely paid.

3. **Shut-in Royalty.** While there is a gas well on this Lease capable of producing gas in paying quantities, but gas is not being sold, Lessee shall pay or tender in advance an annual shut-in royalty of \$5,000.00 for each well from which gas is not being sold. Payment with respect to a well will be due within 60 days after the well is shut-in. While shut-in royalty payments are timely and promptly paid, this Lease will be held as a producing lease. The right of Lessee to maintain this Lease in force by payment of shut-in gas royalty is limited to a cumulative period of two years after the expiration of the Primary Term. The obligation of Lessee to pay shut-in royalty is a condition and not a covenant. The payment or tender of a royalty under this paragraph may be made by the check of Lessee mailed or delivered to the parties entitled thereto on or before the due date.



4. Continuous Development.

(a) If, at the expiration of the Primary Term, oil or gas is not being produced from the Lease Premises, but Lessee has commenced the drilling of a well on the Lease Premises, the Lease will not terminate but will remain in effect for so long thereafter as operations are carried out with due diligence with no cessation of more than 60 days, and if the operations result in the production of oil or gas, the Lease shall remain in force as otherwise provided herein. For the purpose of this Lease, the term "operations" means operations for any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search of or in the endeavor to obtain production of oil or gas.

(b) If this Lease is maintained beyond the expiration of the Primary Term by production or otherwise, it will remain in force as to all acreage and depths as long as there is no lapse of more than 180 days between the completion of one well and the commencement of the actual drilling of another well. The commencement of actual drilling means the penetration of the surface with a drilling rig capable of drilling to the anticipated total depth. A well will be deemed to have been completed on the date of the release of the drilling rig from the drillsite. The permitted time between wells shall be cumulative so that if a well is commenced prior to the date it is required to be commenced, the number of days prior to the date on which the well should have been commenced shall be added to the time permitted for the next well.

(c) If at any time the maximum time for the commencement of the actual drilling of a well expires without the commencement of the well, or upon the expiration of the Primary Term if the Lease is not maintained by continuous drilling, this Lease will terminate except as to the Retained Tract (defined below) surrounding any well that is then producing in paying quantities or deemed to be producing in paying quantities by virtue of payment of shut-in royalties, and as to each Retained Tract, the Lease will then terminate as to all depths 100' below the stratigraphic equivalent of the base of the deepest producing formation on the Retained Tract. The Lease will be treated as a separate lease with respect to each Retained Tract and will continue so long as production in paying quantities continues from the tract. If production from a Retained Tract ceases from any cause, this Lease will terminate as to that tract unless Lessee commences operations for drilling or reworking on the tract within 60 days after the cessation of production, in which case the Lease as to that tract will continue in force as long as the operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in production, so long thereafter as there is production from the tract.

(d) As used in this Lease, the term "horizontal well" means a well that meets the definitions of a "horizontal drainhole well" under Statewide Rule 86 of the Railroad Commission of Texas, and a "vertical well" is a well that is not a horizontal well. The Lease Premises assigned to a well for the purpose of this section is referred to as a "Retained Tract." If there are no field rules that apply, the Retained Tract shall be limited to the smallest size required to obtain a drilling permit under the statewide well density rules of the Railroad Commission of Texas. A Retained Tract for a vertical well producing from the Barnett Shale formation shall be 40 acres. A Retained Tract for a horizontal well may include the acreage specified above for a vertical well plus the additional acreage listed in the tables in Rule 86 (for fields with a Density Rule of 40 acres or less) and must comply with the requirements of Rule 86 for minimum permitted well density, and if the well is producing from the Barnett Shale formation, the acreage of the Retained Tract shall be assigned as if well density for vertical wells is 40 acres or less. Lessor and Lessee must agree upon the shape of Retained Tracts within the intent that each be a compact, regular shape that will provide Lessor with the maximum acreage available for oil and gas development. Subject to the preceding sentence, Lessor's approval of the shape of Retained Tracts will not be unreasonably withheld.

(e) Within 60 days after the last to occur of the expiration of the Primary Term or the continuous drilling program, Lessee must file in the county records and furnish to Lessor a document designating each Retained Tract by metes and bounds and



the retained depths thereunder, and releasing all other depths and acreage. A gas well that becomes an oil well will hold only the acreage permitted for an oil well, and Lessee must file a redesignation of the Retained Tract in the Real Property Records of the county where the Lease Premises is located. If Lessee fails to file timely a document required by this paragraph after Lessor has provided 30 days prior to written notice, then Lessor may do so, and the filing will bind Lessee.

5. **Pooling.** If Lessee obtains Lessor's prior written consent, Lessee shall have the right to pool the Lease Premises with contiguous acreage to form pooled units for the production of oil and gas or either of them. The acreage in a pooled unit may not exceed the amount that would be permitted for a Retained Tract composed of acreage lying entirely within the Lease Premises. The unit will become effective when Lessee files in the Real Property Records where the Lease Premises is located a document describing the pooled acreage and depths for the pooled unit, and Lessee shall deliver a copy of the document to Lessor. Lessee may at its election exercise its pooling option before or after commencing operations. Operations for drilling on or production of oil or gas from any part of a pooled unit that includes Lease Premises covered by this Lease shall be considered as operations on or production of oil or gas from the portion of the Lease Premises included in the pooled unit. That part of the Lease Premises included in a pooled unit will be considered to be a Retained Tract, and other provisions relating to Retained Tract shall apply. There shall be allocated to the Lease Premises included in the unit that prorate portion of the oil and gas, or either or them, produced from the pooled unit that the number of surface acres of the Lease Premises included in the unit bears to the total number of surface acres included in the unit. Royalties shall be computed on the portion of production allocated to the Lease Premises. Any unit formed may not be amended without the written consent of Lessor. No part of the Lease Premises may be included in a pooled unit without Lessor's prior written consent, which consent shall not be unreasonably withheld.

6. **Offset Wells.** For purposes of this Lease, an "offsetting well" is a well that is producing oil or gas from adjacent or nearby Lease Premises and is draining the Lease Premises. If an offsetting well is completed, Lessee must, within 180 days after the initial production from the offsetting well, commence operations for the drilling of an offset well on the Lease Premises and must diligently pursue those operations to the horizon in which the offsetting well is producing, or at the option of Lessee: (i) execute and deliver to Lessee a release in recordable form of the offset acreage nearest the offsetting well; or (ii) pay Lessee a monthly royalty equal to the royalty that would be payable under this Lease if the production from the offsetting well had come from the Lease Premises. In the event acreage is released pursuant to (i) above, the release will cover a tract of size and shape that will permit the drilling of a well to the producing formation and the creation of a proration unit surrounding the well in compliance with the field rules for the field in which the offsetting well is located, but if there are no field rules, in compliance with the statewide rules of the Railroad Commission of Texas. A producing well located within 330 feet of the Lease Premises will be conclusively presumed to be draining the Lease Premises.

7. **Surface Operations.**

(a) Lessee acknowledges that Lessor or his successor intends to develop the Lease Premises for residential and/or commercial purposes. Lessor and Lessee agree that operations conducted on the surface must be conducted in a manner to minimize the damage and disruption to the surface and Lessor's or any successor's development plans and, subject to any permitted seismic activity, SHALL BE LIMITED to the Operations Area (as hereinafter defined). For purposes of the Lease, the term "Operations Area" shall mean the 400' x 200' tract and access roadway as depicted on the plat of a portion of the Lease Premises attached to the Lease as Exhibit "A," subject, however, to the express condition that the Operations Area shall be relocated by mutual written agreement between Lessor and Lessee in the event that certain contract between Lessor and Tarrant County Partners II, L.P. for a sale of portion ("Surface Subject to Sale") of the surface of the Lease Premises does not close, the understanding between Lessor and Lessee being



that the Operations Area would be relocated to a mutually agreeable area within the Surface Subject to Sale, in which case the dimensions of the Operations Area tract and access roadway would be redefined and depicted on a plat to be attached to this Lease as Exhibit "A-1" the same as if originally attached. In no event shall the Operations Area exceed 3 total acres of the Lease Premises, absent agreement of Lessor in its sole discretion. Lessee shall obtain a survey of the Operations Area, and stake off the Operations Area for approval by Lessor, prior to commencement of any operations under this Lease. Lessee shall not be permitted to conduct any operations on the surface of Lease Premises outside of the Operations Area, unless otherwise agreed by Lessor in writing and in its sole discretion. Lessee agrees to give Lessor advance written notice prior to entry on the property for drilling a well, preparing locations, surveying, conducting seismic activity, or conducting any other major operations on the surface of the Operations Area. The written notification shall be sent to Lessor's representatives at the address set forth in the Lease. Lessee agrees to coordinate all access to and operations on the property with Lessor's representative and within the Operations Area. Lessee agrees to pay Lessor the reasonable value of the actual damages resulting to the surface of the Lease Premises, fences, roads, tanks, lakes, structures, improvements, livestock, trees, grass, and crops caused by operations hereunder. Lessee agrees to restore the surface of the Lease Premises to as near its original condition as may be reasonably done after the completion of the operation. The restoration of the surface shall include removing all gravel, caliche, and fill material and reseeding or resodding as requested by Lessor. Before plugging and abandoning any well on the Lease Premises, Lessee must advise Lessor, and upon Lessor's request, must set a plug at the base of the deepest fresh water surface and then deliver the well to Lessor free of cost. The reasonable value of actual damages caused by each of the following activities within the Operations Area shall not be less than the stated amounts:

- \$15,000 per acre (prorated if applicable) comprising the Operations Area;
- \$10,000 for each well drilled;
- \$5 per foot for pipelines, including flow lines and gathering lines;
- \$5 per foot for all roads constructed; and
- \$20 an acre for seismic surveys.

The foregoing amounts shall not be considered a complete payment for damages that are in excess of the type normally associated with the stated activity.

(b) While drilling or reworking operations are being conducted, Lessee shall construct and maintain a fence around the actual area of operations within the Operations Area and shall take appropriate measures to insure that only authorized persons shall have access to the drillsite. After the completion of a well, Lessee shall construct and maintain a substantial fence around all tank batteries, separators, and other surface equipment and shall keep all gates locked. Lessee shall keep all surface equipment in a good state of repair and painted as often as necessary to maintain a good appearance. Lessee shall remove all debris, trash, unused materials, pipe, or equipment from the Lease Premises on a continuing basis. Lessee may not construct any buildings or other structures except for temporary mobile buildings utilized on the Lease Premises. Lessee shall bury all pipelines located within the Operations Area on the Lease Premises so that the top of the pipeline is at least 36 inches below the surface. If directed by Lessor, Lessee shall plant hedges or provide other landscaping and shall take whatever reasonable measures as may be requested by Lessor to shield all surface equipment from view.

(c) Drillsites may only be located in the Operations Area delineated on Exhibit "A" or "A-1," as applicable. After completion of drilling activity, the Operations Area shall be reduced to minimum acreage reasonably necessary for post-drilling operations. Lessee must obtain Lessor's prior written consent as to the locations of tank batteries, roads, pipelines, and all surface equipment within the Operations Area, such consent shall not be unreasonably withheld. Upon the expiration of the Primary Term, or, if this Lease is maintained beyond the Primary Term by continuous drilling, upon the expiration of the continuous drilling period, Lessee shall obtain a survey showing the location of each drillsite, road, and pipeline then located within the Operations Area on



the Lease Premises and shall prepare and deliver to Lessor a release in recordable form, releasing Lessee's right to use any other portion of the surface not designated as a road, drillsite, or pipeline location on the survey. Lessee may not use the main or any other entrance (other than the entrance to the Operations Area) to the property without Lessor's consent.

(d) Before any drilling equipment is moved to the drillsite, Lessee must build an entrance to the Operations Area, at a location approved by Lessor, and an all-weather, graded gravel and caliche road to the drillsite with tin horns placed where necessary. Lessee shall maintain the gate and all roads used by Lessee in good condition. Lessee agrees to keep the Operations Area of the Lease Premises clean, to keep equipment painted, to fence the tank battery and all pits until the pits can be filled and leveled by Lessee, to repair all fences damaged by Lessee, and to restore the premises to natural condition insofar as is reasonably possible under termination of each operation.

(e) No compressors may be located on the Lease Premises, and to the extent Lessee has control over adjacent or nearby acreage, Lessee agrees not to locate any compressors on adjacent acreage that may create a noise nuisance impacting Lessor's or his successor's development plans for the Lease Premises.

(f) All pits and cellars must be filled to ten inches above ground level by Lessee within 30 days after completion of drilling activity. If the pits or cellars are too wet to cover within 30 days after completion of drilling activity, Lessee agrees to remove the contents of each from the Lease Premises, and to fill the pits as provided above when the ground is dry.

(g) Water from Lessor's creeks, tanks, lakes, or well may not be used by Lessee, and Lessee may not drill a water well on the Lease Premises without Lessor's prior written consent. If Lessor consents to the drilling of a water well by Lessee, Lessor shall have free use of water produced from the well at all times the well is not being used by Lessee. When the water well is no longer being used by Lessee, it shall tender the well and all related equipment to Lessor, free of cost.

(h) Lessee may not use sand, gravel, caliche, or any other material from the Lease Premises in Lessee's operations. Under no circumstances may Lessee, its agents, employees, or contractors bring alcohol, firearms or dogs or other animals on the Lease Premises or hunt or fish on Lease Premises.

(i) During the first six months of the Primary Term, Lessor shall allow and permit Lessee to conduct seismic operations on the Lease Premises outside of the Operations Area, but subject to any rights of the new owner in the event of sale of the Surface Subject to Sale, and agrees to sign a seismic permit when requested by Lessee, provided such request is made during the first six months of the Primary Term. If Lessee conducts a seismic survey, Lessee agrees to pay Lessor twenty dollars (\$20.00) per acre for having granted in advance the right of Lessor to conduct seismic operations on, over, and across the surface of the Lease Premises. The amount paid for this consent does not include any payment which may be due Lessor or any successor, as the surface estate owner, for damages not known on this date. Lessee will notify Lessor in writing at least 30 days prior to conducting any seismic activity on the property and the notice to include a general description of the planned type of seismic survey including a description of the equipment which will be used on the Lease Premises in conducting the survey. Lessee agrees to coordinate all seismic activities to Lessor. The seismic survey shall not be conducted when the ground is wet in order to prevent the rutting of the Lease Premises with equipment used in conducting the survey. No trees, shrubs, or brush may be cut in conducting the survey without the express approval of Lessor. Lessor or its representative shall be allowed to review copies of all seismic shot by or for the account of Lessee on the Lease Premises and any interpretations thereof made by Lessee or for the benefits of Lessee in Lessee's office, during reasonable business hours.

(j) All pipelines laid on the Lease Premises shall be within the



Operations Area and buried unless Lessor requests the lines be laid on the surface of the Lease Premises. All trenches dug for laying pipelines and flowlines will be dug using the double ditch method, with the top soil replaced to the surface when trench is filled. Lessee agrees to remove all rocks uncovered in the trenching and remove them from the Lease Premises, or place them at a location as may be requested by Lessor. Lessee agrees to use only such weed control and herbicide as may be approved by Lessor along the pipeline right-of-way or control only weeds which may grow in the area of the Lease Premises distributed by the pipeline construction, but shall not use it unless requested by Lessor.

8. Lessee shall furnish to Lessor copies of all contracts and agreements pertaining to the sale or disposition of production from the Lease Premises or lands pooled therewith upon written request by Lessor. In no event shall any of Lessor's royalty bear any part of the costs of production, lifting, gathering, dehydration, compression, separation, transportation, manufacture, processing, treating, or marketing, or for construction, operation, or depreciation of any plant or other facility or equipment for processing or treating oil or gas produced from the Lease Premises or lands pooled therewith, except as provided in paragraph 2(d) hereof; nor shall Lessor's royalty be charged with any tax unless same is directly assessed by the taxing agency to, or levied by law as payable on account of, Lessor as owner of free royalty under the terms hereof.

9. No Warranty of Title. This Lease is made by Lessor without warranty or representation of title, ownership or control of the Lease Premises, either express or implied, and is without recourse against Lessor.

10. Laws and Regulations; Indemnification by Lessee. Lessee shall comply with all state, federal and local laws and with the rules, regulations and orders of any federal, state or other governmental agency having jurisdiction over the work to be performed hereunder. Lessee shall plug and abandon all oil and gas wells drilled hereunder in accordance with the rules and regulations of the Texas Railroad Commission and any other governmental agency or authority having jurisdiction over the plugging and abandonment of oil and gas wells. Within sixty (60) days after plugging and abandoning any well drilled hereunder, Lessee shall restore the surface of the Lease Premises to the condition which existed immediately prior to the drilling of such well. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, demands, causes of action, fines, penalties, costs and expenses (including court costs and attorneys' fees) occurring in connection with or arising out of Lessee's operations hereunder, including but not limited to lessee's failure to comply with environmental laws. As used herein, the term "environmental laws" shall include without limitation: (a) any federal, state or local code, decree, judgment, law, order, ordinance, regulation, rule, or statute relating to pollution or the protection of the environment, including the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, the National Environmental Policy Act, the Oil Pollution Act of 1990, the Resource Conservation and Recovery Act of 1976, the Safe Drinking Water Act, the Superfund Amendments and Reauthorization Act, and the Toxic Substances Control Act, (b) any toxic tort, nuisance, personal injury, trespass or other cause of action of any kind whatsoever arising from or relating to hazardous and toxic substances, or the alleged emission, release or discharge of pollutants, wastes, and other substances into ambient air, surface water, ground water, or soil, and any alleged related injury or damage of any kind under common law, and (c) any other law or regulation relating to hazardous and toxic substances, or the emission, release, or discharge of pollutants, wastes, and other substances into ambient air, surface water, ground water, or soil.

11. Lease Term. The Primary Term of the Lease shall be two (2) years from the date hereof. Notwithstanding the Primary Term,

12. Indemnification: Insurance. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, costs, damages or causes of action of any kind, including, but not limited to, attorney's fees and costs asserted against Lessor for



damages to property, or for injury to or death of any person, including but not limited to, the employees of Lessee, its successors, assigns, contractors or subcontractors, which are caused by Lessee's operations hereunder. Prior to commencing operations, Lessee shall acquire and/or maintain, or cause to be maintained, insurance coverage covering its operations on the Lease Premises, including insurance obtained by contractors, subcontractors, or others for any work performed on its behalf by such contractors, subcontractors, or others. The policy shall include coverage for comprehensive general liability covering bodily injury and property damage, blow out and loss of well coverage, and coverage for pollution liability, including liability coverage for the cost of clean-up and service remediation. The coverage shall be in the minimum amount of \$5,000,000.00. Upon Lessor's request, Lessee shall furnish proof of coverage from the insurance company or companies.

Signed for Identification

Choice Capital Group, Inc.


By: Russell Fox
As: President



DALE RESOURCES LLC
2100 ROSS AVE # 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 02/07/2007 10:45 AM
Instrument #: D207044804
LSE 12 PGS \$56.00

By: _____



D207044804

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.

50.57.8

#3K/acre

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 (476) Revised Paid Up
With 640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE
(NO SURFACE USE)

THIS AGREEMENT made this 20th day of October, 2006, between Peppertree Acres Apartments, a Texas General Partnership, Lessee (whether one or more), whose address is P.O. Box 10260, El Paso, Texas 79993, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessee in consideration of Ten and No/100—Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals; conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air-into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

2.606 acres of land, more or less, out of the R.C. Gillespie Survey, Abstract 619, Tarrant County, Texas, being more particularly described by notes and bounds in that certain deed dated September 9, 1982, from Housing Properties, Inc., as Grantor, to Peppertree Acres Apartments, as Grantee, recorded in Volume 7355, Page 1023, of the Deed Records of Tarrant County, Texas.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee one-fourth (1/4) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products one-fourth (1/4) of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth (1/4) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessor covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

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



3

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

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

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

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

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

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

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

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

PEPPERTREE ACRES APARTMENTS, a Texas general partnership

By: Peppertree Acres Limited Partnership, a Texas limited partnership, General Partner

By: Peppertree Acres, LLC, a Nevada limited liability company, General Partner

By: Hunt ELP, Ltd., a Texas limited partnership, Member

By: HB GP, LLC, a Nevada limited liability company, Managing General Partner

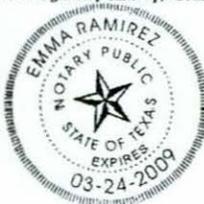
By: 
Ronald C. Glover,
Executive Vice President

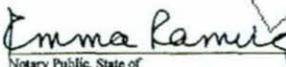
ACKNOWLEDGMENTS

STATE OF TEXAS

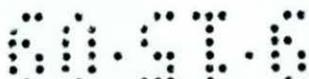
COUNTY OF TARRANT

This instrument was acknowledged before me on the 20th day of October, 2006, by Ronald C. Glover as Executive Vice President of HB GP, LLC, a Nevada limited liability company, as Managing General Partner of Hunt ELP, Ltd., a Texas limited partnership, as Member of Peppertree Acres, LLC, a Nevada limited liability company, as General Partner of Peppertree Acres Limited Partnership, a Texas limited partnership, as General Partner of Peppertree Acres Apartments, a Texas general partnership, on behalf of said general partnership.




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

EIN: 74-2234376





DALE RESOURCES
2100 ROSS AVE STE 1870 LB -9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 11/01/2006 01:41 PM
Instrument #: D206343147
OPR 3 PGS \$80.00



D206343147

**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.**



3K / acre

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

Producers 88 (4/76) Revised Paid Up
With 630 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 10 day of July, 2006, between Texas Conference Association of Seventh-Day Adventists, Lessor (whether one or more), whose address is P.O. Box 800, Alvarado, Texas 76009, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100—Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

12.617 acres of land, more or less, out of the Louis Cohen Survey, Abstract 290, the Robert Gillaster Survey, Abstract 619, and the John H. Kirby Survey, Abstract 2022, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated January 27, 1993, from Association for Retarded Citizens of Greater Tarrant County, as Grantor, to Texas Conference Association of Seventh-Day Adventists, as Grantee, recorded in Volume 10942, Page 1210, of the Deed Records of Tarrant County, Texas.

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

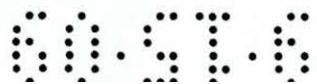
2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of two (2) years from this date (called "primary term") and as long thereafter as oil, gas or other minerals produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-fourth (1/4) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee one-fourth (1/4) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products one-fourth (1/4) of the amount realized from the sale of gasoline or other products extracted therefrom and one-fourth (1/4) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be

4



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 Lessor with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

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

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

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

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

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

Texas Conference Association of Seventh-Day Adventists

Roger Mekelburg
By: *Roger Mekelburg*
As: *Association Treasurer*

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the

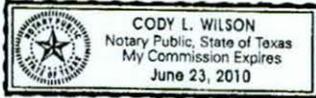
12TH

day of

JULY

, 2006

By *ROGER MEKELBURG* as *ASSOCIATION TREASURER* of Texas Conference Association of Seventh-Day Adventists a *TEXAS CORPORATION* on behalf of said entity.



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

STATE OF

This instrument was acknowledged before me on the

day of

By

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



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 10th of July, 2006, by and between Texas Conference Association of Seventh-Day Adventists, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

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



SHAW INTERESTS INC
POB-9612

MIDLAND TX 79708

Submitter: SHAW INTERESTS

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: 08/15/2006 02:51 PM
Instrument #: D206252269
A 4 PGS \$24.00

By: 



D206252269

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.

00578

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 PAID UP OIL AND GAS LEASE

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Notice is hereby given that on the 6th day of June, 2008 an Oil, Gas and Mineral Lease was made and entered into by and between **Land Rover, Ltd., a Texas limited partnership**, whose address is c/o David L. Moritz, 2114 North Collins Street, Suite 323, Arlington, Texas 76011, as "Lessor", and **Dale Property Services, LLC**, whose address is 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, as "Lessee", wherein Lessor grants, leases and lets exclusively to Lessee, only for the sole purpose of exploring for, drilling, operating, and producing oil and/or gas and of laying pipelines, as herein provided, temporarily storing oil, building tanks (but not tank farms), power stations, telephone lines, roads and structures thereon necessary to produce, save, care for, treat and transport the oil and/or gas produced from the land leased hereunder, the following described land situated in Tarrant Count, State of Texas, to wit:

See Exhibit "A"

Subject to the provisions hereinafter contained, this Lease shall be for a term of three (3) years from this date (called "primary term"), and so long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises or lands with which the leased premises are pooled pursuant to the provisions of this Lease, or operations are conducted as hereinafter provided. Originals of the Oil, Gas and Mineral Lease are in the possession of Lessor and Lessee.

This Memorandum is executed for the purpose of filing this instrument of record in the

5



Official Records of Tarrant County, Texas, to give notice to all third parties dealing with Lessor or Lessee or with the lands above described of the existence of an Oil and Gas Lease. The Oil and Gas Lease and this Memorandum shall be binding upon Lessor and Lessee and their respective heirs, successors and assigns.

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

LESSOR:

Land Rover, Ltd, a Texas Limited Partnership

**By: Texas Rover Realty, Inc.,
General Partner**

By: *W.W. Snider*
**Name: W.W. Snider
Title: Vice President**

LESSEE:

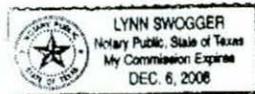
Dale Property Services, LLC

By: *Mike Faliaferro*
**Name: Mike Faliaferro
Title: President**

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on the 6 day of June 2008, by W.W. Snider, the Vice President of Texas Rover Realty, Inc., General Partner of Land Rover, Ltd., a Texas limited partnership, on behalf of said partnership, in the capacity therein stated.



Lynn Swogger
Notary Public, State of TEXAS

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the 11th day of June, 2008, by Mike Faffaferro, as President of Dale Property Services, LLC, a Texas limited liability company, on behalf of said company in the capacity therein stated.



Notary Public, State of Texas



C:\Documents and Settings\Gay My Documents\Reilly Brothers\Reilly-LandRover-DaleProperty-MemoPaidUpOilGasLeaseW-Pooling.6-5-08.doc

**EXHIBIT "A" TO
OIL, GAS AND MINERAL LEASE,
BETWEEN LAND ROVER LTD.,
A TEXAS LIMITED PARTNERSHIP, LESSOR,
AND DALE PROPERTY SERVICES, LLC, LESSEE**

DESCRIPTION OF LEASED PREMISES

Tract 1:

6.809 acres of land, more or less, being a portion of Tracts A, B and C, out of the College Oaks Addition, Third Filing, an addition to the City of Forest Hill, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated January 4, 1990, by and between Ryan Mortgage Company, a Texas corporation, as Grantor, and Land Rover, Ltd., a Texas limited partnership, as Grantee, and recorded in Volume 9806, Page 1417, of the Deed Records of Tarrant County, Texas.

Tract 2:

1.367 acres of land, more or less, being a tract of land out of the L. Cohen Survey, Abstract No. 290 and the R. Gillaster Survey, Abstract No. 619, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated January 4, 1990, by and between Ryan Mortgage Company, a Texas corporation, as Grantor, and Land Rover, Ltd., a Texas limited partnership, as Grantee, and recorded in Volume 9806, Page 1468, of the Deed Records of Tarrant County, Texas.



DALE RESOURCES LLC
2100 ROSS AVE STE 1870-LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 06/18/2008 08:59 AM
Instrument #: D208233289
LSEM 5 PGS \$28.00

By: _____



D208233289

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

Printed by: CN

00518

524

5.

File No. MF 110332

Watt, Deegan & Leane

Date Filed: 9/15/09

Jerry Patterson, Commissioner

By: 

3B42

1366/16

THE STATE OF TEXAS 12021
COUNTY OF TARRANT

KNOW ALL MEN BY THESE PRESENTS:

16
4366

That TEXAS ELECTRIC SERVICE COMPANY, a corporation, of the County of Tarrant, State of Texas, for and consideration of - - - - - ONE AND NO/100 - - - - - Dollars (\$ 1.00)

and other good and valuable consideration, the receipt of which is hereby acknowledged, to it in hand paid by City of Fort Worth, Texas a municipal Corporation, has granted, sold and conveyed and by these presents does grant, sell and convey unto the said City of Fort Worth

an easement and right-of-way for the construction, maintenance and operation of a public road over and across the certain property

in Tarrant County, Texas, described as: All that certain lot, tract or parcel of land out of the Louis Cohen Survey, Abstract No. 290, Tarrant County, Texas, being a portion of a one acre tract conveyed to Texas Electric Service Company by a deed recorded in Volume 2543, Page 150, Deed Records of Tarrant County, Texas, and a portion of that certain right of way granted to Texas Electric Service Company by an easement recorded in Volume 2551, Page 5, Deed Records of Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at the most easterly Northeast corner of said one acre tract and the Northwest corner of said easement, said point of beginning being in the present center of Oak Grove Road;

THENCE with the North line of said easement South 89 degrees 03 minutes East 55-8/10 feet to a point on a curve in the proposed Northeast right of way line of Oak Grove Road, from which the center of said curve bears North 41 degrees 49 minutes East 353-43/100 feet;

THENCE Southeasterly with said curve, through a central angle of 14 degrees 48 minutes, a distance of 91-3/10 feet to a point in the South line of said easement;

THENCE with the South line of said easement and the South line of said one acre tract North 89 degrees 03 minutes West, at 72-9/10 feet the Southwest corner of said easement and the Southeast corner of said one acre tract, in all 143-1/10 feet to a point on a curve in the proposed Southwest right of way line of Oak Grove Road, from which the center of said curve bears North 47 degrees 10 minutes East 606-54/100 feet;

THENCE Northwesterly with said curve, through a central angle of 6 degrees 15 minutes, a distance of 66-2/10 feet to a point in the North line of said one acre tract;

THENCE with said North line, South 89 degrees 03 minutes East 54-4/10 feet to the place of beginning, and containing 0-143/1000 acre of land.

Grantee agrees that neither it, its employees, contractors or persons claiming under it shall use any explosives or do any blasting of any kind on the lands described herein without the prior written consent of Grantor.

Grantee agrees to relocate all necessary fencing and reinstall all gates at Grantee's sole expense and that such relocated fencing shall be in as good or better state of repair as existed prior to relocation.

In the event Grantee neglects or fails to put the property hereby conveyed to the use herein set out within a period of one year from the date hereof or in the event of the nonuse or the abandonment of such property for such purpose for any period of one year, then in such event or events title to such property shall thereupon revert to and vest in Grantor, its successors or assigns.

This easement of right-of-way is granted upon the conditions that said roads or streets will be constructed, operated and maintained at no expense to Grantor herein, such construction, operation and maintenance to include paving, curbs, gutters and sidewalks.

TO HAVE AND TO HOLD the above described easement together with all and singular the rights and appurtenances thereto

in anywise belonging unto the said City of Fort Worth, Texas, its successors heirs, and assigns and Grantor hereby binds itself to warrant and forever to defend and singular said easement unto

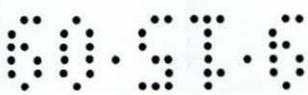
the said City of Fort Worth, Texas, its successors heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under it but not otherwise.

EXECUTED this the 23rd day of January, 1967.

TEXAS ELECTRIC SERVICE COMPANY
By: [Signature] Vice President - Operations

ATTEST:
[Signature] Asst. Secretary

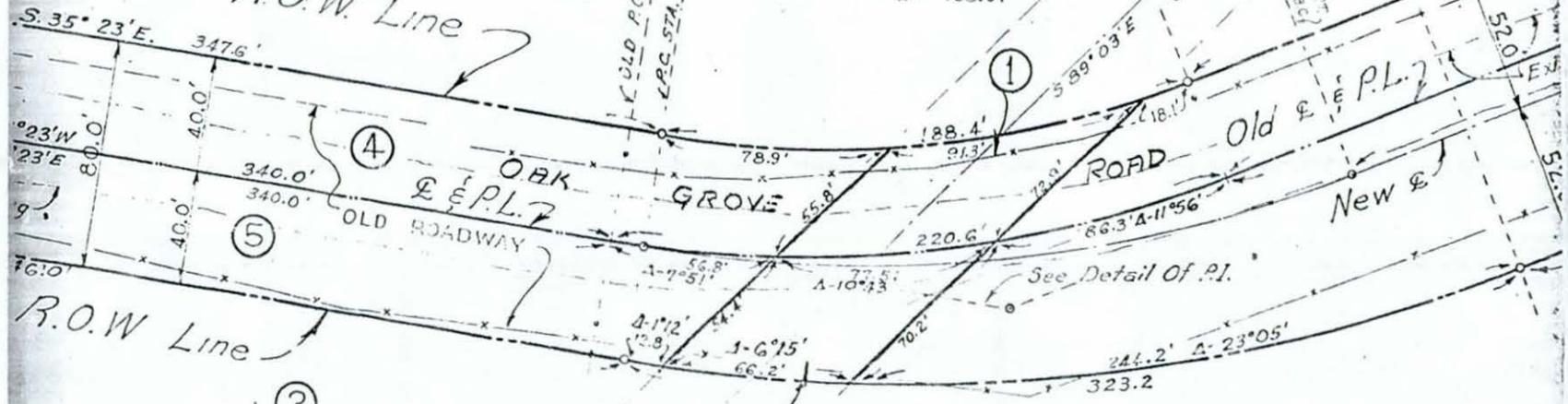
- ① Louis Cohen Survey A-290
- ② Robert Willaster Survey A-619
- ③ M. Garrison Survey A-
- ④ John Kirby Survey



VOL. 4366 PAI 18

Thomas M. Ryan
VOL. 2134 PAGE 138

Proposed R.O.W. Line



NORTH R.O.W. CURVE
 $\Delta = 30^\circ 32'$
 $T = 96.48'$
 $R = 353.48'$
 $L = 188.37'$

TESCO Easement
VOL. 2551
PAGE 5

R.O.W. Line

TESCO ROW
VOL. PAGE
AREA REQ. 0.071 Ac.

TESCO ROW
VOL. 2543 PAGE 150

LOUIS COHEN SUR. A-290 SOUTH R.O.W. CURVE
 $\Delta = 30^\circ 32'$
 $T = 165.55'$
 $R = 606.54'$
 $L = 323.22'$

E CURVE DATA	
NEW E CURVE	OLD E OR P.L.
$\Delta = 30^\circ 32'$	$\Delta = 30^\circ 30'$
$T = 131.0'$	$T = 113.0'$
$R = 480.0'$	$R = 414.48'$
$L = 255.8'$	$L = 220.6'$

S. 35° 23' E.
N. 65° 53' W.
S. 65° 55' E.



THENCE N 82 degrees 41 minutes E 21.0 feet to the northwest corner of said 1001 Oak Grove Ltd. tract;

THENCE N 64 degrees 13 minutes E with the northwest line of said 1001 Oak Grove Ltd. tract 12.8 feet to a point on a curve in the east right of way line of the proposed widening of Oak Grove Road, from which the radius point of said curve bears N 74 degrees 50 minutes E 683.1 feet;

THENCE with said curve through a central angle of 17 degrees 00 minutes for a distance of 202.7 feet to the north line of said REPROCO tract;

THENCE S 75 degrees 37 minutes W with said property line 13.0 feet, to the place of beginning and containing 0.186 acres of land of which 0.05 acres of land are contained within the limits of the existing pavement of Oak Grove Road.

TO HAVE AND TO HOLD the above described premises, together with, all and singular, the rights and appurtenances thereto in anywise belonging unto the said City of Fort Worth, its successors and assigns, forever. And it does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, this instrument is executed this 31st day of July, A. D. 1967, at Fort Worth, Texas.

1001 OAK GROVE LTD.

By Nathan Rubenstein
Nathan Rubenstein,
General Partner

By Alex Hesselson
Alex Hesselson,
General Partner

THE STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, a Notary Public in and for Tarrant County, Texas, on this day personally appeared Nathan Rubenstein, General Partner of 1001 Oak Grove Ltd., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act and deed of the said 1001 Oak Grove Ltd., and that he executed the same as the act of such company for the purposes and consideration therein expressed and in the capacity therein stated.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of July, A. D. 1967.

Joe L. Winters
Notary Public in and for Tarrant County, Texas

THE STATE OF TEXAS §

COUNTY OF TARRANT §

BEFORE ME, a Notary Public in and for Tarrant County, Texas, on this day personally appeared Alex Hesselson, General Partner of 1001 Oak Grove Ltd., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act and deed of the said 1001 Oak Grove Ltd., and that he executed the same as the act of such company for the purposes and consideration therein expressed and in the capacity therein stated.



GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of July, A. D. 1967.

Joe L. Winters
Notary Public in and for Tarrant County, Texas

00976

9 15 09

NOTICE TO CREDITORS
IN PROBATE

Handwritten signature

JUL 18 1967



STATE OF TEXAS
COUNTY OF TARRANT
The following is a true and correct copy of the will of the deceased as filed in the County of Tarrant, Texas, as stipulated herein by the executor of the estate of the deceased, and the same is hereby certified to be a true and correct copy of the original as the same is on file in the County of Tarrant, Texas, as stipulated herein by the executor of the estate of the deceased.

48138
QUALITY

1001 G. George Dr.

CITY OF FORT WORTH

FILED
JUL 18 9 29 AM '67
W.C. REED, CLERK
COUNTY CLERK
TARRANT COUNTY, TEXAS

RETURN TO
CITY SECRETARY
CITY HALL
CITY

48138 Vol. 212

45

3422/413
Deed #14

Willy Joe Brown and wife, Mary K. Brown, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

But it is expressly agreed and stipulated that the Vendor's Lien is retained against the above described property, premises and improvements, until the above described note, and all interest thereon are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

WITNESS my hand at Hurst, Texas
this 8th day of March 19 60.

Witness at request of Grantor:

Wayne W. White
Wayne W. White

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Wayne W. White whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8th day of March A. D. 19 60.
(L.S.) *Wayne W. White*
Notary Public in and for Tarrant County, Texas

Filed for Record MAR 10 1960 of 3:50 PM
And Recorded MAR 11 1960 of 8:23 AM
Instrument No. 1476 MELVIN "MEL" FAULK, County Clerk,
Tarrant County, Texas
By *M. Faulk* Deputy

1960-WARRANTY DEED

TEXAS Standard Form

The State of Texas,
County of Tarrant

14767-159

Know All Men by These Presents:

That Ryan Mortgage Company, a corporation

of the County of Tarrant State of Texas for and in consideration

of the sum of TEN AND NO/100

and other good and valuable considerations DOLLARS

to it in hand paid by

City of Fort Worth, a municipal corporation as follows:

All cash in hand paid, the receipt of which is hereby acknowledged;



have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said

City of Fort Worth, a municipal corporation

of the County of Tarrant State of Texas all that certain lot, tract or parcel of land, described as follows, to-wit:

Being a parcel of land out of the JOHN KIRBY SURVEY, the M. GARRISON SURVEY, and the R. GILLASTER SURVEY, located in Tarrant County, Texas, Abstract No. 619, and being more fully described as follows:

BEGINNING at the present intersection of the Westerly right-of-way line of Oak Grove Road and the Northerly line of the Southeast loop 217, said point being 17.1 feet South and 31.24 feet East of the Northeast corner of the John Kirby Survey;

THENCE North 32 degrees 59 minutes West with the present right-of-way line of Oak Grove Road, a distance of 130.0 feet;

THENCE South 57 degrees 1 minute West, a distance of 21.38 feet;

THENCE South 32 degrees 59 minutes East, a distance of 123.31 feet to the present right-of-way line of Southeast Loop 217;

THENCE North 75 degrees 15 minutes East with the present right-of-way line of Southeast Loop 217, a distance of 22.51 feet to the point of beginning and containing approximately 2,708 square feet;

.062 acres

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said

City of Fort Worth, its successors

corporation does hereby bind itself, its successors and assigns heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said

City of Fort Worth, its successors

holds and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

EXECUTED WITNESSE-----hand at Fort Worth, Texas

this 7th day of March 19 60

ATTEST [Signature] Witness at request of Grantor: Secretary

RYAN MORTGAGE COMPANY By T. W. Reilly President

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared T. W. Reilly, President of Ryan Mortgage Company, a corporation knows to me to be the person who is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 7th day of March A.D. 19 60

[Signature] Notary Public in and for Tarrant County, Texas

WHEN SEPARATE ACKNOWLEDGMENT

Filed for Record MAR 10 1960 of 3:40 PM

And Recorded of 8:24 AM

Instrument No. 14717 MELVIN "MEL" FAULK, County Clerk, Tarrant County, Texas

By [Signature] Deputy

The State of Texas,
County of TARRANT

} Know All Men by These Presents:

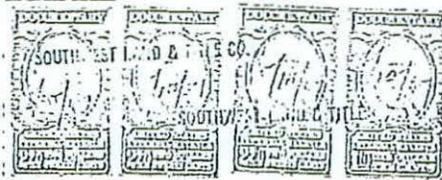
4407-330

That Cowtown Posse, Inc., acting herein by and through its duly authorized officers,

of the County of Tarrant State of Texas for and in consideration of the sum of Ten & No/100 (\$10.00) -----

----- DOLLARS and other good and valuable considerations to it in hand paid by City of Fort Worth, a municipal corporation

as follows: all cash in hand paid, the receipt of which is hereby acknowledged,



have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said City of Fort Worth, a municipal corporation

of the County of Tarrant State of Texas all that certain lot, tract or parcel of land being part of the LOUIS COHEN SURVEY, Abstract No. 290 in Tarrant County, Texas, and being part of a tract of land conveyed to the Cowtown Posse, Inc., by deed recorded in Volume 2361 page 382 of the Deed Records of Tarrant County, Texas, more particularly described in two tracts as follows:

Tract No. 1:
BEGINNING at a point in the Southwest right of way line of Felix Street (as previously dedicated) extended southeasterly, said point being South 35° 23' East 15.2 feet from the Southeast corner of Block 29, Southland Terrace, an addition to the City of Fort Worth, Tarrant County, Texas, and said point also being in the center of old Oak Grove Road near its intersection with Felix Street, and also on the northerly property line of said Cowtown Posse, Inc., tract of land;
THENCE South 79° 51' E. with said line 2.7 feet to an angle point;
THENCE continuing with the center of old Oak Grove Road, South 57° 46' East 100.0 feet to an angle point on the center line of Felix Street extended southeasterly;
THENCE South 35° 23' East continuing with the center of old Oak Grove Road and the northeasterly line of said Cowtown Posse, Inc., tract, 340.0 feet to the beginning of a curve in said line from which the radius point of said curve bears North 54° 37' East 411.48 feet;
THENCE Southeasterly with said curve through a central angle of 7° 51' for a distance of 56.8 feet to the Northeast corner of a right of way tract conveyed to the Texas Electric Service Company by deed recorded in Volume 2543 page 150 of the Deed Records of Tarrant County, Texas;

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS }
COUNTY OF TARRANT }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert C. Benton President of Cowtown Posse, Inc., and officer known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said Cowtown Posse, Inc., and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of May A. D. 1967

(L. S.)

J. J. Mothershead
Notary Public in and for Tarrant County, Texas

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS }
COUNTY OF Tarrant }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Odell Boyd Chairman of the Board of Directors of Cowtown Posse, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said Cowtown Posse, Inc., and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 17th day of May A. D. 19 67.

(L. S.)

J. J. Mothershead
Notary Public in and for Tarrant County, Texas.

44-736-016a Office Commissioner, Publishers-Dallas

MINUTES OF BOARD OF DIRECTORS MEETING * MARCH 7, 1967
Cow Town Posse

Motion was made by Mr. O. L. Pounds to have a letter of authorization drawn up for Robert Benton, President, Odell Boyd, Chairman of the Board and Lewis Poore, Secretary, to sign for the City, transferring right-of-way on Oak Grove Road.

Motion seconded by F. E. Withers - Voted and carried.

Lewis Poore
Lewis Poore

I HEREBY CERTIFY that the foregoing instrument of writing with its certificate of authentication, was filed for record in my office on the _____ day of _____, A. D. 19 _____ at _____ o'clock _____ M., and was duly recorded by me on the _____ day of _____, A. D. 19 _____ in Vol. _____ page _____ of the Records of said County.

WITNESS MY HAND and the Seal of the County Court of said County, at my office in the day and year last above written.

(L. S.)

County Clerk County, Texas
By _____ Deputy.



2-34415
Warranty Deed

FROM
Carlota Feggs, Inc.

TO
City of Fort Worth

FILED FOR RECORD

This day of A.D. 19

at o'clock

BY
W. O. "RED" COVLEN
COUNTY CLERK
TARRANT COUNTY, TEXAS

In Book on Page

County Clerk

Deputy

Recording Fee \$

This instrument should be filed immediately with the County Clerk for Record.

2010 U. T. Magzoner Bldg.,
L-1618 City 76102

The Oiler Company, Publishers, Dallas

STATE OF TEXAS }
COUNTY OF TARRANT }
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the FILED RECORDS of Tarrant County, Texas, as directed hereon by me.

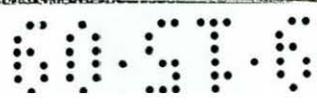


MAY 25 1967

W. O. "Red" Covlen
COUNTY CLERK
TARRANT COUNTY, TEXAS

FILED
TARRANT COUNTY, TEXAS
DATE 5-25-67 BY W. O. "RED" COVLEN DEPUTY

VOL 4407 PAGE 333



4436
507
Rec'd
#19

STATE OF TEXAS
COUNTY OF TARRANT

KNOW ALL MEN BY THESE PRESENTS:

That RYAN MORTGAGE COMPANY, acting herein by and through its duly authorized officers,

of Tarrant County, Texas, in consideration of the sum of NINETEEN THOUSAND AND NO/100 ----- DOLLARS (\$ 19,000.00)

to said grantor In hand paid by the grantees hereinafter named, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL and convey unto CITY OF FORT WORTH, a municipal corporation, all that certain property described as follows, to-wit:

Situated in Tarrant County, Texas and being described in two tracts as follows:
TRACT 1: Being a part of the remainder of a tract of land out of the Louis Cohen Survey, Abst. No. 290, Tarrant County, Texas, conveyed to Thomas H. Ryan, by deed rec. in Vol 2134, page 138 of the Deed Records of Tarrant County, Texas, and being more particularly desc. as follows:

Beginning at a point in the NE line of Oak Grove Road near its intersection with Felix St. said point being the S corner of Lot 31 Block 30 Southland Terrace (Sixth Filing) an addition to the City of Fort Worth, Tarrant County, Texas, and said point also being in the NEly right of way line of the proposed widening of Oak Grove Road; Thence S 35 deg 23' E with said right of way line, 347.6 ft to the beginning of a curve whose radius point bears N 54 deg 37 min E 353.48 ft.; Thence SEly with said curve through a central angle of 30 deg 32 min for a distance of 188.4 ft to the end of said curve, passing the north edge of a 50 ft wide easement granted to Texas Electric Service Company, at 78.9 ft along said curve and the south edge, at 170.2 ft along said curve; Thence S 65 deg 53 min E continuing with the Nly right of way line of the proposed widening of Oak Grove Road, a distance of 341.3 ft to a point in the center of Spangore Creek, a point on the West line of a tract of land conveyed to the Business Loan and Investment Company by deed rec. in Vol. 3116 p 68 of the Deed Records of Tarrant County, Texas; Thence S 1 deg 21 min E with said line, 41.3 ft to a point in the center of the existing pavement of Oak Grove Road, said point being the NWly SWC of Business Loan and Investment Company tract, and the S corner of the remainder of said Ryan tract; Thence N 65 deg 53 min W with the center of the existing pavement of Oak Grove Road and the SWly line of said Ryan tract, 358.7 ft, to the beg. of a curve whose radius point bears N 24 deg 07 min E, 416.48 ft; Thence NWly with said curve, the center of the existing Oak Grove Road pavement, and said Ryan property line through a central angle of 30 deg 30 min for a distance of 220.6 ft to the end of said curve; Thence N 35 deg 23 min W with said road line and property line, 340.0 ft to an angle point in said property line; Thence N 37 deg 46 min W with said Ryan property line 100.0 ft to another angle point; Thence N 79 deg 51 min W 1.7 ft to a point in the SW right of way line of the proposed widening of Oak Grove Road; Thence N 35 deg 23 min W with said line, 11.9 ft to a point being S 35 deg 23 min E, 3.3 ft from the SEC of Block 29, Southland Terrace, an addition to the City of Fort Worth, Tarrant County, Texas; Thence with the following courses and distances with the SWly lines of Felix St as previously dedicated: S 79 deg 31 min E, 32.4 ft; S 61 deg 46 min E 97.2 ft and N 54 deg 37 min E 14.3 ft to the place of beginning and containing 0.837 acres of land of which 0.23 acres are contained within the limits of the existing pavement of Oak Grove Road.

SECOND TRACT: Being a part of the remainder of a tract of land out of the Robert Gilliator Survey, Abst. No. 619 and the Louis Cohen Survey, Abst No. 290, the John H. Kirby Survey,

(continued next page)

4436 PAGE 507

EXECUTED this 21st day of JULY, 1967.

ATTEST: *James A. Adams* RYAN MORTGAGE COMPANY
Secretary SECRETY.
T. W. Reilly
Pres.

STATE OF TEXAS }
COUNTY OF TARRANT }

Before me, the undersigned authority, on this day personally appeared T. W. Reilly
Pres. Ryan Mortgage Company

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation and in the capacity therein stated.
Given under my hand and seal of office, this 28th day of JULY, 1967.

Lawrence L. Bennett
Notary Public Tarrant County, Texas.

STATE OF TEXAS }
COUNTY OF }

Before me, the undersigned authority, on this day personally appeared _____
wife of _____

known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said _____
acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office, this _____ day of _____

Notary Public County, Texas.

STATE OF TEXAS }
COUNTY OF }

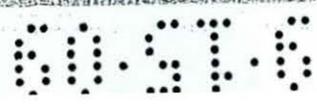
Before me, the undersigned authority, on this day personally appeared _____
and _____

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

Given under my hand and seal of office, this _____ day of _____

Notary Public County, Texas.

4436 DEC 509



Lot 4436 PAGE 510

51469
General Warranty Deed

RYAN MORTGAGE COMPANY

TO

CITY OF FORT WORTH

FILED
JUL 28 3 09 PM '67
W. C. GREEN
COUNTY CLERK
DEP.

Mr. George G. Wilkes
City Land Agent Supvr.
City of Ft. Worth

Return to
Form No. 17 445
FRED F. HUNTER, GALVESTON, TEXAS

2010 N. I. Magnometer Bldg. - 76102
Ft. Worth, Tex.

STATE OF TEXAS
COUNTY OF TARRANT

I hereby certify that this instrument was FILED on the
date and at the time stamped herein by me and was duly
RECORDED in the Volume and Page of the DEED RECORDS
of Tarrant County, Texas, as stamped herein by me.



JUL 28 1967

W. C. Green
COUNTY CLERK
TARRANT COUNTY, TEXAS

GF 9170-E

00516

6.

File No: MF110332

Deed

Date Filed: 9/15/09
Jerry Patterson, Commissioner

By: [Signature]

0.12.09

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

October 7, 2009

Mr. Jeremiah P. Mikel
Dale Property Services, LLC
3000 Alta Mesa Blvd. Suite 300
Ft. Worth, TX 76133

Dear Mr. Mikel,

Re: State of Texas HROW Lease # MF 110332

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

COPY

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

7.

File No. MF10332

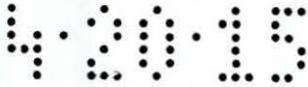
NO letter

Date Filed: 10/7/09

Jerry Patterson, Commissioner

By: 

COPY



✓ MF110332+
DIVISION ORDER MF112013

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

PROPERTY NO: 0621564
PREPARED BY: STUTER3
DATE PREPARED: April 14th, 2015

This agreement is made and entered into on: April 14th, 2015.

The undersigned severally and not jointly certifies it is the legal owner of the interest set out below of all the oil, gas and related liquid hydrocarbons produced from the property described below:

OWNER NUMBER: 0646157 STATE OF TEXAS CURRENT INTEREST
1700 N CONGRESS AVE REG: .00655010
PO BOX 12873
AUSTIN TX 787010000

WELL NUMBER: 0621564 IGLESIA BAUTISTA 2H
TARRANT TX
102.174 ACRES; R GILLASTER, A-

DIVISION OF INTEREST

THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN THE INTEREST OWNERS AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

The following provisions apply to each interest owner ("Owner") who executes this agreement:

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest set out above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in the oil.

PAYMENT: From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for oil runs within 60 days after the end of the month of production and for gas within 90 days after the end of the month of production from the property listed above, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100.00 may be accrued before disbursement until the total amount equals \$100.00, or until July 31st of each year, whichever occurs first. However, the Payor may hold accumulated proceeds of less than \$10.00 until production ceases, or the Payor's responsibility for making payment for production ceases, whichever occurs first. Payee agrees to refund to payor any amounts attributable to an interest or part of an interest that payee does not own.

INDEMNITY: The owner agrees to indemnify and hold payor harmless from all liability resulting from payments made to the owner in accordance with such division of interest, including but not limited to attorney fees or judgments in connection with any suit that affects the owner's interest to which payor is made a party.

DISPUTE: WITHHOLDING OF FUNDS: If a suit is filed that affects the interest of the owner, written notice shall be given to payor by the owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest credited herein, payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

TERMINATION: Termination of this agreement is effective on the first day of the month that begins after the 30th day after the date written notice of termination is received by either party.

NOTICES: The owner agrees to notify payor in writing of any change in the division of interest, including changes of interest contingent on payment of money or expiration of time. No change of interest is binding on payor until the recorded copy of the instrument of change or documents satisfactorily evidencing such change are furnished to payor at the time the change occurs. Any change of interest shall be made effective on the first day of the month following receipt of such notice by payor. Any correspondence regarding this agreement shall be furnished to the addresses listed unless otherwise advised by either party. In addition to the legal rights provided by the terms and provisions of this division order, an owner may have certain statutory rights under the laws of this state.

WITNESS SIGNATURE	SIGNATURE OF INTEREST OWNER	SOCIAL SECURITY/ TAX ID NUMBER	MAILING ADDRESS FOR PAYMENT
HOME PHONE NUMBER	CELL PHONE NUMBER		CORRESPONDENCE ADDRESS
WORK PHONE NUMBER	FAX NUMBER		EMAIL ADDRESS

Failure to furnish your Social Security/Tax I.D. number will result in withholding tax in accordance with federal law, and any tax withheld will not be refundable by payor.

<u>PROPERTY OWNER</u>	<u>OWNER NAME</u>	<u>DESCRIPTION</u>	<u>COUNTY</u>	<u>CURRENT INTEREST</u>				<u>FUTURE INTEREST</u>											
				<u>ST</u>	<u>ZONE1BPOWI</u>	<u>ZONE1BPONRI</u>	<u>TYPE</u>	<u>STATUS</u>	<u>ZONE2BPOWI</u>	<u>ZONE2BPONRI</u>	<u>TYPE</u>	<u>STATUS</u>	<u>ZONE2APOWI</u>	<u>ZONE2APONRI</u>	<u>TYPE</u>	<u>STATUS</u>			
0621564 0646157	STATE OF TEXAS	102.174 ACRES; R GILLASTER, A-	TARRANT	TX		.00655010	REG	PA											

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DISTRICT > 09 GAS LEDGER INQUIRY
 FIELD > NEWARK, EAST (BARNETT SHALE) # 65280 200
 OPERATOR > CHESAPEAKE OPERATING, L.L.C. # 147699
 LEASE > BAUTISTA, IGLESIA # 246783 WELL # 2H

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* DISPOSITIONS CODE	* AMT	* CODE	CUMU STAT	G/C RATIO (MCF/BBL)
09/2014	13080 X	12728	0	12728	2				0
10/2014	13392 X	12998	0	12998	2				0
11/2014	12870 X	12547	0	12547	2				0
12/2014	13299 X	12809	0	12809	2				0
01/2015	13299 X	12557	0	12557	2				0
02/2015	11872 X	11297	0	11297	2				0
03/2015	12989 X	12756	0	12756	2				0
04/2015	12846 X	12846	0	12846	2				0
05/2015	13605 X	13605	0	13605	2				0
06/2015	14286 X	14286	0	14286	2				0
07/2015	14411 X	14411	0	14411	2				0
08/2015	13609 X	NO RPT							0

GO TO DIST > GAS RRC ID # >
 PF1=HELP PF2=COND PF3=MENU PF4=PROD RMKS PF6=PROD PF7=SCHEDULE PF8=P4 PF9=LDGR
 PF10=G10 PF11=STATUS PF12=G-1 _ PF17=P-17 PMT _ PF18=T-1 _ PF19=HIST LDG
 ** PRESS ENTER TO SCROLL **

DISTRICT > 09 GAS LEDGER INQUIRY
 FIELD > NEWARK, EAST (BARNETT SHALE) # 65280 200
 OPERATOR > CHESAPEAKE OPERATING, L.L.C. # 147699
 LEASE > BAUTISTA, IGLESIA # 246783 WELL # 2H

MM/YYYY	ALLOW	GAS PROD	GAS LIFT	* AMT	* DISPOSITIONS CODE	* AMT	* CODE	CUMU STAT	G/C RATIO (MCF/BBL)
09/2013	15930 X	13937	0	13937	2				0
10/2013	16461 X	14440	0	14440	2				0
11/2013	13800 X	13752	0	13752	2				0
12/2013	14415 X	14359	0	14359	2				0
01/2014	14446 X	13988	0	13988	2				0
02/2014	13048 X	12598	0	12598	2				0
03/2014	14446 X	13803	0	13803	2				0
04/2014	13890 X	13094	0	13094	2				0
05/2014	14353 X	13392	0	13392	2				0
06/2014	13530 X	12449	0	12449	2				0
07/2014	13950 X	12835	0	12835	2				0
08/2014	13795 X	13303	0	13303	2				0

GO TO DIST > GAS RRC ID # >
 PF1=HELP PF2=COND PF3=MENU PF4=PROD RMKS PF6=PROD PF7=SCHEDULE PF8=P4 PF9=LDGR
 PF10=G10 PF11=STATUS PF12=G-1 _ PF17=P-17 PMT _ PF18=T-1 _ PF19=HIST LDG
 ** PRESS ENTER TO SCROLL **



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

September 30, 2015

Patel Bindu
Division Order Analyst
Chesapeake Operating, Inc.
PO BOX 18496
Oklahoma City, OK 73154

Re: State Lease Nos. MF112591 and MF112738 Hawk TRT 6H (Unit 7235)
MF110332 and MF112013 Iglesia Bautista 2H

Dear Mr. Bindu:

The Texas General Land Office (GLO) has received your Division Orders for the referenced units. These Division Orders have been filed in the appropriate mineral files.

The payment of royalties attributable to state-owned mineral and royalty interests is set by contract and applicable statutes and rules. The execution of division orders may, in some cases, affect the manner in which such payments are made or calculated. Therefore, Title 31, §9.32, of the Texas Administrative Code specifies that GLO staff cannot execute a division order or bind the state to any terms contained within it.

Subject to applicable state law and the state's right to take its production in-kind, the GLO acquiesces to the sale of oil and gas in accordance with the terms and conditions set out in the oil and gas leases. If you have questions concerning this matter, please feel free to e-mail me at the address below my signature.

We look forward to being put on pay status as soon as you are able to set up the wells in our RRAC system.

Thank you,

Vivian Hernandez
Landman, Energy Resources
512-475-0428
512-475-1543 (fax)
vivian.hernandez@glo.texas.gov

File No. mf110332

Division Order County

Date Filed: 9-30-15

By VH **George P. Bush, Commissioner**