

MF110551

~~4460~~ ~~15~~  
4631

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF110551	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>	4.2145	
<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>	2/2/2010	
<i>Primary Term</i>	1 yrs	
<i>Bonus (\$)</i>	\$18,965.25	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2600	

*Leasing:* [Signature]

*Analyst:* [Signature]

*Maps:* [Signature]

*GIS:* [Signature]



**CAUTION**

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

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

Thank you for your assistance.

*Archives and Records Staff*

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

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CONTENTS OF FILE NO. MF- 110551

- 1. Lease 11/26/09
  - 2. Letter boxes, + fees 11/26/09
  - 3. Affidavit 11/26/09
  - 4. Deed 11/26/09
  - 5. Lease 11/26/09
  - 6. GEO letter 2/2/10
  - 7. Map 2/19/10
- ASSIGNMENT FILED IN MF 110549 #9. 7/1/10

Scanned sm 2/17/15

See MF 109332 #25 For Unit Agr. 7234  
 See MF 109332 #26 For Dec. of Unit  
 + Amendments

8. BUCKS IIP FOR UNIT 7474 6-18-15

Scanned PJ 12-15-18

See MF 110549 #11, Assign #10164  
 Date @ Chesapeake 2-8-17

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(See MF 105814 #32, Assign #10291  
 Chesapeake et al @ Total 6-26-17)

Scanned PJ 7-6-2017

See MF 109332 #29  
 Division Order 4-10-19

9 Division Order 5/6/19

Scanned PJ 5-16-2019

(See MF 109332 item # 30  
 for plugging report for  
 42-439-33018)

Scanned WM 5.22.2023

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 110551)  
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 **Eighteen Thousand Nine Hundred Sixty Five 25/100 (\$18,965.25)** 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:

**4.2145 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 **4.2145** 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 February 2, 2010** 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 **26%** 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 **26%** 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 **26%** 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 **26%** 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.

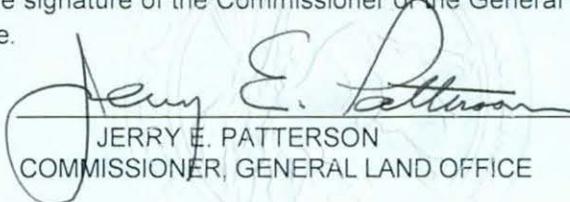
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

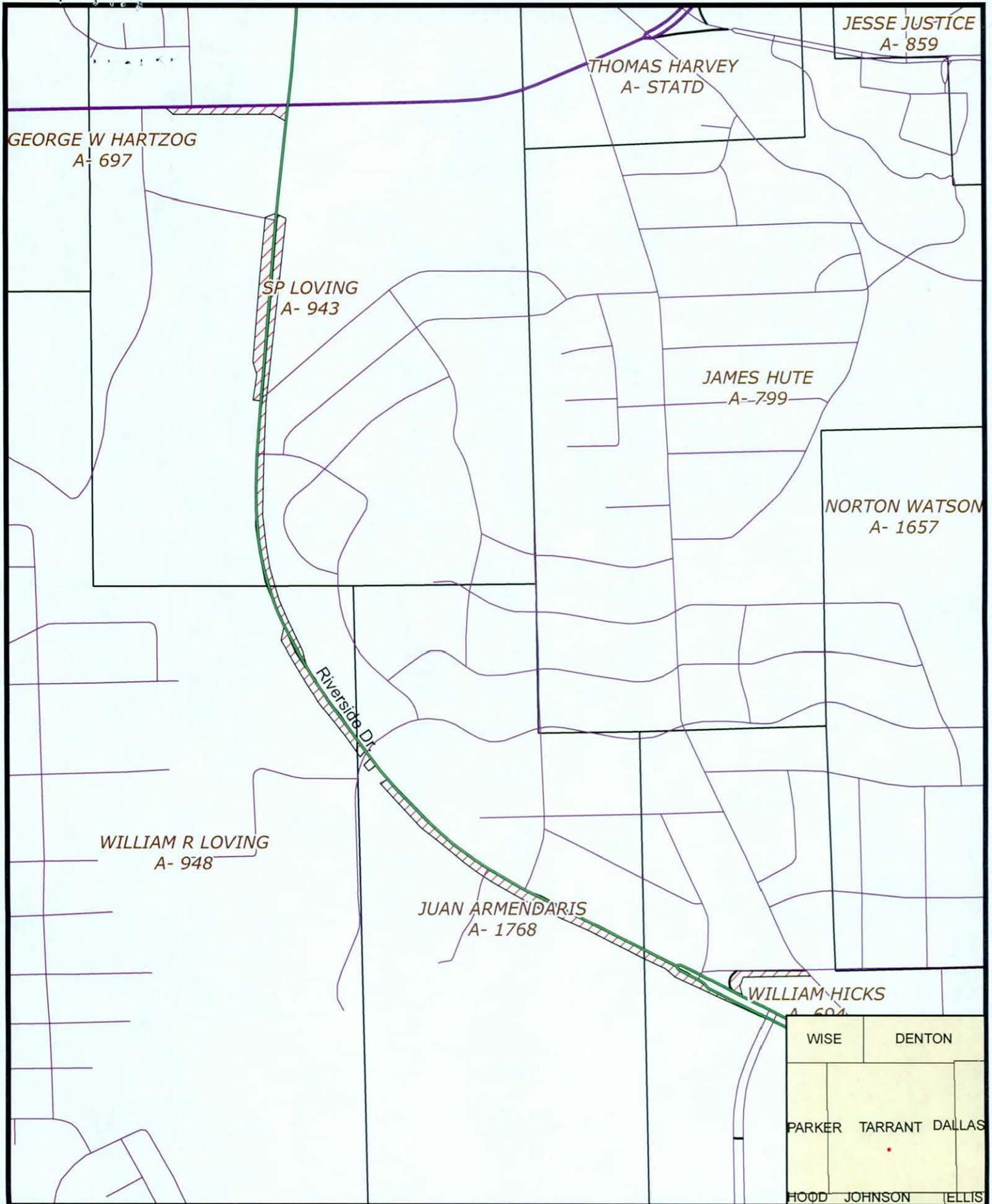
CC: JM

Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated February 2, 2010, 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 Riverside Drive.

4.2145 acres of land, more or less, situated in the J. Armendaris Survey, A-1768, W.R. Loving Survey, A-948, S. P. Loving Survey, A-943 and the William Hicks Survey, A-694. Said lands being described in the following deeds filed in the Deeds of Records of Tarrant County.

1. Deed dated June 16, 1955 recorded as Volume 2916, Page 43 from J. Merida Ellis, Individually and Executor under the will of James W Ellis, deceased, and Byrd King Ellis, Individually to the City of Fort Worth conveying 0.088 acres of land being the north side of Block 1, Jim Ellis Industrial Addition of Tarrant County, Texas.
2. Deed dated September 29, 1952 recorded as Volume 2485, Page 544 from J. Merida Ellis, Individually and Executor under the will of James W. Ellis, deceased, and Byrd King Ellis, Individually to the City of Fort Worth conveying 2.288 acres of land out of the J. Armendaris Survey (A-1768), the W.R. Loving Survey (A-948), and the S.P. Loving Survey (A-943), Tarrant County, Texas.
3. Deed dated September 29, 1952 recorded as Volume 2485, Page 539 from George C. Crittenden and wife, Mae Crittenden to the City of Fort Worth conveying 0.5004 acres of land out of the J. Armendaris Survey, Tarrant County, Texas.
4. Deed dated October 3, 1952 recorded as Volume 2485, Page 551 from the Trustees of the Maddox Avenue Baptist Church Children's Home of Fort Worth to the City of Fort Worth conveying 0.3997 acres of land out of the J. Armendaris Survey (A-1768), Tarrant County, Texas
5. Deed dated October 3, 1952 recorded as Volume 2485, Page 548 from the Trustees of the Maddox Avenue Baptist Church of Fort Worth to the City of Fort Worth, Tarrant County, Texas conveying 0.3974 acres of land out the J. Armendaris Survey (A-1768) and the William Hicks Survey (A-694), Tarrant County, Texas.
6. Deed dated April 24, 1956 recorded as Volume 3024, Page 394 from Laura Leitner to the State of Texas conveying 0.401 acres of land out the William Hicks Survey (A-694), Tarrant County, Texas.
7. Deed dated September 3, 1952 recorded as Volume 2485, Page 542 from Mrs. C Leitner to the City of Fort Worth, Tarrant County, Texas, conveying 0.14 acres of land out the William Hicks Survey (A-694), Tarrant County, Texas.



Map showing a Buffer of Riverside Dr. 4.2145 acres Tarrant County

0 455 910 1,820 Feet



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



Map Compiled By: Zeke Guillen February 2, 2010

1.  
File No. MF/10551

Gleason

Date Filed: 11/26/09  
Jerry Patterson, Commissioner

By: 

# DALE PROPERTY SERVICES, L.L.C.

3000 Alta Mesa Boulevard, Suite 300

FORT WORTH, TX 76133

(817) 451-5353

November 19, 2009

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

Have Money  
m-110551

4500.00  
2690  
1yr  
shut in 25.00 per ac

Re: Application by Dale Property Services, L.L.C. to acquire Oil and Gas Lease covering 4.2145 acres, more or less, being the Riverside Drive R-O-W, Tarrant County, Texas

Dear Drew:

The City of Fort Worth received the following described land designated as a R-O-W for Riverside Drive:

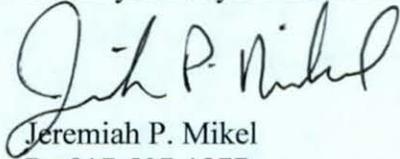
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Dale Property Services, L.L.C. ("Dale") has researched the aforementioned R-O-W and discovered that the City owns a portion of it. Dale owns oil and gas leases on either side of said R-O-W, and it is necessary for Dale to acquire an oil and gas lease 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 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 Morrison 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 November 19, 2009, Dale agrees to pay four thousand five hundred dollars (\$4,500) 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](mailto:jeremiahm@dale-resources.com)

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

DALE OPERATING COMPANY

COMERICA BANK

2100 Ross Avenue

Suite 1870, LB-9

Dallas, Texas 75201

(214) 979-9010

DATE	CHECK NO.	AMOUNT
11/20/09	00309131	***18,965.25

PAY EIGHTEEN THOUSAND NINE HUNDRED SIXTY-FIVE AND 25 /100 DOLLARS

TO THE ORDER OF COMMISSIONER OF THE GENERAL LAND OFFICE  
 1700 NORTH CONGRESS AVE  
 AUSTIN TX 78701 4439

*Bronson BP*

⑈00309131⑈

DALE OPERATING COMPANY

Check No. 00309131

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
11/20/09	112009		18965.25		18965.25
<b>TOTAL</b>					<b>18965.25</b>

DALE OPERATING COMPANY

COMERICA BANK

2100 Ross Avenue

Suite 1870, LB-9

Dallas, Texas 75201

(214) 979-9010

DATE	CHECK NO.	AMOUNT
11/20/09	00309130	*****100.00

PAY *ONE HUNDRED AND 00 /100 DOLLARS*

TO THE ORDER OF  
 COMMISSIONER OF THE GENERAL LAND OFFICE  
 1700 NORTH CONGRESS AVE  
 AUSTIN TX 78701 4439

*Brenda BP*

⑈00309130⑈

DALE OPERATING COMPANY

Check No. 00309130

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
11/20/09	112009		100.00		100.00
<b>TOTAL</b>					<b>100.00</b>

DALE OPERATING COMPANY

Check No. 00309131

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
11/20/09	112009		18965.25	<del>X</del>  10702765	18965.25  121
				TOTAL	18965.25

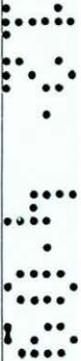
DALE OPERATING COMPANY

Check No. 00309128

DATE	REFERENCE OR DESCRIPTION	ACCT. NO.	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
11/20/09	112009		100.00		100.00
TOTAL					100.00

X  
12/1

10702763



004 001

2.

File No. MF10551

Letter, bonus, & fees

Date Filed: 11/26/09 & 12/14/09

Jerry Patterson, Commissioner

By



15 003

**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 Tara Powell, to me well known to be a credible person, and who after being by me duly sworn, on her oath did state:

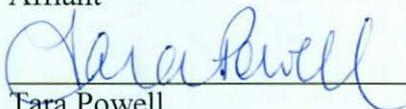
That I know the consideration Dale Property Services, LLC ("Dale") paid for the leases on adjacent lands to the property designated as Riverside Drive.

(Please refer to the attached Exhibit "A")

The average consideration paid by Dale for the leases on adjacent lands to the property designated as Riverside Drive is \$4,294.22 per acre.

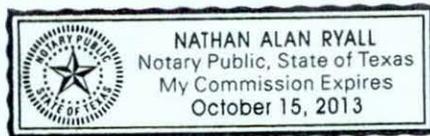
Further Affiant sayeth not.

Affiant

  
Tara Powell

STATE OF TEXAS       §  
                                  §  
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 19 day of NOVEMBER, 2009 by Tara Powell.



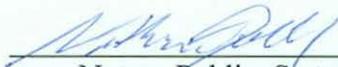
  
Notary Public, State of Texas

Exhibit "A"

(Coordinating  
Map & Lease  
Number)

1	Oil and Gas Lease	Commissioner of the General Land Office of the Lessor: State of Texas Dale Property Services, Lessee: LLC Recording Info: D208351055	Royalty: 26% Bonus Per Acre: \$15,000.00 Acreage: 19.3
2	Oil and Gas Lease	Commissioner of the General Land Office of the Lessor: State of Texas Lessee: Dale Resources, LLC Recording Info: D207139855	Royalty: 27.50% Bonus Per Acre: \$5,000.00 Acreage: 5.91
3	Oil and Gas Lease	Lessor: Vertex Asset Partners, L.P. Lessee: Dale Resources, LLC Recording Info: D206347803	Bonus Per Acre: \$2,000.00 Acreage: 5.83
4	Oil and Gas Lease	Paragon Enterprises Lessor: Venture Lessee: Dale Resources, LLC Recording Info: D206340771	Royalty: 22.50% Bonus Per Acre: \$3,000.00 Acreage: 2.088
5	Oil and Gas Lease	Lessor: Grace Temple Church of Fort Worth, Inc. Lessee: Dale Resources, LLC Recording Info: D206017203	Royalty: 22.50% Bonus Per Acre: \$2,000.00 Acreage: 6.828
6	Oil and Gas Lease	Gemilyn Grimes and Tamara J. Jalome Lessor: Dale Resources, LLC Recording Info: D206017202	Royalty: 22.50% Bonus Per Acre: \$4,000.00 Acreage: 3.53

7	<b>Oil and Gas Lease</b>	Volunteers of America Northern Texas Development Corporation, <b>Lessor:</b> Inc.	<b>Royalty:</b> 25%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$2,000.00
		<b>Recording Info:</b> D205355118	<b>Acreage:</b> 12.3025
8	<b>Oil and Gas Lease</b>	Pilgrim Valley Missionary Baptist Church, Inc. <b>Lessor:</b>	<b>Royalty:</b> 25%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$2,000.00
		<b>Recording Info:</b> D206050996	<b>Acreage:</b> 11.02
9	<b>Oil and Gas Lease</b>	<b>Lessor:</b> William Larry Pirkle	<b>Royalty:</b> 25%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$2,000.00
		<b>Recording Info:</b> D206017201	<b>Acreage:</b> 3.6
10	<b>Oil and Gas Lease</b>	<b>Lessor:</b> Essie O Johnson	<b>Royalty:</b> 22.50%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$2,500.00
		<b>Recording Info:</b> D207009716	<b>Acreage:</b> 0.278
11	<b>Oil and Gas Lease</b>	<b>Lessor:</b> Barbara Johnson Dale Property Services, LLC	<b>Royalty:</b> 22.50%
		<b>Lessee:</b> LLC	<b>Bonus Per Acre:</b> \$3,000.00
		<b>Recording Info:</b> D207134567	<b>Acreage:</b> 0.202
12	<b>Oil and Gas Lease</b>	<b>Lessor:</b> Burtie Burns	<b>Royalty:</b> 22.50%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$1,500.00
		<b>Recording Info:</b> D207009713	<b>Acreage:</b> 0.264
13	<b>Oil and Gas Lease</b>	<b>Lessor:</b> Genaro Varela Dale Property Services, LLC	<b>Royalty:</b> 22.50%
		<b>Lessee:</b> LLC	<b>Bonus Per Acre:</b> \$3,000.00
		<b>Recording Info:</b> D207090586	<b>Acreage:</b> 0.262
14	<b>Oil and Gas Lease</b>	Victor Hernandez, and wife Gabriela Hernandez <b>Lessor:</b>	<b>Royalty:</b> 22.50%
		<b>Lessee:</b> Dale Resources, LLC	<b>Bonus Per Acre:</b> \$1,500.00
		<b>Recording Info:</b> D206408408	<b>Acreage:</b> 0.262

15	Oil and Gas Lease				
		Lessor:	Rolling Hills Church of God In Christ	Royalty:	25.00%
		Lessee:	Dale Property Services, LLC	Bonus Per Acre:	\$3,000.00
		Recording Info:	D208024097	Acreage:	2.268
16	Oil and Gas Lease				
		Lessor:	Rolling Hills Church of God In Christ	Royalty:	25.00%
		Lessee:	Dale Property Services, LLC	Bonus Per Acre:	\$3,000.00
		Recording Info:	D208024098	Acreage:	0.353
17	Oil and Gas Lease				
		Lessor:	Linda W Hicks	Royalty:	22.50%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$1,000.00
		Recording Info:	D206329791	Acreage:	14.74
18	Oil and Gas Lease				
		Lessor:	Gospel Kingdom Church of God in Christ Pentecostal, Inc.	Royalty:	25.00%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$2,000.00
		Recording Info:	D206281812	Acreage:	13.388
19	Oil and Gas Lease				
		Lessor:	Clarence Pollard Sr. and Ruth M. Pollard	Royalty:	22.50%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$1,500.00
		Recording Info:	D206405402	Acreage:	0.22
20	Oil and Gas Lease				
		Lessor:	Glenda Johnson and Jessie Young	Royalty:	22.50%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$2,500.00
		Recording Info:	D206407740	Acreage:	0.289
21	Oil and Gas Lease				
		Lessor:	Fort Worth Chapter IABPFF	Royalty:	22.50%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$2,000.00
		Recording Info:	D206329757	Acreage:	2.54
22	Oil and Gas Lease				
		Lessor:	Vertis J Harris	Royalty:	22.50%
		Lessee:	Dale Resources, LLC	Bonus Per Acre:	\$2,000.00
		Recording Info:	D205368107	Acreage:	10.4835

28

File No. MF 110551

Affident

Date Filed: 11/26/09

Jerry Patterson, Commissioner

By: 

THE STATE OF TEXAS |  
COUNTY OF TARRANT |

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared Isiah E. [unclear]

known to me to be the person whose name Isiah E. [unclear] subscribed to the foregoing instrument, and acknowledged to me that Isiah E. [unclear] executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 9 day of July A.D. 1955.

Howard C. Hall  
A Notary Public in and for Tarrant County, Texas

Filed for Record OCT 9 1955 at 1:05 PM

And Recorded OCT 11 1955 at 1:15 PM

Instrument No. 9059 MELVIN "MEL" FAULK, County Clerk, Tarrant County, Texas

By [Signature] Deputy

WARRANTY DEED—With Single and Wife's Separate Acknowledgments—Class 4 Texas Standard Form

69060 101.00

THE STATE OF TEXAS

Know All Men by These Presents:

County of TARRANT

THAT we, J. Merida Ellis, individually and Executor under the will of James M. Ellis, deceased, and Byrd King Ellis, individually of Tarrant County, Texas in consideration of the County of Tarrant and State of Texas

the sum of Ten and no/100 (\$10.00) DOLLARS

to us in hand paid by the City of Fort Worth, a municipal corporation of Tarrant County, Texas

Cash, 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 and State of Texas all that certain

lot, tract or parcel of land lying and being situated in the City of Fort Worth, Tarrant County, Texas, lying off of the North side of Block 1, Jim Ellis Industrial Addition of Tarrant County, Texas and being more particularly described as follows;

BEGINNING at the northeast corner of Lot B, Block 1, of the Jim Ellis Industrial Addition in the City of Fort Worth, Tarrant County, Texas;  
THENCE southwesterly along the east boundary line of hereinabove mentioned Lot B, Block 1, Jim Ellis Industrial Addition, and the west boundary line of South Riverside Drive, a distance of 25.2 feet to a point for a corner;  
THENCE northwesterly across the northeast corner of said Lot B a distance of 23.7 feet to a point for a corner, which corner is 10 feet southerly of, and at right angles to the north boundary line of said Lot B;  
THENCE north 89 degrees 41 minutes west along a line that is parallel to and everywhere 10 feet southerly from the north boundary line of said Lot B a distance of 297 feet to a point for a corner;  
THENCE north 83 degrees 59 minutes west a distance of 100.5 feet to a point for a corner, which corner is in the north boundary line of said Lot B, and the south boundary line of East Berry Street, and is the most westerly corner of hereindescribed tract;  
THENCE south 89 degrees 41 minutes east, along the south boundary of East Berry Street and the north boundary of said Lot B a distance of 418 feet to the point and place of beginning, and containing an area of eighty-eight one-thousandths (88/1000) of an acre.

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 we do hereby bind ourselves, our heirs, executors and administrators to Warrant and Forever Defend, all and singular, the said premises unto the said

City of Fort Worth, its successors

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

WITNESS our hands at Ft Worth, Texas this 16<sup>th</sup> day of June A. D. 1955

Witness at Request of Grantor:

*J. Merida Ellis*  
*Byrd King Ellis*

THE STATE OF TEXAS  
County of TARRANT

BEFORE ME,

A Notary Public in and for Tarrant County, Texas,

on this day personally appeared J. Merida Ellis, individually and Executor under the Will of James M. Ellis, Deceased and Byrd King Ellis, individually to me known to be the person whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office, this 16<sup>th</sup> day of June A. D. 1955



*F. B. Warner*

A Notary Public in and for Tarrant County, Texas

Filed for Record OCT 11 1955 at 1:05 P.M.  
And Recorded OCT 11 1955 at 1:16 P.M.  
Instrument No. 6706 C

MELVIN "MEL" FAULK, County Clerk,  
Tarrant County, Texas

By *M. J. Watson* Deputy

THE STATE OF TEXAS

County of TARRANT

Know All Men by These Presents:

THAT I, Clara S. Franklin, a widow of the County of Tarrant and State of Texas, in consideration of the sum of Five Hundred and no/100 (\$500.00) DOLLARS to me in hand paid by the City of Fort Worth, a municipal corporation of Tarrant County, Texas

Cash, 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 and State of Texas all that certain

lot, tract or parcel of land lying and being situated in the City of Fort Worth, Tarrant County, Texas described as follows;

Lot 3, Block 3, Crawford Addition to the City of Fort Worth, Tarrant County, Texas

544

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas on this day personally appeared Mrs. C. Leitner, A Widow to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30th day of September, A. D. 1952.

NOTARIAL SEAL  
Impressed

Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

Filed for Record OCT 16 1952 10:21 AM  
And Recorded OCT 21 1952 1:30 PM  
Instrument No. 57766  
MELVIN MEL FAULK County Clerk  
Tarrant County, Texas  
By D. Matson Deputy

57766 ✓  
J. MERIDA ELLIS, INDIVIDUALLY  
AND AS EXECUTOR UNDER THE WILL  
OF JAMES M. ELLIS, DECEASED  
AND EYD KING ELLIS, INDIVIDUALLY  
CITY OF FORT WORTH,  
A MUNICIPAL CORPORATION

FILED

OCT 16 10 32 AM '52

MELVIN MEL FAULK  
COUNTY CLERK

Return to  
City of Fort Worth

STATE OF TEXAS  
COUNTY OF TARRANT

KNOW ALL MEN BY THESE PRESENTS:

That we, J. Merida Ellis, Individually and as Executor under the will of James M. Ellis, Deceased, and Eyd King Ellis, Individually of Tarrant County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) and other good and valuable considerations to us in hand paid by the City of Fort Worth, a municipal corporation, receipt of which is hereby acknowledged has CELEBRED, SOLD AND CONVEYED, unto the said City of Fort Worth, a municipal corporation, all those certain lots, tracts or parcels of land situated in the J. Armandoritz Survey, Abstract No. 1768, The W. R. Loving Survey, Abstract No. 548 and the S. F. Loving Survey, Abstract No. 943, City of Fort Worth, Tarrant County, Texas, said tracts of land being more particularly described as follows:

Being three (3) tracts or parcels of land out of the surveys set out above, lying along and adjacent to both right-of-way line of

US Highway No. 287, between Post North and Forest Hill and extended from Station 288+00 to Station 304+51.4.

**TRACT #1.** 3201+11.5 at a point in the north line of the S. P. Leitch Survey and tract No. 913, 1,460.7 feet east of its northeast corner, and said point being on the centerline of US Highway 287, bearing in a southerly direction along said centerline a distance of 2,396.2 feet to a point on said centerline at Station 288+00.

Said westerly 50 feet to a point on the east right-of-way line of US Hwy. 287 opposite and at right angle to centerline Station 288+00, said point being the beginning point of Tract #1, herein being described, running south 10 degrees 05' east a distance of 109.4 feet to a point 60 feet left of Highway 287, said point being 30 feet from the present U.S. right-of-way line.

THENCE south 6 degrees 35' west parallel with and 80 feet from the present centerline of U.S. Hwy. 287 a distance of 700 feet to a point 80 feet left and opposite centerline right-of-way line.

THENCE south 5 degrees 28' west a distance of 400.5 feet to a point said point being 60 feet to the left and opposite centerline Station 304+00, and also being 10 feet to the left of the present east right-of-way line of US Hwy. 287 at 519.30000.

THENCE south 6 degrees 48' west a distance of 463.9 feet to a point, said point being 60 feet to the left and opposite centerline Station 304+51.4 of Highway 287 and 10 feet left of the present right-of-way line, said point being 60 feet left of the beginning of a curve to the left along the centerline of Hwy. 287, whose radius is 1910.081 and whose central angle is 28 degrees 34'.

THENCE in a southerly direction along a line 60 feet from and parallel to the centerline of present US Hwy. 287 to a point 60 feet left of and opposite centerline Station 307+00, said station being on the above described curve to the left, said point being 30 feet from the present right-of-way line.

THENCE south 5 degrees 08' east a distance of 195 feet to a point, said point being 70 feet to the left of and opposite centerline Station 309+00, and also being 20 feet left of the present east right-of-way line.

Said parallel to the centerline of present US Hwy. 287 to a point 70 feet left of and opposite Station 316+00, said station being on the above described curve to the left, and 20 feet to the left of the present right-of-way line.

THENCE south 27 degrees 28' east a distance of 275.5 feet to a point in the present east right-of-way line of US Hwy. 287, said point being 50 feet left of and opposite centerline Station 316+22.8 and also being the end of the above described curve to the left.

THENCE in a northerly direction along the present east right-of-way line of US Hwy. 287 parallel with and 50 feet from the present centerline of US Hwy. 287 on the curve as described above to a point 50 feet right of and opposite centerline Station 304+51.9, being the beginning of the curve described above.

THENCE south 6 degrees 48' east a distance of 165.22 feet to a point of beginning and containing 1.179 acres of land more or less in tract #1.

**TRACT #2** BEING at a point in the west right-of-way line of U. S. Hwy. 287 50 feet opposite Station 288+00 as described in Tract #1.

THENCE south 23 degrees 18' east a distance of 104.4 feet to a point 80 feet right and opposite centerline Station 289+00 of present US Hwy. 287, said point being 30 feet west of present right-of-way line of US Hwy. 287.

THENCE south 6 degrees 48' west parallel with and 80 feet from the present centerline of US Hwy. 287 and 30 feet west of the present east right-of-way line a distance of 650 feet to a point 80 feet right of and opposite centerline Station 293+50.

THENCE south 5 degrees 05' east a distance of 102.1 feet to a point 60 feet right of and opposite centerline Station 294+50, said point being 10 feet of the present right-of-way line.

THENCE south 6 degrees 35' west a distance of 300 feet to a point 60 feet right of and opposite centerline Station 299+00, said point being 10 feet right of present right-of-way line.

THENCE south 0 degrees 31' west a distance of 100.5 feet to a point in the present west right-of-way line of US Hwy. 287, said point being 50 feet right of and opposite centerline Station 300+00.

0 2 4 8 5 0 5 4 5

THENCE north 6 degrees 36' East along the present west right-of-way line of US Hwy. 287 a distance of 1200 feet to a point of beginning and containing 0.597 of an acre of land more or less, in Tract #2.

TRACT #3: BEGINNING at a point the northwest corner of Block #8 of Rolling Hills Addition to the City of Fort Worth, said point being in the east right-of-way line of US Highway 287 as now located, 50 feet east of and at right angle to centerline Station 303473.5 THENCE westerly, crossing the centerline of US Hwy 287 at 50 feet in all 100 feet to a point in the west right-of-way line of US Hwy. 287, said point being 50 feet from and at right angle to the centerline Station 303473.5.

THENCE southerly along said west right-of-way line a distance of 1204.8 feet to a point 50 feet from and at right angle to the centerline Station 315450, the beginning point of the Tract #3 herein being described.

THENCE South 21 degrees 06' East a distance of 101.5 feet to a point 70 feet right of and opposite centerline Station 316450, said Station being on a curve to the left as described in Tract #1, said point also being 20 feet right of present right-of-way.

THENCE southeasterly a distance of 291.3 feet parallel with and 70 feet from the centerline of US Highway 287 to a point 70 feet right of and opposite Station 318482.5 on the centerline of US Highway 287, the end of the curve described in Tract #1.

THENCE south 35 degrees 58' East a distance of 117.2 feet to a point 70 feet right of and opposite centerline Station 320400, said point being 20 feet right of present right-of-way line.

THENCE South 30 degrees 15' East a distance of 100.5 feet to a point 80 feet right of and opposite centerline Station 321400, said point being 30 feet right of present right-of-way line.

THENCE South 35 degrees 58' East a distance of 310.6 feet to a point in the north line of Timberline Drive South, said point being 80 feet right of and opposite centerline Station 324420.6 and 30 feet right of present right-of-way line.

THENCE North 27 degrees 10' East a distance of 33.6 feet to a point in the present right-of-way line of US Hwy. 287 and the North line of Timberline Drive South, said point being 50 feet right of and opposite centerline Station 325495.4, and 68 feet North 35 degrees 58' West from the northwest corner of Block #14, Rolling Hills, Addition to the City of Fort Worth.

THENCE North 35 degrees 58' West along the present West right-of-way line of US Highway 287, a distance of 512.6 feet to a point in said present west right-of-way line of US Hwy. 287, 50 feet right of and opposite Station 318482.8, the end of the curve to the left as described in Tract #1.

THENCE northerly 50 feet from and parallel with the centerline of present right-of-way of US Hwy. 287 a distance of 391.5 feet to a point of beginning and containing 0.597 of an acre of land more or less in Tract #3.

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 we do hereby bind ourselves, our heirs, executors, and administrators to Warrant and Forever Defend, all and singular the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS OUR HANDS AT FORT WORTH, TEXAS this 29<sup>th</sup> day of Sept., A. D.

1932.

J. Merick Ellis  
J. Merick Ellis  
By: King Ellis  
King Ellis

0 2 4 8 5 0 5 4 6

0 2 4 5 0 5 8 4 2 0

FROM: BUSINESS, MAJOR AVIATION  
ANALYSIS GROUP  
CITY OF HOUSTON,  
A MUNICIPAL ORGANIZATION

57768

FILED  
OCT 16 10 32 AM '52  
CLERK  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

RECORDED  
INDEXED  
10/16/52

Filed for Record: 10/22/52  
And Recorded: 10/21/52  
Instrument No. 52267  
MELVIN MEL FAULK COUNTY CLERK  
HARRIS COUNTY, TEXAS  
By: [Signature] Deputy

NOTARIAL SEAL  
Impressed

VICTOR B WARRINER

STATE OF TEXAS  
COUNTY OF TARRANT  
BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared Victor B Warriner, to be known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29 day of September, A. D. 1952.

NOTARIAL SEAL  
Impressed

VICTOR B WARRINER

STATE OF TEXAS  
COUNTY OF TARRANT  
BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared Victor B Warriner, to be known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29 day of September, A. D. 1952.

*Dorothy Brown*  
DOROTHY BROWN, Trustee of the Estate of  
Lillian Douglas Durlinger

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, the undersigned authority, a Notary Public in and for Tarrant County, Texas, on this day personally appeared W. C. DURLINGER, individually and as Trustee of the Estate of Lillian Douglas Durlinger, deceased, and DOROTHY BROWN, Trustee of the Estate of Lillian Douglas Durlinger, deceased, and each acknowledged to me that he and she respectively executed said instrument for the purposes and consideration therein expressed and in the capacities therein stated.

GIVEN UNDER MY HAND and seal of office, this 14<sup>th</sup> day of August, 1952.

*Edward L. Flood*  
EDWARD L. FLOOD, Notary Public in and for  
Tarrant County, Texas.

NOTARIAL SEAL  
Impressed

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, the undersigned authority, a Notary Public in and for Tarrant County, Texas, on this day personally appeared PEGGY FLOOD, Trustee of the Estate of Lillian Douglas Durlinger, deceased, and acknowledged to me that she respectively executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND and seal of office, this 14<sup>th</sup> day of August, 1952.

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

NOTARIAL SEAL  
Impressed

OCT 16 1952  
Filed for Record at 12:21 AM  
And Recorded OCT 21 1952 at 7:21 AM  
Instrument No. 5776  
MELVIN "MEL" FAULK County Clerk  
Tarrant County, Texas  
By *H. J. Aston* Deputy

THOMAS  
GEORGE C. CRITCHEMEN  
AND WIFE, MAE CRITCHEMEN  
5776  
CITY OF FORT WORTH,  
A MUNICIPAL CORPORATION

FILED  
TARRANT COUNTY, TEXAS  
OCT 16 10 31 AM '52

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

That we, **George C. Crittenden and wife, Ma Crittenden**, of Tarrant County, Texas, for and in consideration of the sum of TWELVE HUNDRED AND NO/100 (\$1200.00) and other good and valuable considerations to us in hand paid by **the City of Fort Worth, a municipal corporation**, in cash, receipt whereof is hereby acknowledged, has **GRANTED, SOLD AND CONVEYED**, unto the said City of Fort Worth, a municipal corporation, being two tracts of land lying and being situated in the **J. Armandaris Survey in the City of Fort Worth, Tarrant County, Texas**, and being more particularly described as follows:

BEING two (2) tracts of land out of the J. Armandaris Survey Abstract No. 1768, lying along and adjacent to the south right-of-way line of U. S. Hwy. No. 287 between Fort Worth and Forest Hill and extending from Station 32445.4 to Station 325492.8, and from Station 325498 to Station 33451.

**TRACT #1: BEGINNING** at a point in the south right-of-way line of US Hwy. No. 287, 50 feet opposite centerline station 32445.4, said point being at the northwest corner of Block No. 14, Rolling Hills Addition to the City of Fort Worth and in the east line of Timberline Drive and at the northwest corner of George C. Crittenden's tract of land.  
**THENCE** southeasterly along the south right-of-way line of U. S. Hwy. No. 287 parallel with and 50 feet from its centerline a distance of 130.7 feet to a point in the south right-of-way line, said point being in the north line of a tract of land owned by the Texas Electric Service Company.  
**THENCE** southeasterly along the joint property line of George C. Crittenden and the Texas Electric Service Co. a distance of 36.7 feet to a point in said line for corner, said point being 80 feet opposite and at right angle to centerline station 325470.3 and being in the proposed south right-of-way line of US Highway No. 287.  
**THENCE** northeasterly parallel with and 30 feet from the present south right-of-way line of US Hwy. No. 287, a distance of 92.6 feet to a point in the east line of Timberline Dr. So. and in the west property line of George C. Crittenden.  
**THENCE** northerly along the east line of Timberline Drive So. and the west property line of George C. Crittenden a distance of 94.1 feet to the point of beginning and containing .0824 of an acre of land more or less.

**TRACT #2: BEGINNING** at a point in the south right-of-way line of U. S. Highway No. 287 50 feet opposite centerline station 326456.3 and in the south line of the Texas Electric Service Co. tract of land and the north property line of George C. Crittenden, said point also being 194.2 feet southeasterly along the south right-of-way line of US Hwy. No. 287, from the southwest corner of Block No. 14, of Rolling Hills Addition to the City of Fort Worth.  
**THENCE** in a southeasterly direction along the south right-of-way line of US Hwy. No. 287 and the north

property line of George C. Crittenden, 38 feet from and parallel with the centerline of U.S. Highway No. 287, a distance of 604.8 feet to a point in the southeast property line of George C. Crittenden, and the northwest property line of the Maddox Avenue Baptist Church, thence in a westerly direction along the joint property line of the Maddox Avenue Baptist Church and George C. Crittenden, a distance of 46 feet to a point in the said joint property line at its intersection with the proposed south right-of-way line of U.S. Highway No. 287 opposite and 80 feet from centerline station 267+00 on centerline of US Hwy. No. 287 as now located, thence westerly along the proposed south right-of-way line of US Hwy. No. 287 30 feet from and parallel with the present right-of-way line of US Hwy. No. 287 a distance of 602.92 feet to a point in the said proposed south right-of-way line 20 feet opposite centerline station 267+30.5 on centerline of present US Highway No. 287, in the east line of the Texas Electric Service Company property, thence northeasterly along the joint property line of Texas Electric Service Company and George C. Crittenden a distance of 36.7 feet to the point of beginning, containing 0.418 of an acre of land more or less.

Tract #1	0.0824	A/c
Tract #2	0.3350	A/c
Total	0.4174	A/c

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 we do hereby bind ourselves, our heirs, executors and administrators to warrant and forever defend, all and singular the said premises unto the said City of Fort Worth, its successors and assigns, against every person who may lawfully claim or to claim the same, or any part thereof.

WITNESS our hands at Fort Worth, Texas, this 29th day of September, 1937.

*George C. Crittenden*  
George C. Crittenden  
*Max Crittenden*  
Max Crittenden

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared George C. Crittenden to be known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, 29<sup>th</sup> day of September, 1952.

Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared Mrs. Crittenden, wife of George C. Crittenden, known to me to be the person whose name is subscribed to the foregoing instrument, and having the same been examined by me privately and apart from her husband, and having the same fully explained to her, she said she Crittenden 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 29<sup>th</sup> day of September, 1952.

Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

Filed for Record OCT 16 1952 110-31 621  
And Recorded OCT 21 1952 110-31 621  
Instrument No. 5776  
MELVIN "MEL" FAULK, County Clerk,  
Tarrant County, Texas  
By [Signature] Deputy

FROM: MEL. C. CRITTENDEN, A WIDOW  
AND 5776  
CITY OF FORT WORTH,  
A MUNICIPAL CORPORATION

FILED  
COUNTY, TEXAS  
Oct 15 10 31 AM '52  
MELVIN "MEL" FAULK  
COUNTY CLERK

FILED  
RESERVED

Return to  
[Signature]



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 we do hereby bind ourselves, our heirs, executors, and administrators to Warrant and Forever Defend, all and singular the said premises unto the said City of Fort Worth, its successors and assigns, Against every person whatsoever lawfully claiming or to claim the same, or any part thereof:

WITNESS OUR HAND AT FORT WORTH, TEXAS, this 3rd day of October, A. D. 1952.

TRUSTEES:

E. H. Bilbo  
E. H. BILBO

O. C. Renwick  
O. C. RENWICK

W. O. Murphy  
W. O. MURPHY

J. F. Grace  
J. F. GRACE

A. L. Corley  
A. L. CORLEY

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas on this day personally appeared, E. H. Bilbo to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October, A. D. 1952.

Leon J. Keiser  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas on this day personally appeared, G. G. Renois to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October, A. D. 1952.



Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas on this day personally appeared, H. G. Harney to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October, A. D. 1952.



Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared, J. F. Grace to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October, A. D. 1952.



Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, a Notary Public in and for Tarrant County, Texas on this day personally appeared, A. M. Corley known to be to me the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October, A. D. 1952.



Leon J. Keeble  
A Notary Public in and for  
Tarrant County, Texas

Filed for Record OCT 18 1952 10:52 AM  
And Recorded OCT 21 1952 11:32 PM

Instrument No. 57767 MELVIN 'MEL' FAULK, County Clerk,  
Tarrant County, Texas

By [Signature] Deputy

STATE OF TEXAS     §  
COUNTY OF TARRANT    §

KNOW ALL MEN BY THESE PRESENT:

THAT WE, The Trustees of the Maddox Avenue Baptist Church of Fort Worth, Tarrant County, Texas, for and in consideration of the sum of EIGHT HUNDRED AND NO/100 (\$800.00) Dollars and other good and valuable considerations to us in hand paid by the City of Fort Worth, a municipal corporation, in cash, receipt of which is hereby acknowledged, has GRANTED, SOLD AND CONVEYED, unto the said City of Fort Worth, a municipal corporation of Tarrant County, Texas, all those certain tracts or parcels of land lying and being situated in the J. Armendaris Survey, Abstract No. 1768 and the William Hicks Survey, Abstract No. 694 in the City of Fort Worth, Tarrant County, Texas, and being more particularly described as follows:

Being a tract or parcel of land out of the said Armendaris and William Hicks Surveys, lying along and adjacent to the south right-of-way line of US Hwy. 287 between Fort Worth and Forest Hill and extending from a point 50 feet opposite and at right angle to centerline Station 338449 to a point 50 feet opposite and at right angle to centerline Station 347488.6,

BEGINNING at a point in the south right-of-way line of US Hwy. 287 as now located, said point being 50 feet opposite and at right angle to station 338449 on centerline, said point also being the northeast corner of a tract of 16 acres of land, and the northwest corner of a 5 acre tract of land owned by the Maddox Avenue Baptist Church. Said point being 106.7 feet southerly and North 61 degrees 28' West 1,072 feet from the most easterly southeast corner of Block 2 of Rolling Hills Addition to the City of Fort Worth,  
THENCE South 61 degrees 28' east parallel with and 50 feet from the centerline of US Highway 287 a distance of 939.6 feet to a point 50 feet opposite and at right angle to Station 347488.6 on said centerline,

THENCE south 89 degrees 45' west a distance of 19.5 feet to a point on the proposed south right-of-way line of U. S. Hwy. 287, said point being 60 feet opposite and at right angle to centerline station 347470.4 of US Hwy. 287 as now located, said point being in the north line of Mrs. Charles Leitner's property and in the south line of Maddox Avenue Baptist Church property,  
THENCE north 61 degrees 28' west parallel with and 60 feet from the centerline of US Highway 287 a distance of 70.4 feet to a point opposite and at right angle to centerline station 347400,  
THENCE westerly a distance of 100.5 feet to a point 80 feet opposite and at right angle to centerline Station 346400 on US Highway 287 as now located,

THENCE north 61 degrees 28' west parallel with and 70 feet from the centerline of US Hwy. 287 a distance of 751 feet to a point opposite and at right angle to centerline Station 338449, said point being in the west line of a 5 acre tract of land owned by Maddox Avenue Baptist Church,  
THENCE Northerly along said west property line of the Maddox Ave. Baptist Church, a distance of 20 feet to the point of beginning and containing 0.3974 of an acre of land more or less.

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 we do hereby bind ourselves, our heirs, executors and administrators to Warrant and Forever Defend, all and singular the said premises unto the said City of Fort Worth, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS our hands at Fort Worth, Texas this 3rd day of October  
A. D. 1952.

TRUSTEES:

E. H. Bilbo  
E. H. BILBO

O. C. Rencis  
O. C. RENCIS

W. O. Murphy  
W. O. MURPHY

J. F. Grace  
J. F. GRACE

A. M. Corley  
A. M. CORLEY

STATE OF TEXAS  
COUNTY OF TARRANT

HENRY IS, A Notary Public in and for Tarrant County, Texas, on this day personally appeared E. H. Bilbo to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October  
A. D. 1952.

Leon J. Keiser  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared O. C. Renois to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October  
A. D. 1952.



Leon J Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared W. O. Murphy to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October  
A. D. 1952.



Leon J Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared J. F. Grace to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October  
A. D. 1952.



Leon J Keeble  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared A. M. Corley to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of October  
A. D. 1952.



Leon J Keeble  
A Notary Public in and for  
Tarrant County, Texas

Filed for Record

And Recorded

Instrument No. 5776

10:32 AM

10:31 AM

MELVIN MEE TARRANT County Clerk  
Tarrant County, Texas

Boyd Patton

Deputy

3024/374

THE STATE OF TEXAS }  
 County of TARRANT } BEFORE ME  
 A Notary Public in and for Tarrant County, Texas,  
 on this day personally appeared J. L. Long  
 to me known  
 whose name is subscribed to the foregoing instrument, and acknowledged to me that HE  
 executed the same for the purposes and consideration therein expressed.  
 GIVEN UNDER MY HAND and seal of office, this 21st day of JUNE A. D. 1956  
 J. O. Phillips  
 A Notary Public in and for Tarrant County, Texas

Filed for Record AUG 20 1956 of 1250 P.M.  
 And Recorded AUG 23 1956 of 4:15 P.M.  
 Instrument No. 53007 MELVIN "MEL" FAULK, County Clerk,  
 Tarrant County, Texas  
 By D. Milton Deputy

Texas Highway Department  
Form 274 11-14-112

1121-1564-120

### RIGHT-OF-WAY DEED

STATE OF TEXAS }  
 County of TARRANT } KNOW ALL MEN BY THESE PRESENTS:

That I, Laura Leitner, a feme sole  
 of the County of Tarrant, State of Texas, for and in consideration of the sum of  
 Five Thousand Seven Hundred Fifty and no/100 DOLLARS, to me in hand  
 paid by the State of Texas, acting by and through the State Highway Commission, receipt of which is  
 hereby acknowledged, have this day sold, and do by these presents grant, bargain, sell and convey unto  
 the State of Texas, all that certain tract or parcel of land, situate in the County of Tarrant  
 State of Texas, and being a part of The Wm Hicks Survey, Abstract No. 694

conveyed by George W. Armstrong to Charles Leitner  
 by deed dated the 10 day of April 1905 and recorded in  
 Volume 209 Page 128 of Deed Records of Tarrant County,  
 Texas; said tract or parcel of land herein conveyed, being subject to:

(Important Note: If no liens, leases or easements exist, insert the word "None.")  
 lien(s) held by none  
 (Name) (Address)  
 easement(s) held by none  
 (Name) (Address)  
 lease(s) held by none  
 (Name) (Address)

and being more particularly described as follows, to-wit:  
 Being a tract or parcel of land out of the Wm. Hicks Survey, shown in the Tarrant  
 County, Texas, Tax Records as Tract 2-M, and shown in the Fort Worth City Tax Records  
 as Tract No. 1 of the Williams Hicks Survey, Abstract No. 694 lying along and adjacent  
 to the present North right-of-way line of U.S. Highway 287, and along and adjacent to  
 the South right-of-way line of Rodeo Street from U.S. Highway 287 to Old Mansfield Road,  
 and being more particularly described as follows, to-wit:

Beginning at a point in the present northerly right-of-way line, 50 feet northerly  
 from and at right angle to Engineers Centerline Station 349+72.53 on U.S. Highway 287.  
 Said point being the intersection of the Northerly right-of-way line of U.S. Highway  
 #287 and the Southerly right-of-way line of Rodeo Street, which is a 30-foot street;

0 3 0 2 4 0 3 9 4

THENCE South 89 degrees 45 minutes East along said South right-of-way line of Rodeo Street and the North line of said Tract No. 1 and 2-M, 587.2 feet to the Northeast corner of said Tract at the southerly corner of the intersection of Rodeo Street and Old Mansfield Road;

THENCE South 45 degrees 30 minutes East, along the southeasterly line of Old Mansfield Road, 28.3 feet for a corner;

THENCE North 89 degrees 45 minutes West, parallel to and 20 feet southerly from the South line of Rodeo Street, 362.1 feet to the beginning of a curve to the left, at a point 47.3 feet northerly from @ radius point, which is 97.3 feet from and at right angle to Engineers Centerline Station 352+02.08;

THENCE in a Southerly direction, curving to the left along the circumference of a circle, whose radius is 47.3 feet to a point where said circumference is tangent to said North right-of-way line of U.S. Highway 287. Said point being 50 feet from and at right angle to Engineers Centerline Station 352+02.08 on U.S. Highway 287;

THENCE North 61 degree 28 minutes West along said present North right-of-way line 50 feet northerly from and parallel to the centerline of U.S. Highway 287, a distance of 229.5 feet to the point of beginning, containing approximately 0.401 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 State of Texas and its assigns, save and except the following reservations and provisions:

The Grantor(s) reserve(s) all of the oil, gas and sulphur in and under said land, but waive(s) all rights of ingress and egress for the purpose of exploring, developing, mining or drilling for the same. However, nothing in this reservation shall affect the rights of the State to use said land and other minerals and materials thereon, therein or thereunder for road purposes, it being specifically understood that the State and its assigns shall be vested with the title to and the right to take and use, without additional compensation, any stone, earth, gravel, caliche or any other materials or minerals upon, in and under said land, except oil, gas and sulphur, for the construction and maintenance of the Highway System of Texas.

And I the said Laura Leitner, a feme sole

do hereby bind myself my heirs, executors, and administrators, to warrant and forever defend all and singular the said premises, unto the said State of Texas, and its assigns against every person, whomsoever lawfully claiming or to claim the same or any part thereof.

And it is further agreed that in consideration of the benefits above set out, will remove from the property above described such fences, buildings and other obstructions as may be found upon said premises.

Witness my hand, this the 24th day of April, A. D. 1956

*Laura Leitner*

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,

County of TARRANT

Before me, Donald C. Eubar, a notary public in and for said County and State, on

this day personally appeared Laura Leitner, a feme sole

CARY PUG known to me (or proved to me on the oath of \_\_\_\_\_ a credible witness) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 24th day of April, 1956

*Donald C. Eubar*

DONALD C. EUBAR Notary Public in and for Tarrant County, Texas.

Filed for Record AUG 20 1956 of 12:50P  
 And Recorded AUG 23 1956 of 4:45P  
 Instrument No. 53008 MELVIN "MEL" FAULK, County Clerk  
 Tarrant County, Texas  
 By [Signature] Deputy

0 3 0 2 4 0 3 9 5

542

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared George C. Crittendon to be known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, 29<sup>th</sup> day of September, 1952.

*Leon J. Keeble*  
A Notary Public in and for  
Tarrant County, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, A Notary Public in and for Tarrant County, Texas, on this day personally appeared Mrs. Crittendon, wife of George C. Crittendon, known to me to be the person whose name is subscribed to the foregoing instrument, and having the same been examined by me privately and apart from her husband, and having the same fully explained to her, she said she Crittendon 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 29<sup>th</sup> day of September, 1952.

*Leon J. Keeble*  
A Notary Public in and for  
Tarrant County, Texas

Filed for Record OCT 16 1952 10:31 AM  
And Recorded OCT 21 1952 3:22 PM  
Instrument No. 59765  
MELVIN "MEL" FAULK, County Clerk,  
Tarrant County, Texas  
By *M. Matson* Deputy

FROM: MRS. G. CRITTENDON, A WIDOW  
Book 57765  
TO: CITY OF FORT WORTH,  
A MUNICIPAL CORPORATION

FILED  
TARRANT COUNTY, TEXAS  
OCT 16 10 31 AM '52  
MELVIN "MEL" FAULK  
COUNTY CLERK

*Return to  
City Secretary*

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

That Mrs. C. Leitner, a widow, of Tarrant County, Texas, for and in consideration of the sum of TWO HUNDRED AND NO/100 Dollars (\$200.00) and other good and valuable considerations to me in hand paid by the City of Fort Worth, a municipal corporation, in cash, receipt whereof is hereby acknowledged, has GRANTED, SOLD AND CONVEYED, unto the said City of Fort Worth, a municipal corporation of Tarrant County, Texas, all those certain lots, tracts or parcels of land lying and being situated in the Mm. Hicks Survey in the City of Fort Worth, Tarrant County, Texas, and being more particularly described as follows:

A tract of land or parcel of land out of the said Millan Hicks Survey, lying along and adjacent to the south right-of-way line of US Highway No. 287 as now located, between Fort Worth and Forest Hill and extending from a point 60 feet opposite and at right angle to centerline 347+00,

BEGINNING at a point 50 feet opposite and at right angle to centerline station 347+88.6 on centerline of US Hwy. No. 287 as now located, said point lying in its south right-of-way line, and also being South 28 degrees 32' West 106.7 feet and North 61 degrees 28' West 133.1 feet from the most easterly southeast corner of Block No. 2, Rolling Hills addition to the City of Fort Worth, and in the north property line of Mrs. Charles Leitner,  
 THENCE South 61 degrees 28' East 50 feet from and parallel with the centerline of US Hwy. No. 287 as now located, a distance of 711.4 feet to a point 50 feet opposite and at right angle to centerline station 355+00 on said centerline of US Hwy. No. 287, as now located,  
 THENCE westerly a distance of 200 feet to a point opposite 50 feet and at right angle to centerline station 353+00 on centerline of said US Hwy. 287 as now located,  
 THENCE North 61 degrees 28' West parallel with and 60 feet from the centerline of US Highway No. 287, as now located, a distance of 529.6 feet to a point opposite and at right angle to centerline station 347+70.4 said point being in the north property line of Mrs. Charles Leitner,  
 THENCE North 87 degrees 45' East along the north property line of Mrs. Charles Leitner a distance of 19.3 feet to the point of beginning and containing 0.14 of an acre of land more or less.

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

WITNESS my hand at Fort Worth, Texas this 30th day of September, 1952

*Mrs. C. Leitner*

H H 5 0 5 8 4 2 0

STATE OF TEXAS  
 COUNTY OF TARRANT  
 NOW ALL SET BY THESE PRESENTS

That we, J. Worlan Bille, Individually and as Executor under the will of James M. Bille, deceased, and Bert King Bille, Individually of Tarrant County, Texas, for and in consideration of the sum of TEN AND 00/100 (\$10.00) and other good and valuable considerations to us in hand paid by the City of Fort Worth, a municipal corporation, receipt of which is hereby acknowledged and the same sold and conveyed, with the said City of Fort Worth, a municipal corporation, all those certain lots, tracts or parcels of land situated in the 4th Block of the 5th Block of the 1st Addition to the City of Fort Worth, Texas, said tracts of land being more particularly described as follows: Being three (3) tracts of parcels of land out of the survey set out above, lying along and adjacent to both right-of-way line of

*Return to  
 depending*



FILED  
 OCT 15 10 32 AM '52  
 TARRANT COUNTY, TEXAS  
 CLERK

NO. 57766  
 CITY OF FORT WORTH  
 A MUNICIPAL CORPORATION  
 AND AS EXECUTOR UNDER THE WILL  
 OF JAMES M. BILLE, DECEASED  
 AND BERT KING BILLE, INDIVIDUALLY

Filed for Record  
 And Recorded  
 Instrument No. 57766  
 MELVIN MEL FAULK, County Clerk  
 Tarrant County, Texas  
 Deputy

OCT 16 1952  
 OCT 21 1952  
 OCT 5 1952

STATE OF TEXAS  
 COUNTY OF TARRANT

REPORT ME, A Notary Public in and for Tarrant County, Texas on this day personally appeared, JAMES M. BILLE, A widow, to me known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of September, A. D. 1952.

*James M. Bille*  
 A Notary Public in and for  
 Tarrant County, Texas

NOTARIAL SEAL  
 Impressed

4.

File No. MF 110551

*Deed*

Date Filed: 11/26/09  
Jerry Patterson, Commissioner

By: *[Signature]*

# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (109332)  
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 East Alta Mesa Blvd., Suite 300, Ft. Worth, TX 76133** hereinafter called "Lessee".

1. Lessor, in consideration of **Two Hundred Eighty Nine Thousand Five Hundred 00/100 (\$289,500.00)** 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:

**19.3 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 **19.3 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 August 19th, 2008** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **26%** 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 **26%** 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 **26%** 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 **26%** 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 **\$ 5,000.00**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

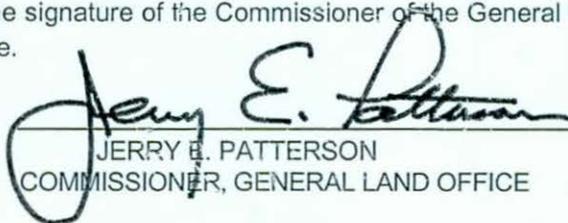
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

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

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

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:

ML: DR

DC: CLR

CC: B

COPY

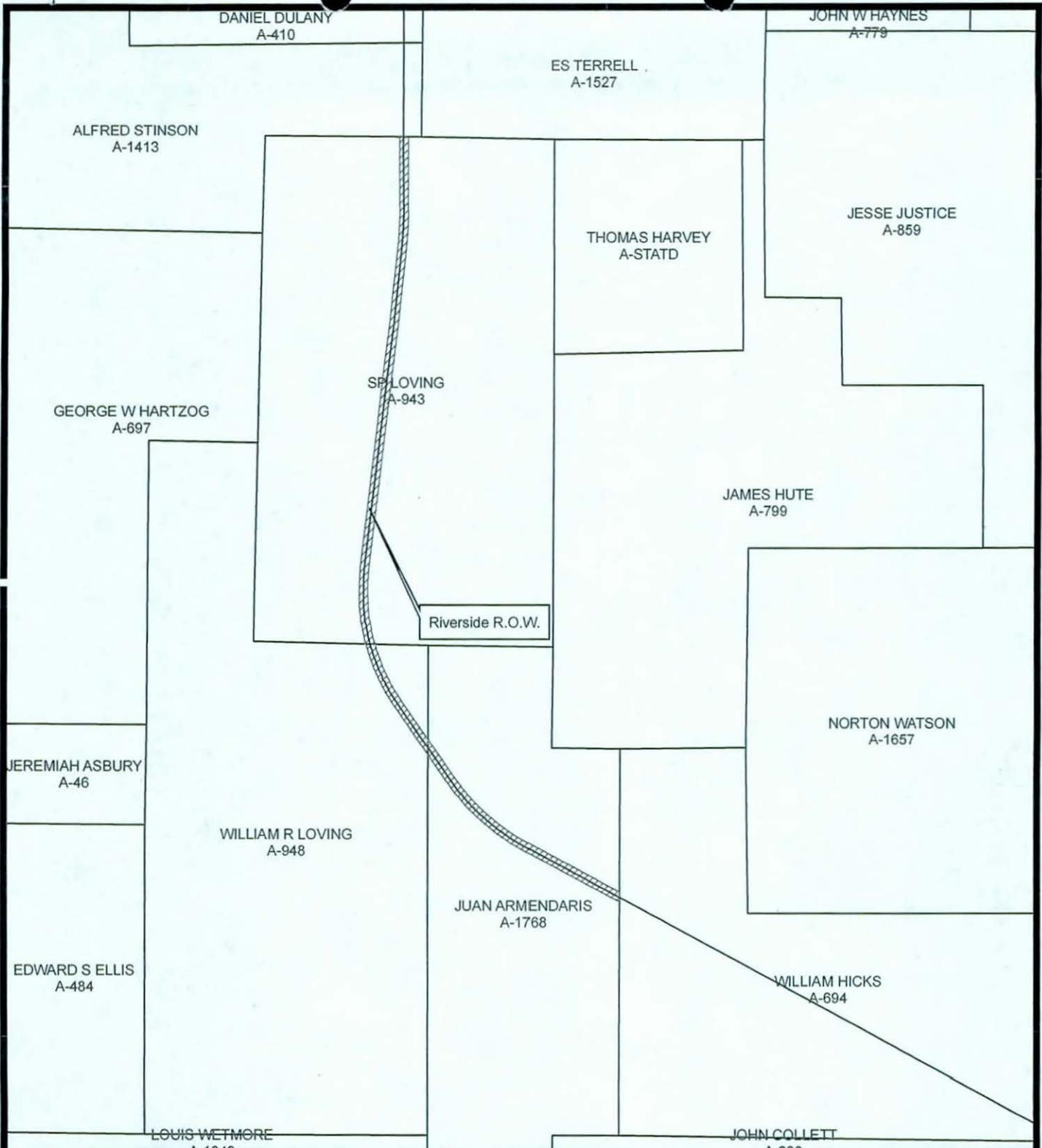
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated August 19th, 2008, by and between the State of Texas, as lessor, and Dale Properties Services, LLC as lessee, covering acreage to be leased in Tarrant County, Texas, being part of Riverside Drive ROW.

19.3 acres of land, more or less, situated in the S.P. Loving Survey, A-943, the J. Armendaris Survey, A-1768, the W.R. Loving Survey, A-948 and the William Hicks Survey, A-694 in Tarrant County. Said land also being the same lands described in the following deed recorded in the Deeds of Records, Tarrant County.

Deed from James M. Ellis and Bryd King Ellis  
to Tarrant County, State of Texas  
dated 7/21/1931 and recorded in Vol. 1149  
P. 498 of the Deed or Records, Tarrant  
County.

**COPY**



Map Showing  
A portion of Riverside Right-of-Way  
19.3 acres  
Located in Fort Worth  
Tarrant County  
ft08-08

**COPY**

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



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



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



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 09/09/2008 02:09 PM  
Instrument #: D208351055  
OPR 8 PGS \$40.00

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



**D208351055**

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

Printed by: MC

# The State of Texas



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (107711)  
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 Resources, L.L.C., whose address is 6001 Bridge Street, Suite 102, Ft. Worth, TX 76112 hereinafter called "Lessee".

1. Lessor, in consideration of ~~Twenty Nine Thousand Five Hundred Fifty~~ **00/100 (\$29,550.00)** 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:

**5.91 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 **5.91 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 April 3rd, 2007** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. **ROYALTIES:** As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **27.5%** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **27.5%** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

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

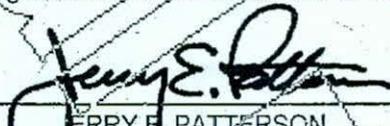
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

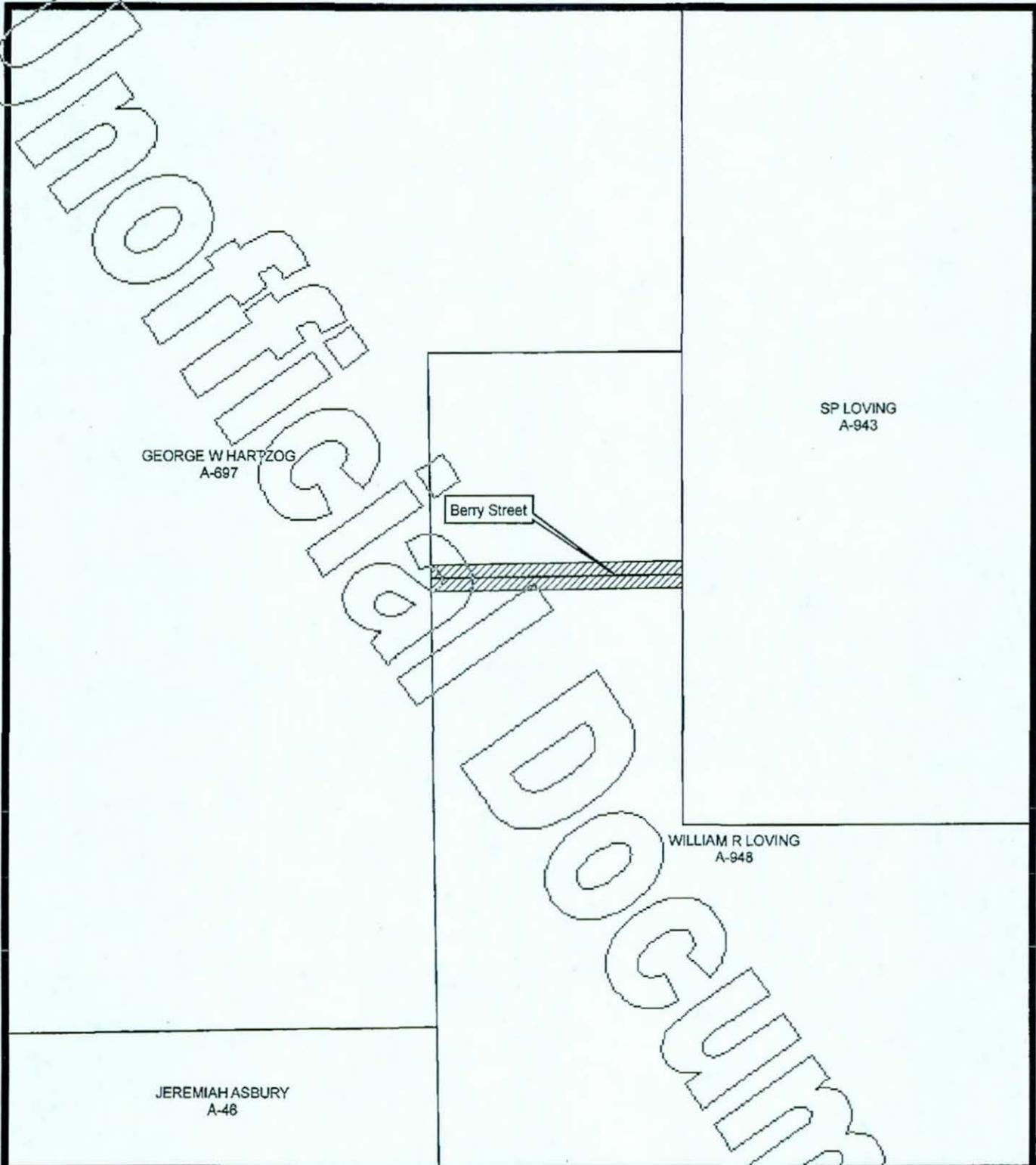
Exhibit "A"

Attached hereto and made a part of that certain Oil and Gas Lease dated April 3rd, 2007, by and between the State of Texas, as lessor, and Dale Resources, LLC as lessee, covering acreage to be leased in Tarrant County, Texas, being part of the Berry Street ROW.

5.91 acres of land, more or less situated in the G.W. Hartzog Survey, A-697 and the S.P. Loving Survey, A-943. Said lands also being the same lands described in the following deed recorded in the Deed Records of Tarrant County:

Deed from Grady Renfro and wife Lena Renfro,  
James W. Ellis and wife Bryd King Ellis to  
the State of Texas  
dated 1/3/1925 and recorded in Vol.870,  
P. 124 of the Deed Records, Tarrant  
County.

Unofficial Draft Document



Map Showing  
A portion of Berry Street  
5.91 acres  
Located in Fort Worth  
Tarrant County  
M04-07

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

GCS\_North\_American\_1927  
0 250 500 Feet

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



Map Compiled By:  
Ferrel Taylor  
Information Systems - GIS  
March 28, 2007



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

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 04/23/2007 03:19 PM  
Instrument #: D207139855  
LSE 8 PGS \$40.00

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



**D207139855**

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.

MEMORANDUM OF OIL AND GAS LEASE

FILED  
TARRANT COUNTY TEXAS  
2006 JUN -6 AM 8:59

THE STATE OF TEXAS       §  
  §  
COUNTY OF TARRANT     §

Notice is hereby given that on the 21<sup>st</sup> day of June, 2006 an Oil and Gas Lease was made and entered into by and between VERTEX Asset Partners, L.P., whose mailing address is 3715 Camp Bowie Boulevard, Fort Worth, TX 76107, as "Lessor", and Dale Resources, L.L.C., whose address is 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, as "Lessee", wherein Lessor, in consideration of Ten Dollars and other consideration in hand paid, grants and leases exclusively unto Lessee, for the sole purpose of exploring for, drilling for, and producing oil and gas; provided, however, no use whatsoever may be made of the surface of the land in exploring for, drilling for, or producing oil and gas, the following described land in Tarrant Count, State of Texas, to wit:

See Exhibit "A"

Subject to other provisions therein contained, said Lease provides for a primary term of two (2) years and as long thereafter as oil or gas or either of them is produced in paying quantities from said land. Originals of the Oil and Gas Lease are in the possession of Lessor and Lessee.

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

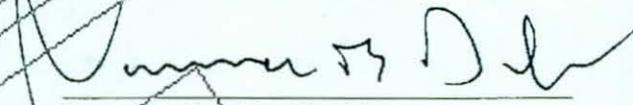
By: VERTEX Investments, Inc.,  
General Partner



By: Michael J. Mallick, President

**LESSEE:**

**DALE RESOURCES, L.L.C.**



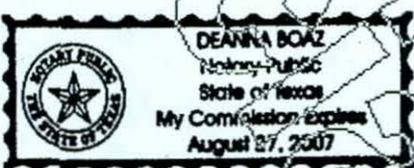
Lawrence B. Dale, President

Unofficial Document

STATE OF TEXAS       §  
                                  §  
                                  §  
COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, on this day personally appeared Michael J. Mallick, President of VERTEX Investments, Inc., General Partner of VERTEX Asset Partners, L.P., known to me to be the person whose name is subscribed to the foregoing Memorandum of Oil, Gas and Mineral Lease, and stated he executed the same for the purposes and considerations therein expressed, under his own free will and accord, in the capacity therein stated.

GIVEN MY HAND AND SEAL OF OFFICE this 21 day of June, 2006.



Deanna Boaz  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                  §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared Lawrence B. Dale, President of Dale Resources, L.L.C., known to me to be the person whose name is subscribed to the foregoing Memorandum of Oil, Gas and Mineral Lease, and stated he executed the same for the purposes and considerations therein expressed, under his own free will and accord, in the capacity therein stated.

GIVEN MY HAND AND SEAL OF OFFICE this 21 day of June, 2006.

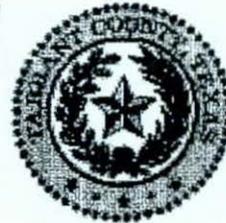


Deanna Boaz  
Notary Public, State of Texas

EXHIBIT "A"

Attached to and made a part of Oil and Gas Lease dated 21<sup>st</sup> day of June, 2006, between VERTEX Asset Partners, LP as Lessor and Dale Resources, L.L.C. as Lessee

5.83 acres of land, more or less, being all of Lot B, Block 1, of the Jim Ellis Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas; SAVE and EXCEPT that portion of said lot described in that certain deed dated June 16, 1955, from J. Merida Ellis, Individually and as Executor of the Estate of James M. Ellis, deceased, and Byrd King Ellis, as Grantor, to The City of Fort Worth, as Grantee, and recorded in Volume 2916, Page 43, of the Deed Records of Tarrant County, Texas.



DALE RESOURCES LLC  
2100 ROSS AVE #1870 LB 9

DALLAS TX 75201

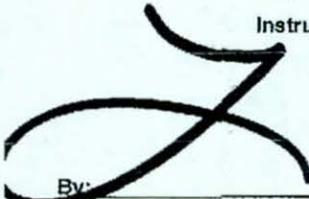
Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 11/06/2006 08:50 AM  
Instrument #: D206347803  
OPR 5 PGS \$28.00

By: 



**D206347803**

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

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

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

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

THIS AGREEMENT made this 19 day of September, 2006, between Paragon Enterprises, Lessor (whether one or more), whose address is 4149 Rafter Court, Fort Worth, Texas 76109, 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 hydrocarbons, 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 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:

2.088 acres of land, more or less, out of the S. R. Loving Survey, Abstract 943, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated January 5, 2005, from Berry Street Enterprises, Inc., as grantor, to Paragon Enterprises, as grantee, filed in D205372954, of the Deed Records of Tarrant County.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or 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 hereafter 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 from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument of record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

Paragon Enterprises

*Sol Taylor*  
By: Sol Taylor as General Manager

ACKNOWLEDGMENTS

STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on the  
by Sol Taylor as General manager of Paragon Enterprises.

2016 day of September, 2006.



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

STATE OF  
COUNTY OF

This instrument was acknowledged before me on the  
by

day of

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



SHAW INTERESTS INC  
P O BOX 9612

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

---

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

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

Filed For Registration: 10/31/2006 02:30 PM  
Instrument #: D206340771  
OPR 3 PGS \$20.00

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



**D206340771**

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30 day of November, 2005, between Grace Temple Church of Fort Worth, Inc., a Texas non-profit religious corporation, Lessor (whether one or more), whose address is 4500 S Riverside Drive, Fort Worth, Texas 76119, and Defe 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 sell said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

2.44 acres of land, more or less, out of the W.R. Loving Survey, Abstract 948, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 31, 1989 between Timberline Baptist Church, a Texas non-profit religious corporation as Grantor and Grace Temple Church of Fort Worth, Inc., a Texas non-profit religious corporation recorded in Volume 9749, Page 6918 of the Deed Records of Tarrant County, Texas.

4.388 acres of land, more or less, being Lot 1A, Block A, of the Grace Temple Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 388-86, Page 8 of the Plat Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 6.828 acres of land, more or less.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one-dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one-dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at 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 this paragraph, 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 minerals are 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 as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 120 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. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$2,000.00 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 five (5) years.

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

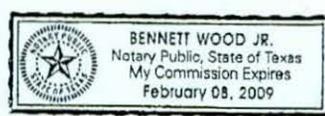
Grace Temple Church of Fort Worth, Inc., a Texas non-profit religious corporation

Mark Hill  
By: Mark Hill  
As: Pastor

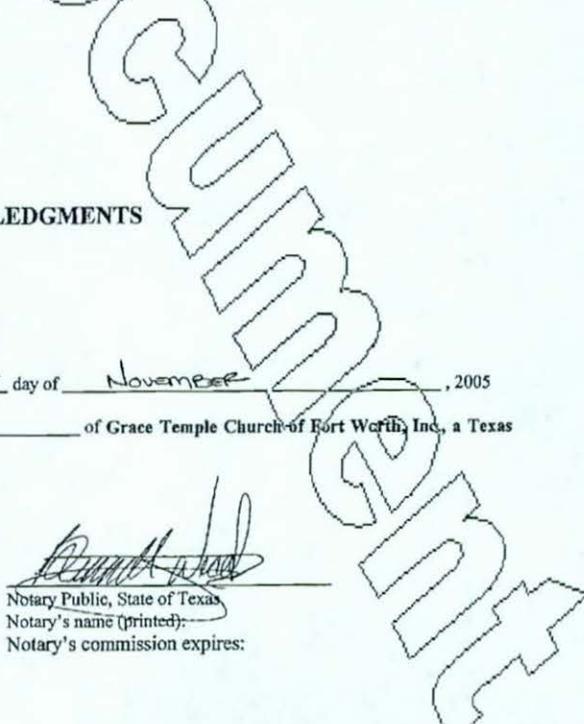
ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 30th day of November, 2005  
by Mark Hill as Pastor of Grace Temple Church of Fort Worth, Inc., a Texas  
non-profit religious corporation, on behalf of said corporation.



Bennett Wood Jr.  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:





SHAW INTERESTS INC  
P O BOX 9612

MIDLAND TX 79703

Submitter: SHAW INTERESTS

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

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

Filed For Registration: 01/19/2006 08:13 AM  
Instrument #: D206017203  
OPR 3 PGS \$20.00

By: 



D206017203

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 21 day of November, 2005, between Gemilyn Grimes, an unmarried woman, and Tamara J. Jalomo, an unmarried woman, Lessor (whether one or more), whose address is 3815 S Timberline Drive, Fort Worth, Texas 76119, 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 use said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit:

3.53 acres of land, more or less, being Lots A and B, Block 14 of the Rolling Hills Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated March 31, 1999 between Robert L. Vanderpoel and wife, Amy L. Vanderpoel as Grantor and Gemilyn Grimes, an unmarried woman and Tamara J. Jalomo, an unmarried woman, as Grantee recorded in Volume 13752, Page 336 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 three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at 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 or cause 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 [redacted] or portions of the above described premises and thereby surrender this [redacted] 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 hereof 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 120 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. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$1,000.00 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 five (5) years.

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

Gemilyn Grimes

*Gemilyn Grimes*

Tamara J. Jalomo

*Tamara J. Jalomo*

ACKNOWLEDGMENTS

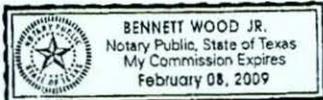
STATE OF TEXAS

§  
§  
§

COUNTY OF TARRANT

This instrument was acknowledged before me on the 29th day of November, 2005

by Gemilyn Grimes, an unmarried woman and Tamara J. Jalomo, an unmarried woman.



*Bennett Wood Jr.*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

DUPLICATE



SHAW INTERESTS INC  
P O BOX 9612

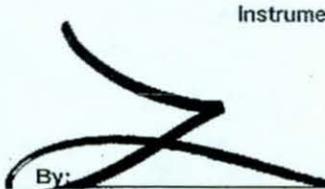
MIDLAND TX 79708

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: 01/19/2006 08:13 AM  
Instrument #: D206017202  
OPR 3 PGS \$20.00

By: 



D206017202

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 20<sup>th</sup> day of September, 2005, between Volunteers of America Northern Texas Development Corporation, Inc., formerly known as Fort Worth/Dallas Metroplex Volunteers of America Property Holding Corporation, Lessor (whether one or more), whose address is 1424 Hemphill Street, Fort Worth, Texas 76104, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and 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 employing its employees, the following described land in Tarrant County, Texas, to-wit:

12.3025 acres of land, more or less, located in the Juan Armendaris Survey, Abstract # 1768, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated June 28, 1995 between Volunteers of America Northern Texas, Inc. as Grantor and Volunteers of America Northern Texas Development Corporation, Inc., formerly known as Fort Worth/Dallas Metroplex Volunteers of America Property Holding Corporation as Grantee, recorded in Volume 12027, Page 80 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 **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To derive 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 accessing 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 ownership 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 shall 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 part, or portions of the above described premises and thereby surrender this lease 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 hereof 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 revocable 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 120 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if 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. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$2,000.00 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 five (5) years.

13. Notwithstanding anything to the contrary, Lessee may not pool any part of Lessor's acreage unless all of Lessor's acreage is included in any such pooled unit. No creation of a pooled unit or dissolution of a pooled unit including Lessor's land shall be effective until a copy of the recorded designation is furnished to the Lessor at the above address.

14. The royalties to be paid by the lessee are (a) on oil, 25% of the market value at the point of sale of all oil produced and sold from the lands covered by this lease; or, at lessor's option 25% of the oil produced and saved and to be delivered to the Lessor at the wells or to the credit of lessor into the pipeline to which the wells may be connected; (b) on gas, including casing head gas or other gaseous substances produced from the said land or sold or used off the premises or for the extraction of gasoline or other products there from, the market value at point of sale of 25% of the gas so sold or used. 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 of the oil or gas produced or sold. Notwithstanding anything to the contrary herein contained, all royalty paid to the lessor shall be free of all expenses related to the exploration, production, and marketing of oil and gas production from the lease including, but not limited to, costs of compression, dehydration, treatment and transportation. Lessor will, however, bear a proportionate part of all those expenses imposed upon Lessee by its gas sale contract to the extent incurred subsequent to those that are obligations of the Lessee.

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

Volunteers of America Northern Texas Development Corporation, Inc.

Mark J. Gesta  
By: Mark J. Gesta

As: Vice President

Dale Resources, L.L.C.

Michael Taliaferro  
By: Michael Taliaferro

As: Vice-President

DUPLICATE

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

509 500 509

This instrument was acknowledged before me on the 20th day of SEPTEMBER, 2005  
by MONTY CARRETERO as VICE PRESIDENT of Volunteers of America Northern Texas Development  
Corporation, Inc. on behalf of said corporation.



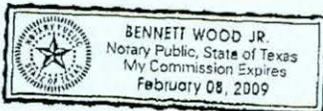
Bennett Wood Jr.  
Notary Public, State of Texas  
Notary's name (printed): BENNETT WOOD JR  
Notary's commission expires: 2/08/09

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

509 500 509

This instrument was acknowledged before me on the 20th day of SEPTEMBER, 2005  
by MIKE TALAFERRA as VICE PRESIDENT of Dale Resources, L.L.C., a Texas limited liability  
corporation on behalf of said corporation.



Bennett Wood Jr.  
Notary Public, State of Texas  
Notary's name (printed): BENNETT WOOD JR  
Notary's commission expires: 2/08/09

UNRECORDED DOCUMENT



SHAW INTERESTS INC  
P O BOX 9642

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

---

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

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

Filed For Registration: 11/29/2005 02:21 PM  
Instrument #: D205355118  
PR 4 PGS \$24.00

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



**D205355118**

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 21<sup>st</sup> day of January, 2006, between Pilgrim Valley Missionary Baptist Church, Inc., Lessor (whether one or more), whose address is 4800 Riverside Drive, Fort Worth, Texas 76119, 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:

Tract 1- 3.63 acres of land, more or less, being Block 1 of the Pilgrim Valley Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 388-55, Page 19 of the Plat Records of Tarrant County, Texas.

Tract 2- 1.0 acres of land, more or less, being the southeast portion of Block 2, of the Sycamore Central Industrial Park, an addition to the City of Fort Worth, Tarrant County, Texas, being the same land conveyed in that deed dated December 22, 1997, from Texas Hardwood Mfg. Co., a Texas Corporation, as Grantor, to Harold Parish, as Grantee, recorded in Volume 13043, Page 59, of the Official Public Records of Tarrant County, Texas.

Tract 3- 1.40 acres of land, more or less, being the northeast portion of Block 2, of the Sycamore Central Industrial Park, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated November 12, 1997, from Parish Electric, Inc., as Grantor, to Pilgrim Valley Missionary Baptist Church, as Grantee, recorded in Volume 12976, Page 254, of the Official Public Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 11.02 acres of land, more or less

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

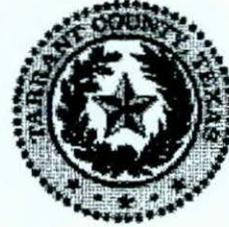
2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-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 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





SHAW INTERESTS INC  
P O BOX 9642

MIDLAND TX 79708

Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 02/21/2006 03:43 PM  
Instrument #: D206050996  
OPR 3 PGS \$20.00

By: M



D206050996

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7<sup>th</sup> day of December, 2005, between William Larry Pirkle, Lessor (whether one or more), whose address is P.O. Box 7138, Fort Worth, Texas 76111, 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:

3.6 acres of land, more or less, out of the William Hicks Survey, Abstract # 694, Tarrant County, Texas, being more particularly described by metes bounds in that certain deed dated September 17, 1997 between the City of Fort Worth, a municipal corporation of Tarrant County, Texas as Grantor to William Larry Pirkle as Grantee recorded in Volume 12915, Page 172 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 three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-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 as 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 file 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 120 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. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises without first obtaining the prior written consent of Lessor, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$2,000.00 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 five (5) years.

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

William Larry Pirkle

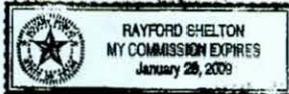
*William Larry Pirkle*

ACKNOWLEDGMENTS

STATE OF TEXAS                   §  
   §  
COUNTY OF TARRANT         §

This instrument was acknowledged before me on the 7th day of December, 2005

by William Larry Pirkle



*Rayford Shelton*

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



SHAW INTERESTS INC  
P O BOX 9612

MIDLAND TX 79708

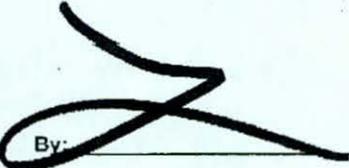
Submitter: SHAW INTERESTS

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

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

Filed For Registration: 01/19/2006 08:13 AM  
Instrument #: D206017201  
OPR 3 PGS \$20.00

By: 



D206017201

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

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

Form 1005 (4-78) Revised Part 10  
With 409 Service Pooling Provision

OIL, GAS AND MINERAL LEASE  
(NO SURFACE USE)

THIS AGREEMENT made this 18 day of December, 2001, between  
ESTCO (the Lessor) and Rolling Hills, a single woman (the Lessee),  
whose address is 4388 Old Prosperity Road, Fort Worth, Texas 76119  
and Dale Wintersmith, J.L.C., 2440 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessee, in consideration of the sum of \$100.00—Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, conveys and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other substances, including exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, logging, gas, water and other fluids, but not into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures necessary and in use and all such things owned or claimed by Lessee adjacent and contiguous thereto, to produce, store, sell, lease, care of, transport and own and operate, and to have all the necessary rights, the following described land in TARRANT COUNTY, TEXAS, to-wit:

2.77 Acres of land, more or less, of LANDS 15, Block 1, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

2. This is a paid up lease, and no 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 minerals produced from said land or land with which said land is pooled hereunder.

3. As royalty, Lessee covenants and agrees, (a) To deliver by the end of each year, in the proportion to which leases may be pooled, the equal twenty-two and one half percent (22.5%) part of the net proceeds and proceeds from said land, or from time to time, at the option of Lessee, to pay Lessee the average posted market price for such twenty-two and one half percent (22.5%) part of such oil or the value of the acre if it is not to the pipe line or storage tanks, less a three percent (3%) cost, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil, (b) to pay Lessee for the natural gas produced from said land (1) when sold by Lessee twenty-two and one half percent (22.5%) of the amount realized by Lessee, (2) when sold by Lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products contained therein and twenty-two and one half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression, (c) To pay Lessee for all other minerals produced and/or mined by Lessee from said land, one-eighth either in kind or value at the well or mine at Lessee's election, value, but not to exceed the net proceeds of the sale of such minerals, (d) To pay Lessee the value of the primary term or at any time or times thereafter, after it is a well on said land or on lands with which said land is in any portion thereof has been pooled, capable of producing oil or gas, and all the minerals therefrom, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are drilled, and whenever this lease may be continued in force as if no such land had occurred. Lessee covenants and agrees to use reasonable diligence to produce, store, 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 wellhead and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to install labor tracks or to market gas except from reasonable 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 the payment of royalty or tender by the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force under 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 change in the ownership of such bank or banks. If at any time that Lessee pays or tenders such as royalty, one or more parties are, or claim to be, entitled to receive the same, Lessee, in and to any other method of payment herein provided, pay or tender such as 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 3 hereof. In the event of assignment of this lease in whole or in part, Lessee's obligation to pay payment hereunder shall not 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 interests therein with any other lands or interests, in as to 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 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 40 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 geologic or density patterns that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purposes of this paragraph, 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 prescribed, "oil well" means a well with an initial gross rate of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gross rate 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 completion of the well completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall have the right to make a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a well which is included in 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 Lessee'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 net acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling rights of more than one Lessee shall not exhaust Lessee's pooling rights hereunder. Any unit so formed may be amended, increased in size, decreased in size, changed or discontinued, at the discretion of Lessee, at any time and from time to time, and Lessee may vacate and discontinue any unit by instrument in writing filed for record in the public records at any time when there is no unleased 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 be adjusted accordingly. In the absence of production or paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a term-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 therein within 60 days prior to the expiration of the primary term, the lease shall remain in force so long as operations on said well as to the drilling or reworking of any additional well are commenced, and in connection therewith, 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 any well on 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 any well on 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 of such production, but shall remain in force and effect as long as such operations are being conducted, or if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from any well on or from land pooled therewith.

Revised on 11/13/2006

oil or gas produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be operated 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 the hole in the case 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 other well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time construct and deliver to Lessor or place of record a surface easement 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 show and remove all casing. When required by Lessee, 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 Lessee'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. In the event of the death or disability in ownership of the land, or operation, however accomplished, shall operate to discharge the obligations or discharge the rights of Lessee, and in the event of disability in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by the estate of the decedent or the trustee of the trust with a certified copy of recorded instruments or instruments evidencing same. In the event of the death or disability of Lessee, the obligations hereunder shall not automatically upon the death of Lessee or of a portion thereof who operates such lease, or any or more parties become voided or royalty hereunder. Lessee may withhold payment thereof unless and until furnished with a certified instrument executed by all such parties designating an agent to receive payment for all.

8. The obligation of Lessee to operate the leased premises shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the leased premises to the grantor or his heirs, successors or assigns, but the 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 same and operate the same as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill deeper than one (1) foot below the surface of the area retained hereunder and capable of producing oil or paying quantities and not less than 640 acres plus an average percentage of at least 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 commences operations on or at any time being conducted in compliance with this lease, Lessee shall notify Lessor in writing of the date of such operations as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to conform to the obligations imposed by virtue of this instrument.

9. Lessee 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 every event Lessee does so, it shall be subrogated to such lien, with right to enforce same and apply royalties accruing hereunder toward satisfaction of such lien. Lessee's assumption of Lessee's obligations under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, mineral or other substance in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest in fee simple or in part, or in higher priority than the royalty, and other interests accruing from any part so in which this lease covers less than the fee interest), shall be held only by the royalty, which the interest therein, if any, accrued to this lease, were in the whole and undivided fee simple estate therein. All royalty interest payable for 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 herein as grantor fail to execute this lease, a valid assignment be binding upon the party or parties executing the same.

10. Should Lessee be prevented from operating the leased premises or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other mineral in paying quantities by reason of scarcity or inability to obtain or to use equipment or material, or by operation of laws, regulations, and Federal or state fire or other laws, rules or regulations of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for failure to comply therewith, and this lease shall be extended while so long as Lessee is prevented by any such laws, rules or regulations from conducting drilling or reworking operations on or from producing oil or gas from the leased premises, and the time while Lessee is so prevented shall not be counted against Lessee, nothing 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, together with the placement of sight lines (drilling tracks) selected by Lessee, from oil or gas wells the surface locations of which are situated on other tracts of land, all which are not intended to develop the leased premises or lands pooled therewith and from which Lessee shall have no right to royalty or other benefit. Such subsurface easements shall not, with the land and surface any termination of this lease.

12. Notwithstanding anything contained herein to the contrary, Lessor hereby grants by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the leased premises without first obtaining the prior written consent of Lessee, however, Lessee may receive oil, gas and associated hydrocarbons from the leased premises by directional or subsequent drilling, pooling operations or any other method provided in this lease.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.  
 \_\_\_\_\_  
 Essie O. Johnson  
 Essie O. JOHNSON

ACKNOWLEDGMENTS

STATE OF TEXAS  
 COUNTY OF TARRANT  
 This instrument was acknowledged before me on the 18 day of December 2010  
 by Essie O. JOHNSON, a single woman



\_\_\_\_\_  
 Jarvin N. Scott  
 Notary Public, State of Texas  
 My Commission Expires  
 October 31, 2010

STATE OF TEXAS  
 COUNTY OF TARRANT  
 This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_  
 by \_\_\_\_\_

\_\_\_\_\_  
 Notary Public, State of Texas  
 Notary's name (printed)



DALE RESOURCES LLC  
2100 ROSS AVE STE 1070 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.**

Paid For Registration: 01/09/2007 08:48 AM  
Instrument #: D207009716  
OPR 3 PGS \$20.00



D207009716

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

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

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

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

THIS AGREEMENT made this 4 day of April, 2007, between Barbara Johnson, a single person, Lessor (whether one or more), whose address is 2363 Rodeo St

Fort Worth Texas 76119, and Dale Property Services, LLC, 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 employing its employees, the following described land in Tarrant County, Texas, to-wit:

0.2000 acres of land, more or less, being Lot(s) 14, Block 1, of the Rolling Hills Addition Addition, an addition to the City of Fort Worth, 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 of adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal **twenty-two and one half percent (22.5%)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **twenty-two and one half percent (22.5%)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest in this lease, to bear **twenty-two and one half percent (22.5%)** of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and basinhead gas produced from said land (1) when sold by lessee **twenty-two and one half percent (22.5%)** of the amount realized by lessee, computed at the month of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products **twenty-two and one half percent (22.5%)** of the amount realized from the sale of gasoline or other products extracted therefrom and **twenty-two and one half percent (22.5%)** of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

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.

Revised on 12/27/2006

mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

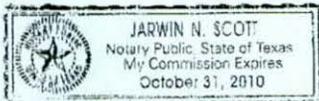
X-Barbara Johnson  
By: X-Barbara Johnson

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 4 day of April, 2007, by Barbara Johnson



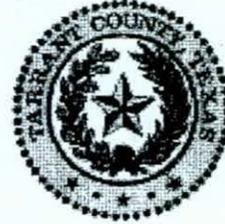
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_, 2007, by \_\_\_\_\_

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



DALE RESOURCES LLC  
2100 ROSS AVE # 1870 LB-8

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: 04/18/2007 02:37 PM  
Instrument #: D207134567  
LSE 3 PGS \$20.00

By: 



**D207134567**

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

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

Producers 88.4(76) Revised Paid Up  
With 640 Acres Pooling Provision

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

THIS AGREEMENT made this 15 day of December, 2006, between  
Bertie Burns, A Widow  
Lessor (whether one or more), whose address is  
2359 Rodco Street Fort Worth Texas 76119  
and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LD-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:

.264 acres of land, more or less, being all of Lots(s) 13, Block 1, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one half percent (22.5%) pay of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed in the month of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

Revised on 11/13/2006

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 public records of the county in which the leased premises are situated at any time or the completion of a dry hole or the cessation of production on such unit. In the event a well or wells producing oil or gas in paying quantities should be drilled in an 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 other 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.

Bertie Burns  
Bertie Burns

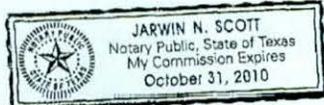
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 15 day of December, 2009

by Bertie Burns - widow



Jarwin N. Scott  
Notary Public, State of TEXAS  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

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

by \_\_\_\_\_

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

UNRECORDED INSTRUMENT



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 01/09/2007 08:45 AM  
Instrument #: D207009713  
OPR 3 PGS \$20.00

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



**D207009713**

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

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike out 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 # 4716 Revised Paid Up  
With 640 Acres Pooling Provision

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

THIS AGREEMENT made this 5<sup>th</sup> day of March, 2017, between Cenaro Varela whose marital status has not changed since acquiring this interest Lessor (whether one or more), whose address is 4917 Rickce Drive, Fort Worth, Texas, 76115, and Dale Property Services, 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 and products, and hiring of employees, the following described land in Tarrant County, Texas, to-wit:

2.2 acres of land, more or less, being Lot(s) 12, Block 1, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

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

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which Lessee may connect its wells, the equal twenty-two and one half percent (22.5%) part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by Lessee twenty-two and one half percent (22.5%) of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that for 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. 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 by 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, and 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

Revised on 12/21/2006

minerals produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms of this lease may be dissolved by Lessee by instrument filed for record in the public 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 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 E.S. with 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 reasonable 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 or the 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 average percentage of 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 an 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. An royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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

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

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

By: Genaro Varela  
Genaro Varela

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

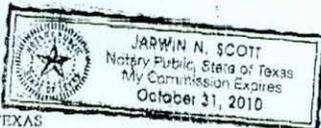
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 5<sup>th</sup> day of March, 2007.

by Genaro Varela



Jarwin N. Scott  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

by \_\_\_\_\_

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



DALE RESOURCES LLC  
2100 ROSS AVE STE 4870 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: 03/14/2007 12:54 PM  
Instrument #: D207090586  
LSE 3 PGS \$20.00

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



**D207090586**

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

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

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

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

THIS AGREEMENT made this 9<sup>th</sup> day of November, 2006, between Victor Hernandez, wife Gabriela Hernandez, Lessor (whether one or more), whose address is 4841 Glen Eden Drive Fort Worth Texas 76119 and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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 over and access lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and employing the employees, the following described land in Tarrant County, Texas, to-wit:

.262 acres of land, more or less, being all of Lots(s) 11, Block 1, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-C, Page 101, of the Plat Records of Tarrant County, Texas.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal 22.5% part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such 22.5% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear 22.5% of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee 22.5% of the amount realized by lessee, computed at the month of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products 22.5% of the amount realized from the sale of gasoline or other products extracted therefrom and 22.5% of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value as 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 80 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

Revised on 9/26/2006

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

Victor Hernandez  
Victor Hernandez

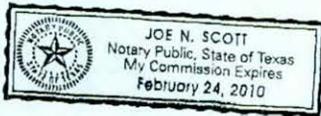
Gabriela Hernandez  
Gabriela Hernandez

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9<sup>th</sup> day of November, 2006

by Victor Hernandez

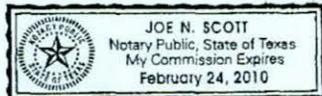


Joe N. Scott  
Notary Public, State of TEXAS  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9<sup>th</sup> day of November, 2006

by Gabriela Hernandez



Joe N. Scott  
Notary Public, State of TEXAS  
Notary's name (printed):  
Notary's commission expires:



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: 12/28/2006 08:01 AM  
Instrument #: D206408408  
OPR 3 PGS \$20.00

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



**D206408408**

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

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

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

OIL, GAS AND MINERAL LEASE  
(NO SURFACE USE)

THIS AGREEMENT made this 2nd day of November, 2007, between Rolling Hills Church of God

To BRIST Lessor (whether one or more), whose address is 4545 S  
Riverside Drive Fort Worth Texas 76119 and Dale Property Services, LLC, 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 land well 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:

2.168 acres of land, more or less, being Lot(s) 4.56 Acre 7, Block 8, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-5, Page 64, of the Plat Records of Tarrant County, Texas.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal one-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 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 their 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,  
Revised on 12/27/2006





DALE RESOURCES  
2100 ROSS AVE # 1370 LB 9

DALLAS TX 75231

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: 01/23/2008 02:43 PM  
Instrument #: D208024097  
LSE 3 PGS \$20.00

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



**D208024097**

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Producers 83 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE  
(NO SURFACE USE)

THIS AGREEMENT made this 2nd day of November, 2007, between Rolling Hills Church of God

Paul Christy, Lessor (whether one or more), whose address is 4545 B. River Side Drive Fort Worth Texas 76119, and Dale Property Services, LLC, 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 employing its employees, the following described land in Tarrant County, Texas, to-wit:

0.353 acres of land, more or less, being Lot(s) 8, Block 8, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-S, Page 64, of the Plat Records of Tarrant County, Texas.

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

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

Revised on 12/27/2006

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

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

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment 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 same, 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 mineral therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

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

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

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

By: Robert L. Jordan  
ROBERT L. JORDAN

By: Claudia L. Jordan  
Claudia L. Jordan

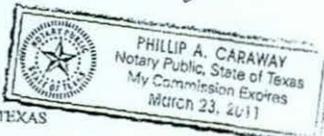
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of November, 2007

by ROBERT L. JORDAN - PASTOR



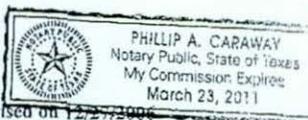
Phillip A. Caraway  
Notary Public, State of Texas  
Notary's name (printed): Phillip A. Caraway  
Notary's commission expires: 03-23-2011

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of November, 2007

by Claudia L. Jordan - SECRETARY



Phillip A. Caraway  
Notary Public, State of Texas  
Notary's name (printed): Phillip A. Caraway  
Notary's commission expires: 03-23-2011



DALE RESOURCES  
2100 ROSS AVE # 1270 LB 9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 01/23/2008 02:43 PM  
Instrument #: D208024098  
LSE 3 PGS \$20.00

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



**D208024098**

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RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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17  
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.

## COMMUNITY OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 30th day of January, 2006, between the undersigned parties in Exhibit "A" attached hereto and by reference made a part of, as Lessor (whether one or more), 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:

14.74 acres of land, more or less, being Lots 1-24, Block 8, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat dated September 9<sup>th</sup>, 1932 recorded in Volume 3883, Page 64, of the Plat records of Tarrant County, Texas.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above including any interest which Lessor may own in any streets, alleys, highways, railroads, canals, streams or rivers, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

3. As royalty, Lessee covenants and agrees (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at 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 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 part or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of 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 the 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 other rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

11. Notwithstanding anything contained herein to the contrary, Lessee does not by virtue of this lease acquire any rights whatsoever to conduct any operations on the surface of the lease premises, however, Lessee may recover oil, gas and associated hydrocarbons from the lease premises by directional or horizontal drilling, pooling, unitization or any other method provided in this lease.

12. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$1,000.00 multiplied by the net mineral acres or \$200.00 per lot, whichever is greater, 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 five (5) years.

13. Notwithstanding any provision contained herein to the contrary, whether oil or gas is or is not being produced on the leased premises or on lands pooled therewith at the expiration of the primary term, if Lessee is engaged in drilling or reworking operations or has completed a well either as a dry hole or as a producer on the leased premises or on lands pooled therewith within one hundred eighty (180) days of the expiration of the primary term, this lease shall remain in full force and effect and the primary term shall be extended as to all lands covered hereunder for so long as operations continue to completion or abandonment and for so long thereafter as operations for drilling are conducted with no more than one hundred eighty (180) days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of another well. After the expiration of the primary term, this lease shall terminate as to: (1) all lands which are not included within the unit established by Lessee for each producing well located on the leased premises or on lands pooled therewith; and (2) all depths and horizons 100' below the stratigraphic equivalent of the deepest depth capable of producing in paying quantities in each well which is included within the boundaries of a producing unit. After the expiration of the primary term, Lessee shall release all of the leased premises not otherwise held hereunder. A well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well shall be determined to be commenced when such well is spudded.

14. Community Lease. (a) This is a community lease with each of the undersigned owning an interest in one or more parcels included within the land. Each of the undersigned agrees that the royalty (including shut-in royalty) from each well drilled under the land will be shared by them in a ratio proportionate to the acreage each originally contributed to this lease. In the event that a partial release of this lease results in a different proportionate ownership of the acreage then covered by this lease, the royalty attributable to the unreleased acreage will nevertheless continue to be shared in the original ratio. In like manner, if released acreage is subsequently leased, royalty attributable to the subsequently leased acreage will likewise be shared in the original ratio. The provisions of this paragraph will be effective until such time as no part of the land is covered by this lease.

15. Counterpart Execution. This lease may be executed as one document signed by all parties, or parties named on the signature pages hereto or may join herein by the execution of a counterpart or ratification, with the same effect as if all parties or parties had executed one instrument. Executed signature pages from different originals of this instrument may be combined to form a single original document for recording purposes.

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

UNOFFICIAL Document

By [Signature]  
Robert Meador, Sr.

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 30<sup>th</sup> day of January, 2006  
by Robert Meador, Sr.



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

UNOFFICIAL DOCUMENT

Matthew Thomas  
By: MATTHEW THOMAS

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2<sup>nd</sup> day of March, 2006  
by Matthew Thomas, single man.



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

UNRECORDED INSTRUMENT

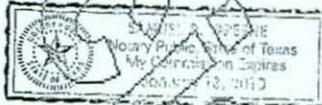
*Paul Johnson*  
By: Paul Johnson

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9th day of March, 2006

by Paul Johnson



*Samuel R. Greene*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

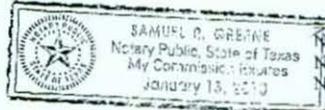
X Joyce H Johnson  
By: Joyce H Johnson

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9th day of March, 2006

by Joyce H. Johnson



*Samuel R. Greene*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

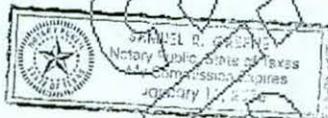
UNOFFICIAL DOCUMENT

*Mittie Brown Esters*  
By *Mittie Brown Esters*

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2<sup>nd</sup> day of March, 2006  
by Mittie Brown Esters



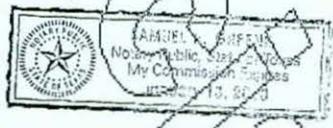
*Samuel R. Greene*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Linda W. Hicks  
By Linda W. Hicks

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of March, 2006  
by Linda W. Hicks, a single woman.



Samuel R. Green  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

UP  
OFFICIAL  
Document

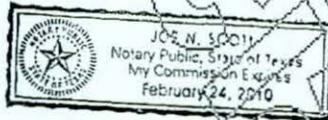
Yvonne W. Morris  
Yvonne W. Morris

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 11<sup>th</sup> day of May, 2006  
by YVONNE W. MORRIS



Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

UNOFFICIAL Document

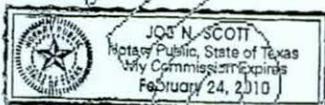
*Bishop C.R. Bryant*  
By: *Bishop C.R. Bryant*  
As: *Pastor*

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

ss  
ss  
ss

This instrument was acknowledged before me on the 18 day of MAY, 2006  
by *Bishop C.R. Bryant* as *Pastor* of Gospel Kingdom Church of God in Christ Pentecostal,  
Inc., a Texas non-profit corporation on behalf of said corporation.



*Joe N. Scott*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Original Document

UNOFFICIAL DOCUMENT

Lavene B. Burdette  
By \_\_\_\_\_

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of March, 2006  
by Lavene Burdette



Samuel R. Greene  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

UPLOADED TO PUBLIC DOCUMENT

*Gladisla Swancy*  
by Gladisla Swancy

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of MARCH, 2006  
by Gladisla Swancy a single woman.



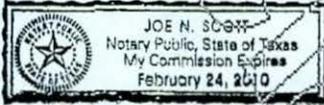
*Samuel R. Gane*  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Lonnie Curley Jr.  
By: Lonnie Curley Jr.

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of MAY, 2006  
by Lonnie Curley



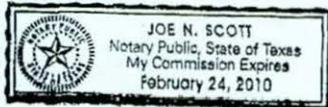
Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

Velois Curley  
By: Velois Curley

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2nd day of MAY, 2006  
by Velois Curley



Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

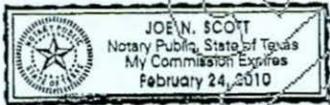
UNRECORDED INSTRUMENT

Yvonne Bell  
By: YVONNE BELL

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 6 day of April, 2006  
by YVONNE BELL



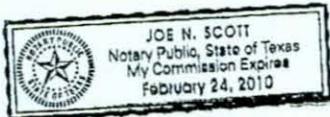
Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Louis W. Bell  
By: LOUIS W. BELL

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 6 day of April, 2006  
by Louis W. Bell



Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

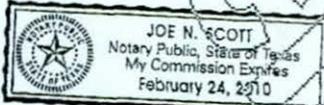
UNOFFICIAL DOCUMENT

Theophelus A. Sims  
By: Theophelus A. Sims

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 18<sup>th</sup> day of April, 2006  
by Theophelus A. Sims



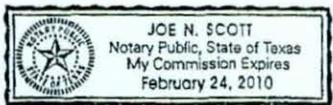
Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Nancy W. Sims  
By: Nancy W. Sims

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 18<sup>th</sup> day of April, 2006  
by Theophelus Nancy W Sims



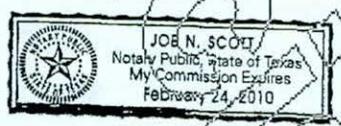
Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Geneva Hill  
By: Geneva Hill

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 2<sup>nd</sup> day of MAY, 2006  
by Geneva Hill



Joe N. Scott  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

UNOFFICIAL DOCUMENT

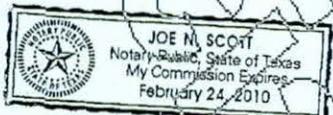
UNRECORDED INSTRUMENT

By: [Signature]  
JAMES HAYWARD LESTER

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9<sup>th</sup> day of MAY, 2006  
by James Hayward Lester.



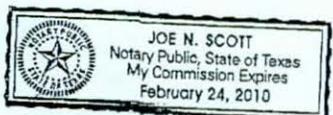
[Signature]  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

[Signature]  
By: Juanita Hayward

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9<sup>th</sup> day of MAY, 2006  
by Juanita Hayward



[Signature]  
Notary Public, State of Texas  
Notary's name (printed): Joe N. Scott  
Notary's commission expires: 2010

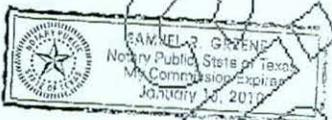
UPON THE INSTRUMENT

Melvin King Jr  
BY MELVIN KING JR.

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2006  
by Melvin King Jr.



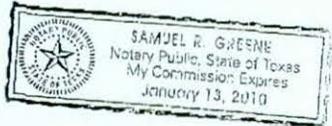
Samuel R. Greene  
Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:

Vandetta P. King  
By: Vandetta P. King

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 7<sup>th</sup> day of February, 2006  
by Vandetta P. King



Samuel R. Greene  
Notary Public, State of Texas  
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 #: D206329791  
A 18 PGS \$80.00



D206329791

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 12<sup>th</sup> day of ~~June~~ <sup>April</sup> 2006, between Gospel Kingdom Church of God in Christ Pentecostal, Inc., a Texas non-profit corporation, Lessor (whether one or more), whose address is 4401 South Riverside Drive, Fort Worth, Texas 76119, 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:

13.388 acres of land, more or less, out of the J. Collet Survey, Abstract 260, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated October 5, 2000 by and between Rolling Hills Property Joint Venture, as Grantor, and Gospel Kingdom Church of God in Christ Pentecostal, Inc., a Texas non-profit corporation, as Grantee, recorded in Instrument D-200253670 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 three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-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 troubles, 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 relieved of all obligations as to the acreage surrendered.



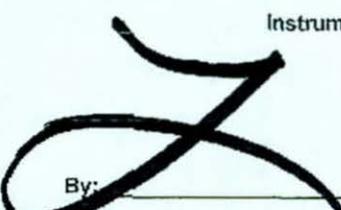


SHAW INTERESTS, INC  
OIL & GAS PROPERTIES  
310 W WALL #305  
MIDLAND TX 79701  
Submitter: SHAW INTERESTS INC

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

**DO NOT DESTROY**  
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Filed For Registration: 09/08/2006 03:06 PM  
Instrument #: D206281812  
OPR 3 PGS \$20.00

By: 



D206281812

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

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

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

THIS AGREEMENT made this 19th day of November, 2006, between  
CLARENCE Pollard Sr. and wife Ruth M. Pollard,  
Lessor (whether one or more), whose address is  
2208 RIDGEMOUNT FORT WORTH, TEXAS 76119  
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 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:

220 acres of land, more or less, being all of Lots(s) 25, Block 16, of the Rolling Hills Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulfur 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 troubles 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, 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 composition, 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 the 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

Revised on 11/13/2006

mineral is produced from said land from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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.

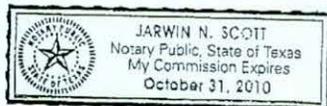
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

*Clarence Pollard Sr.*  
CLARENCE POLLARD SR.  
*Ruth M. Pollard*  
Ruth M. Pollard

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

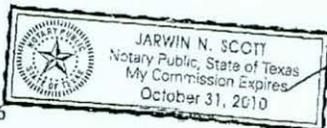
This instrument was acknowledged before me on the 18<sup>th</sup> day of November 2006  
by CLARENCE POLLARD



*Jarwin N. Scott*  
Notary Public, State of TEXAS  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 18<sup>th</sup> day of November 2006  
by RUTH M. POLLARD



*Jarwin N. Scott*  
Notary Public, State of TEXAS  
Notary's name (printed):



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: 12/22/2006 03:39 PM  
Instrument #: D206405402  
OPR 3 PGS \$20.00

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



D206405402

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
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Producers 88-376 Revised Paid Up  
With 640 Acres Pooling Provision

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

THIS AGREEMENT made this 5 day of December, 2004, between  
Glenda Johnson, a single woman and Jessie Young, a widow,  
Lessor whether one or more, whose address is  
2100 Briardale Road Fort Worth Texas 76119  
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:

.289 acres of land, more or less, being all of Lots(s) 1, Block 16, of the Rolling Hills Addition, an addition to the City of Fort Worth 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 in the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) To pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as in 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 of 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, and 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

Revised on 11/13/2006

ORIGINAL

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

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

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment thereof 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), 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. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

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

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.

*Glenda Johnson*  
Glenda Johnson

*Jessie Byong*  
JESSIE BYONG

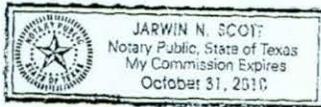
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 5 day of December, 2006.

by Glenda Johnson



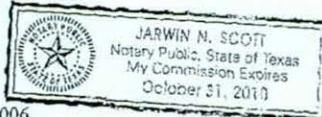
*Jarwin N. Scott*  
Notary Public, State of TEXAS  
Notary's name (printed):  
Notary's commission expires:

STATE OF TEXAS

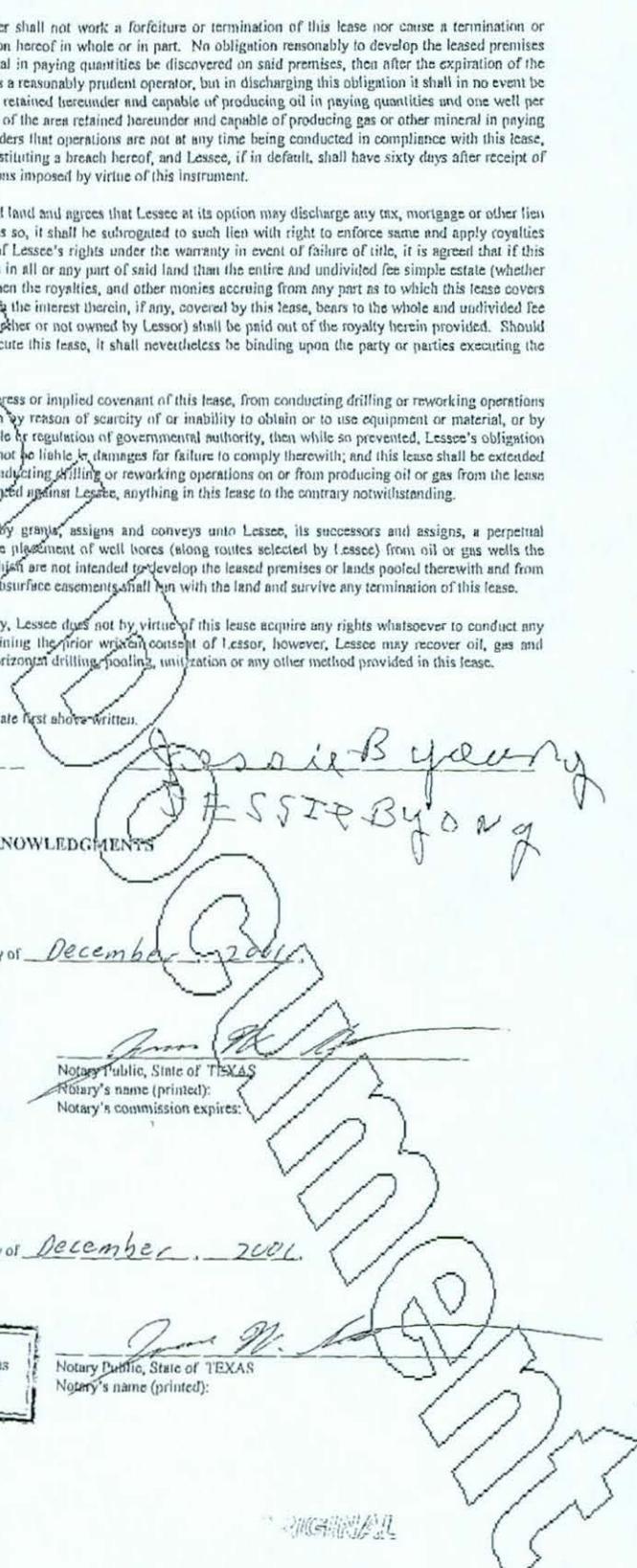
COUNTY OF TARRANT

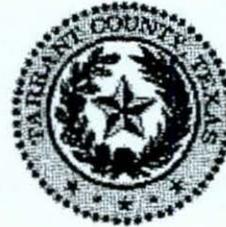
This instrument was acknowledged before me on the 5 day of December, 2006.

by Jessie Byong



*Jarwin N. Scott*  
Notary Public, State of TEXAS  
Notary's name (printed):





DALE RESOURCES  
2100 ROSS AVE STE 1879 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 12/27/2006 04:50 PM  
#: D206407740  
OPR 3 PGS \$20.00

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



D206407740

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.

2.  
Notice of Confidential Rights: If you are a natural person, you may have or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

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

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

THIS AGREEMENT made this 13th day of September, 2006, between Fort Worth Chapter IABPFF, Lessor (whether one or more), whose address is P.O. Box 19099, Fort Worth, Texas 76119, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite #870, 1st Floor, 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 hiring its employees, the following described land in Tarrant County, Texas, to-wit:

2.54 acres of land, more or less out of the S. 22, Loving Survey, Abstract 943, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated September 1, 1999, from United Paperworkers International Union Local #771, as grantor, to Fort Worth Chapter IABPFF, as grantee, recorded in Volume 14010, Page 423, of the Deed Records of Tarrant County.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor for 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 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 or separately 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

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 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 reasonable 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 acreage 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 operations 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, and 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 an 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.

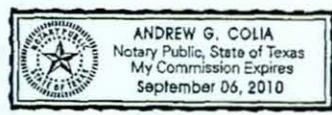
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Fort Worth Chapter IABPFF  
*David Coble*  
By: David Coble as President

ACKNOWLEDGMENTS

STATE OF Texas  
COUNTY OF Tarrant

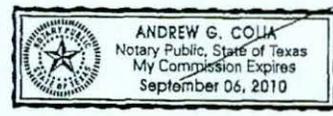
This instrument was acknowledged before me on the 13<sup>th</sup> day of September, 2006,  
by David Coble as President of Fort Worth Chapter IABPFF.



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

STATE OF  
COUNTY OF

This instrument was acknowledged before me on the 13<sup>th</sup> day of September,  
by



*Andrew G. Colia*  
Notary Public, State of  
Notary's name (printed):  
Notary's commission expires:



SHAW INTERESTS INC  
POB 0612

MIDLAND TX 79708

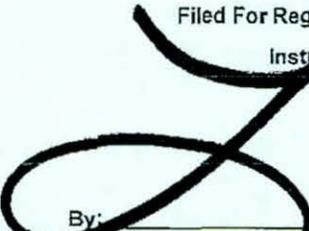
Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 10/20/2006 02:15 PM  
Instrument #: D206329757  
A 3 PGS \$20.00

By: 



D206329757

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

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 11<sup>th</sup> day of November 2005, between Vertis J. Harris, a/k/a Vertis A. Harris, a single man, Lessor (whether one or more), whose address is 1618 E. Berry Street, Fort Worth, Texas 76119 and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1570, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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:

9.835 acres of land, more or less, out of the S. P. Loving Survey, Abstract 943, Tarrant County, Texas, being more particularly described by metes and bounds in that certain Deed dated April 24, 1997, from Clarence A. Roten, Trustee, as Grantor to Vertis A. Harris, as Grantee, recorded in Volume 12750, Page 216 of the Official Public Records of Tarrant County, Texas.

0.6485 acres of land, more or less, out of the S. P. Loving Survey, Abstract 943, Tarrant County, Texas, being more particularly described by metes and bounds in that certain Deed dated August 1, 1993, from Dojo Corporation, as Grantor to Vertis J. Harris, as Grantee, recorded in Volume 12265, Page 65 of the Official Public Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 10.4835 acres of land, more or less.

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

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

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal twenty-two and one-half percent (22.5%) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such twenty-two and one-half percent (22.5%) part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to be twenty-two and one-half percent (22.5%) of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee twenty-two and one-half percent (22.5%) of the amount realized by lessee, computed by the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products twenty-two and one-half percent (22.5%) of the amount realized from the sale of gasoline or other products extracted therefrom and twenty-two and one-half percent (22.5%) of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in the Bank at 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 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, the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

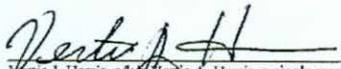
9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), 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. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease, this lease has not been, or is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) years by paying or tendering to Lessor by check the sum of \$1,000.00 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 five (5) years.

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

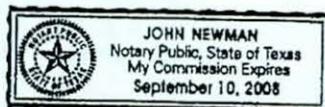
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

  
Vertis J. Harris, a/k/a Vertis A. Harris, a single man

#### ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF

This instrument was acknowledged before me on the 11<sup>th</sup> day of November, 2005 by Vertis J. Harris, a/k/a Vertis A. Harris, a single man.



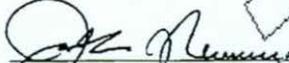
  
Notary Public, State of  
Newman's name (printed):  
Notary's commission expires:

Exhibit "A"

Attached to and by reference made a part of that certain Oil, Gas and Mineral Lease dated November 11, 2005, between Vertis J. Harris, a/w/a Vertis A. Harris, a single man, as Lessor, and Dale Resources L.L.C., as Lessee.

12. In the event of a conflict between the terms of this Addendum and the terms of the printed form of this Lease, the terms of this Addendum shall control.

13. Surface Drillsites:

(A) In addition to the right to use the surface of the Leased Premises for purposes set forth in this Lease, Lessee is hereby granted the exclusive right to drill directional and horizontal oil and gas wells from locations on the surface of the Leased Premises and to drill through the subsurface of the Leased Premises to bottom hole locations on the Leased Premises or to bottom hole locations on lands other than the Leased Premises and to operate, produce, and maintain such wells, including the right to store, separate, treat, dehydrate, compress and transport such oil, gas and associated hydrocarbons on and across the Leased Premises, and to construct, operate and maintain such equipment, roads, pipelines, electric lines and other facilities reasonably necessary for all such operations, together with the right of ingress and egress across the Leased Premises for all such operations. This surface use shall include one or more drillsite locations of up to 3 acres in size (a "Drillsite Pad") and up to an additional 3 acres for two frac water and flowback pits ("Frac Pits") to service each Drillsite Pad, and it shall further include the right to locate one natural gas central facility of up to two (2) acres in size for the separating, treating, compression and dehydration of natural gas produced from on and off of the Leased Premises (the "Central Facility"). It is contemplated that multiple horizontal wells may be drilled from each such Drillsite Pad. As consideration for the rights granted in this paragraph, Lessor shall be entitled to an overriding royalty of 1/2% of 8/8ths of the production from each of well drilled with a surface location on the Leased Premises, which overriding royalty shall be proportionately reduced based on the amount of acreage from the Leased Premises included in a pooled unit for the production from such well as hereinafter set forth:

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

(2) In the event that the well produces from a pooled unit which includes a portion of the Leased Premises, then the overriding royalty shall be proportionately reduced based on the amount of acreage from the Leased 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 Leased 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 Leased Premises, the overriding royalty will be reduced by  $10 \div 160 = 6.25\%$ . Reduction of a 1/2% overriding royalty by 6.25% results in an overriding royalty of 5.46875% to the Lessor.

(3) In the event the well is a Lease well bottomed entirely on the Leased Premises and not included in a pooled unit then Lessor shall receive none of the overriding royalty.

(4) Lessor hereby warrants and agrees to defend the title to the surface and subsurface of 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 overriding royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title of Lessor's title to the surface and subsurface of said land, it is agreed that if the surface and subsurface rights granted herein covers a less interest 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 overriding 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 owned by Lessor bears to the whole and undivided fee simple estate therein. All overriding royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. If Lessee owns less than 100% of the working interest in a wellbore in which Lessor has been granted an overriding royalty interest, due to title failure affecting a lease or other circumstances beyond the reasonable control of Lessee, then the overriding royalty of Lessor in such well shall be paid only in the proportion in which the working interest therein is owned by Lessee.

(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 effective from the date of first production, limited to the production from the well and shall be valued and paid in the same manner as set forth for Lessor's royalty in this lease.

(C) The grant of surface rights contained in this paragraph 13 is a separate grant from the grant of the mineral lease. Notwithstanding the expiration of the term of this Lease, the right to use of the surface granted herein shall survive for a period of five (5) years from the effective date of this Lease and as long thereafter as there is production, or drilling or reworking operations on any well surfaced on the Leased Premises with no cessation of more than 120 consecutive days or until all wells drilled on the surface of the Leased Premises are plugged and abandoned, whichever date is later. 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). All rights to use of the surface of the Leased Premises granted herein are freely assignable in whole or in part by Lessee.

(D) Lessee will consult with the Surface Owner on the location of all Drillsite Pad(s), Frac Pits, the Central Facility, roads and other improvements and equipment on the Leased Premises to reasonably accommodate the existing uses of the surface as of the date of this Lease.

(E) A release of the Lease, in whole or in part, will not terminate the right to use of the surface granted herein.

14. Surface Damages: Lessee shall pay to the owner of the surface estate (Surface Owner) \$5,000.00 each time that a drilling rig is moved onto the Leased Premises. This payment shall be as consideration for the right to work space for the drilling and completion operation, including the Drillsite Pad and Frac Pits. Once the drilling rig is on location, this payment will include the drilling, completion and fracture stimulation of multiple wells. These payments are only required for the movement of drilling rigs onto the Leased Premises and are not required for movement of workover rigs and other equipment onto the Leased Premises.

Signed for Identification

  
Vertis J. Harris, aka Vertis A. Harris, a single man



SHAW INTERESTS INC  
POB 0642

MIDLAND TX 79708

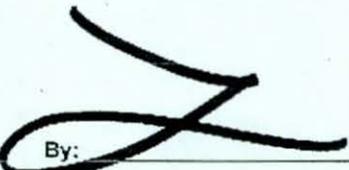
Submitter: SHAW INTERESTS INC

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

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

Filed For Registration: 12/12/2005 03:07 PM  
Instrument #: D205368107  
OPR 5 PGS \$28.00

By: 



D205368107

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.

5.

File No. MF 110551

Lease

Date Filed: 11/26/09

Jerry Patterson, Commissioner

By: [Signature]

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 2, 2010

Mr. Jeremiah 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 110551

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

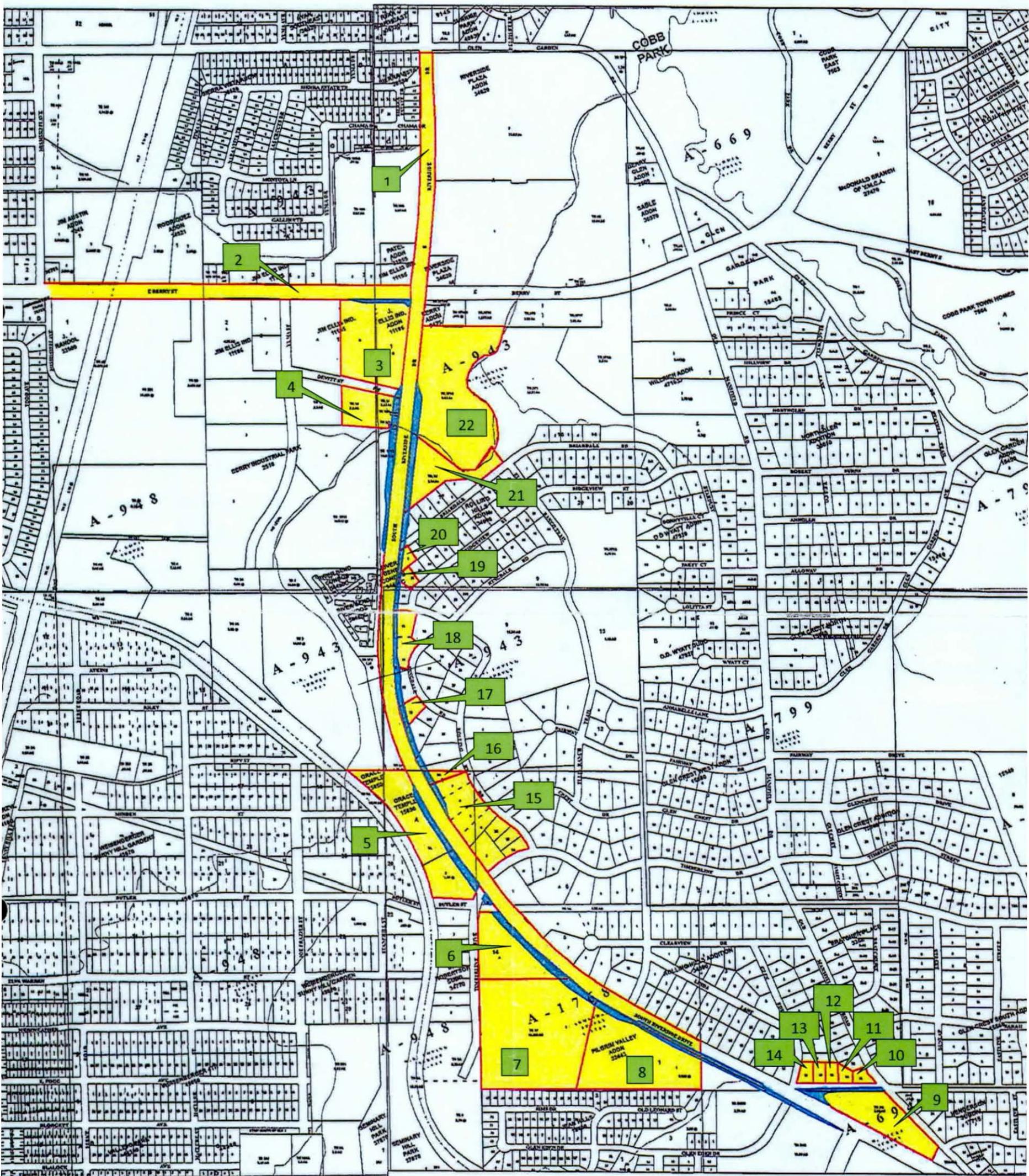
[www.glo.state.tx.us](http://www.glo.state.tx.us)

6.

File No. MF 110551  
JNO Keller  
Date Filed: 7/2/10  
By:  Jerry Patterson, Commissioner

COBA

- Numbers Coordinating with "Exhibit A" - Plat legend
- Dale Leaseholds
- R-O-W



File No. MF110551

[Signature]

Date Filed: 2/19/10

By [Signature]  
Jerry Patterson, Commissioner

7

**DO NOT DESTROY**



**Texas General Land Office**  
**UNIT AGREEMENT MEMO**

UPA158797

*Unit Number* 7474  
*Operator Name* Chesapeake Operating Inc  
*Customer ID* C000025243  
*Unit Name* Glencrest  
*County 1* Tarrant *RRC District 1* 05  
*County 2* *RRC District 2*  
*County 3* *RRC District 3*  
*County 4* *RRC District 4*  
*Unit type* Permanent  
*State Net Revenue Interest* 0.00894348  
*State Part in Unit* 0.03576700  
*Unit Depth* Specified Depths  
*From Depth* Well  
*To Depth* Formation Top of Barnett Shale to Base of Barnett Shale  
*Participation Basis* Surface Acreage  
*If Exclusions Apply: See Remarks*

*Effective Date* 10/27/2009  
*Unitized For* Oil And Gas  
*Unit Term* 1 years  
*Old Unit Number Inactive Status Date*

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>Lease Royalty</i>	<i>Tract Royalty Participation</i>	<i>Royalty Rate Reduction Clause</i>
MF112143		5.272000	513.574000	0.01026532	0.25000000	0.00256633	No
MF110551		0.089000	513.574000	0.00017330	0.26000000	0.00004506	No
MF112144		1.041000	513.574000	0.00202697	0.25000000	0.00050674	No
MF112145		10.755000	513.574000	0.02094148	0.25000000	0.00523537	No

<i>Lease Number</i>	<i>Tract No</i>	<i>Lease Acres in Unit</i>	<i>Total Unit Acres</i>	<i>Tract Participation</i>	<i>Lease Royalty</i>	<i>Tract Royalty Participation</i>	<i>Royalty Rate Reduction Clause</i>
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MF117405		1.212000	513.574000	0.00235993	0.25000000	0.00058998	No
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*API Number*

4243934552, 4243935758, 4243935895



*Remarks:*

*Prepared By:* \_\_\_\_\_  
*GLO Base Updated By:* \_\_\_\_\_  
*RAM Approval By:* \_\_\_\_\_  
*GIS By:* \_\_\_\_\_  
*Well Inventory By:* \_\_\_\_\_

*Prepared Date:* \_\_\_\_\_  
*GLO Base Date:* \_\_\_\_\_  
*RAM Approval Date:* \_\_\_\_\_  
*GIS Date:* \_\_\_\_\_  
*WI Date:* \_\_\_\_\_



Highway Right-of-Way Unit Designation Form  
 Texas General Land Office  
 George P. Bush, Commissioner  
 1700 North Congress Avenue  
 Austin, Texas 78701-1495

OPERATOR INFORMATION

Contact Name Jerad Rhodes Phone (405) 935-1369  
 Name of Pooled Unit Glencrest  
 Operator of Pooled Unit Chesapeake County Tarrant  
 Effective Date of Unit Declaration: 12/27/09

MF 117405

HROW LEASE(S) IN UNIT (unleased) 1.212 acres

HRWO State Lease No.	Lease Date	Term	HROW Royalty	Total Acreage in HROW Lease	HROW Lease Acreage in Unit
112143	4/5/11	1	25%	4.451	5.272
110551	2/2/10	1	25%	4.2145	.089
112144	4/5/11	1	25%	11.279	1.041
112145	4/5/11	1	25%	9.9776	10.755

Total Unit Acreage 513.574 Ac.

Total HRWO Acreage In Unit 18.369 Ac.

Total Private (non-state) Acreage In Unit \_\_\_\_\_ Ac.

State's Royalty Revenue Interest in Unit:

0.00894348

Attach a plat showing the pooled unit outline, unit well(s) location, and HROW lease tracts.

Type of Mineral Pooled:  Oil  Gas  Oil & Gas

Pooled Interval: All Depths  Top Depth \_\_\_\_\_ Base Depth \_\_\_\_\_

If pooling a Formation(s) please list Formation Name: Barnett

RRC Field Name(s): Newark East

UNIT WELL(S)

API # 42-439-34552 RRC ID# \_\_\_\_\_  
 API # - 35895 RRC ID# \_\_\_\_\_  
 API # - 3575P RRC ID# \_\_\_\_\_  
 API # \_\_\_\_\_ RRC ID# \_\_\_\_\_

**From:** Mary Barnstone  
**To:** Bill Ries; Jerad Rhodes  
**CC:** Brandon Nicholson; Susan Wauer; Vanessa Daniels  
**Date:** 6/18/2015 4:02 PM  
**Subject:** RE: HROW for Glencrest

I have made the correction and have updated our records. The lease number for the 32.207 tract is MF117405. Susan or Vanessa will forward you the corrected set up.

Thank you,

mb

Mary Beth Barnstone  
Geotech/Landman  
Mineral Leasing, Energy Resources  
Texas General Land Office  
Direct number: (512) 463-6818  
Fax number: (512) 475-1543  
Mary.Barnstone@GLO.Texas.Gov

>>> Jerad Rhodes <[jerad.rhodes@chk.com](mailto:jerad.rhodes@chk.com)> 6/18/2015 3:33 PM >>>  
Bill, my fault. Thanks for catching.

Mary, attached is the corrected HROW form for Glencrest reflecting the updated/corrected NRI.

From: Bill Ries  
Sent: Thursday, June 18, 2015 3:26 PM  
To: Jerad Rhodes  
Subject: HROW for Glencrest

Hello Jerad,

I ran into a variance for Glencrest, but it looks like an easy fix. The royalty rate for MF110551 is 26%, as you listed on the HROW form. However, I believe NRI on the form was calculated using a 25% royalty rate.

The attached workbook has my calculations. If you agree with my findings, will you please submit an amended HROW form with a State NRI of .00894348?

I will redirect the GLO tracking items straight to D.O. I believe the decks need to be revised to include MF117405.

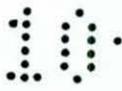
Thanks,  
Bill Ries  
Accountant II - Regulatory Payments  
Chesapeake Operating, LLC  
Phone: (405) 935-6337

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This email (and attachments if any) is intended only for the use of the individual or entity to which it is

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8.  
File No. MF 110551  
BUCKSLIP for ~~Comptroller~~  
Unit 7474  
Date Filed: 6-18-15  
George P. Bush, Commissioner  
By GC



REVISED  
DIVISION ORDER

Unit 7474  
MF110551  
MF112143  
MF112144  
MF117405

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

TRANSACTION NO 006 0776542  
PREPARED BY: BRODGERS

This agreement is made and entered into on the 19TH day of September, 2013.

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:

STATE OF TEXAS	1700 N CONGRESS AVE PO BOX 12873 AUSTIN TX 787010000
0626496	GLENCREST 1H PRODUCING 513.574 ACRES; JUAN ARMETARRANT TX
0636928	GLENCREST 6H PRODUCING 513.574 ACRES; WILLIAM HTARRANT TX
0636936	GLENCREST 8H PRODUCING 513.574 ACRES; JOHN COLLTARRANT TX

SEE EXHIBIT ATTACHED TO AND MADE A PART OF THIS DIVISION ORDER

**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 OF INTEREST OWNER	SOCIAL SECURITY/ TAX I.D. NO.	ADDRESS CORRECTION
	COPY FOR YOUR RECORDS		
WORK PHONE NUMBER: ( )	HOME PHONE NUMBER: ( )	FAX NUMBER: ( )	

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.

646157

TRANSACTION LOG NUMBER: 006 776542 TPATE  
FROM: 776542 CITY OF FORT WORTH  
TO: 646157 STATE OF TEXAS 1.00000000

REVERSE/REBOOK EFF FIRST SALES PRODUCTION TRANSFER INTEREST AND REDISTRIBUTE ANY AND ALL SUSPENSE TO PARTY BELOW PLACED IN SS SUSPENSE PENDING RECEIPT OF EXECUTED D/O PER BRITTANY K MOORE DIVISION ORDER ANALYST II. WELL SET UP ERROR.

INTEREST TRANSFERRED  
SUSPENSE REDISTRIBUTED  
REBOOK  
PAY CODE CHANGES  
APPROVED  
SUPERVISOR COMMENT

PROPERTY	DIV NAME	DOI	DATE CHANGED	OWNER	SQ OWNER NAME	BURDENS	INTEREST ACTION	INT TYP PAY LEASE#	TOTAL UNIT INT.
626496	003 GLENCREST 1H	18	9/18/13 BRODGERS	776542	CITY OF FORT WORTH	118000	.00006974 DLT	2 ROY PA	
			EFF: 11/2011 DKST:	776542	CITY OF FORT WORTH	600171	.00185501 DLT	2 ROY PA	
				776542	CITY OF FORT WORTH	801269	.00064158 DLT	2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157	STATE OF TEXAS	118000	.00006974 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	600171	.00185501 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	801269	.00064158 ADD	2 ROY SS	.00835350
				TOTAL INTEREST FOR ADDS:			.00256633		
626496	003 GLENCREST 1H	20	9/18/13 BRODGERS	776542	CITY OF FORT WORTH	118000	.00007556 DLT	2 ROY PA	
			EFF: 11/2011 DKST:	776542	CITY OF FORT WORTH	600171	.00184919 DLT	2 ROY PA	
				776542	CITY OF FORT WORTH	801269	.00064158 DLT	2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157	STATE OF TEXAS	118000	.00007556 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	600171	.00184919 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	801269	.00064158 ADD	2 ROY SS	.00835350
				TOTAL INTEREST FOR ADDS:			.00256633		
636928	003 GLENCREST 6H	18	9/18/13 BRODGERS	776542	CITY OF FORT WORTH	118000	.00006974 DLT	2 ROY PA	
			EFF: 03/2012 DKST:	776542	CITY OF FORT WORTH	605037	.00185501 DLT	2 ROY PA	
				776542	CITY OF FORT WORTH	801269	.00064158 DLT	2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157	STATE OF TEXAS	118000	.00006974 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	605037	.00185501 ADD	2 ROY SS	.00835350
				646157	STATE OF TEXAS	801269	.00064158 ADD	2 ROY SS	.00835350
				TOTAL INTEREST FOR ADDS:			.00256633		
636928	003 GLENCREST 6H	20	9/18/13 BRODGERS	776542	CITY OF FORT WORTH	118000	.00007556 DLT	2 ROY PA	
			EFF: 03/2012 DKST:	776542	CITY OF FORT WORTH	605037	.00184919 DLT	2 ROY PA	
				776542	CITY OF FORT WORTH	801269	.00064158 DLT	2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157	STATE OF TEXAS	118000	.00007556 ADD	2 ROY SS	.00835350

PROPERTY	DIV NAME	DOI	DATE CHANGED	OWNER	SQ OWNER NAME	BURDENS	INTEREST ACTION	INT TYP PAY LEASE#	TOTAL UNIT INT.
636928	003 GLENCREST 6H	20	9/18/13 BRODGERS EFF: 03/2012 DKST:	646157 646157	STATE OF TEXAS STATE OF TEXAS	605037 801269	.00184919 ADD .00064158 ADD	2 ROY SS 2 ROY SS	.00835350 .00835350
TOTAL INTEREST FOR ADDS:							.00256633		
636936	003 GLENCREST 8H	18	9/18/13 BRODGERS EFF: 03/2012 DKST:	776542 776542 776542	CITY OF FORT WORTH CITY OF FORT WORTH CITY OF FORT WORTH	118000 605037 801269	.00006974 DLT .00185501 DLT .00064158 DLT	2 ROY PA 2 ROY PA 2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157 646157 646157	STATE OF TEXAS STATE OF TEXAS STATE OF TEXAS	118000 605037 801269	.00006974 ADD .00185501 ADD .00064158 ADD	2 ROY SS 2 ROY SS 2 ROY SS	.00835350 .00835350 .00835350
TOTAL INTEREST FOR ADDS:							.00256633		
636936	003 GLENCREST 8H	20	9/18/13 BRODGERS EFF: 03/2012 DKST:	776542 776542 776542	CITY OF FORT WORTH CITY OF FORT WORTH CITY OF FORT WORTH	118000 605037 801269	.00007556 DLT .00184919 DLT .00064158 DLT	2 ROY PA 2 ROY PA 2 ROY PA	
	TARRANT		, TEXAS	TOTAL INTEREST FOR DLTS:			.00256633		
				646157 646157 646157	STATE OF TEXAS STATE OF TEXAS STATE OF TEXAS	118000 605037 801269	.00007556 ADD .00184919 ADD .00064158 ADD	2 ROY SS 2 ROY SS 2 ROY SS	.00835350 .00835350 .00835350
TOTAL INTEREST FOR ADDS:							.00256633		



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⑨  
File No. MF 110551  
Division Order  
Date Filed: 5/6/19  
By: ~~AA~~ Jerry E. Patterson, Commissioner