



CAUTION

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

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Thank you for your assistance.

Archives and Records Staff

MF111121

INUT 13220
INUT 13221
INUT 13222
INUT 13223
PSA00605

State Lease	Control	Base File	County
MF111121	08-021446	150551	LOVING
MF111121	08-021455	150550	LOVING

Survey	T & P RY CO	
Block	55	
Block Name		
Township	2-S	
Section/Tract	46	
Land Part		
Part Description	E2, W2	
Acres	0	
Depth Below	Depth Above	Depth Other

Leasing: RL
Analyst: RL
Maps: RL
GIS: MC

Name	CHESAPEAKE EXPLORATION, LLC
Lease Date	3/7/2010
Primary Term	5 yrs
Bonus (\$)	\$0.00
Rental (\$)	\$0.00
Lease Royalty	0.1250

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

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2. Cert of Fact 7/1/14
scanned PJ 10-23-14
3. DIVISION ORDER 11.12.13
4. Division Order 8/25/16
scanned PJ 10-24-16
5. Recon Billing 6/6/18
scanned PJ 6-11-2018
scanned PJ 7-2-2018
6. Reconciliation Billing 8/9/18
scanned PJ 8-14-2019
scanned PJ 9-12-2019
7. Recon Billing 1/3/2022
8. iNut 13220 - API 42.301.36007 01/04/24
9. iNut 13221 - API 42.301.36006 01/04/24
10. iNut 13222 - API 42.301.36008 01/04/24
11. iNut 13223 - API 42.301.36010 01/04/24
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12. PSA # 00605 2-20-24
13. Ltr to GHO 2-20-24
14. Application Fee 2-20-24
scanned WM 2-27-2024
15. Recorded copy PSA00605 7/30/2024
Scanned sm 08/01/2024

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 7th day of March, 2010, between **WILLIAM LOMBARDO**, Lessor (whether one or more), whose address is 90 Cleveland Road, Pleasant Hill, California 94523 and **CHESAPEAKE EXPLORATION, L.L.C.**, Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

01.03.5



A Certified Copy
It bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

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, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. In addition to the other rights granted herein, Lessor further grants to lessee, during the primary term of this lease [and for a period of thirty (30) days after the expiration of the primary term], a preferential right to acquire a new lease extending beyond the primary term under the circumstances set forth in this paragraph. If, within the above stated period Lessor should

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof, this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

William Lombardo

ACKNOWLEDGMENT

STATE OF CALIFORNIA }

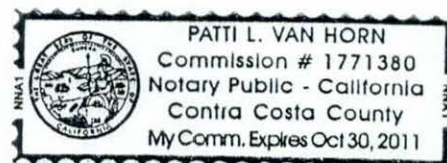
COUNTY OF CONTRA COSTA }

BEFORE ME, the undersigned authority, on this day personally appeared William Lombardo, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 22 day of March, 2010.



Patti L. Van Horn
Notary Public in and for
The State of California



A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.05.5

18.00

Recording Fee

8.00

Certified Copy Fee

26.00

Total Paid

Return to:

Jeff Parks

001291

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2010 APR 23 PM 4:26

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

D. Florez

COMPARED

THE STATE OF TEXAS,
COUNTY OF REEVES.

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

I, hereby certify that this instrument with its certificates of authenticity was FILED on the
date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 807 DATE RECORDED 04/27/2010

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXASBy: D. Florez, Deputy

BEAR GRAPHICS, INC.

05-11-10A11:07 FILE

FILE NO: 10- 438

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within
instrument in writing, dated 03/07/2010 with it's certification of authentication, was filed for record in my
office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving
County, Texas, in VOL OP 92, PG: 399. Witness my Hand and Seal of said Court, at office in Mentone, Texas,
on date and year last above written.

BEVERLY HANSON, County Clerk
Loving County, Texas

DUSTIN BURROWS

Deputy

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct
copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

MAY 11 2010
Dustin Burrows

01.02.5

Free Roy



PINNACLE LAND SERVICES, INC.

P.O. Box 991
Pleasanton, Texas 78064

Office (830) 569-5436
Fax (830) 569-5438
Cell (830) 570-2275

May 19, 2010

Mr. Drew Reid
General Land Office of Texas
1700 North Congress Avenue, Suite 640
Austin, Texas 78701-1495

Re: Chesapeake Exploration, LLC
Wynant Stone Wilson
William Lombardo
John Lombardo
Alice Wilson Burke
REWM Partners
Section 46, Abstract 1354 & 1355, Block 55 Township 2, T&P Railroad Company
Survey
Loving County, Texas

W/2 150550 08-021455 326.64
E/2 150551 08-021446 326.65
653.29 *
17/10 - *
1/8

Dear Drew:

Please find enclosed a certified copies of the Oil and Gas Leases from the above referenced Lessors to Chesapeake Exploration, LLC. Also, please find Check no. 14420 in the amount of \$125.00 for the GLO filing fees.

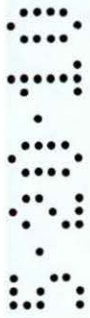
Please let me know if you have any questions regarding this matter.

Sincerely,
PINNACLE LAND SERVICES, INC.

Cindy G. Mercer
Cindy G. Mercer, C. P. L.

/cgm

enclosures



121

PINNACLE LAND SERVICES, INC.
P. O. BOX 991 PH. 830-569-5436
PLEASANTON, TX 78064

10707854

14420

37-65/1119 6019
4230795734

Date 5-19-10

Pay to the
Order of

State of Texas

\$ ~~125.00~~

One Hundred Twenty-five dollars ^{no}/₁₀₀

Dollars



Security
Features
Details on
Back



Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

506L Filing Fees

Melanie Lomas

MP

14420

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PRODUCERS 88.REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 7th day of March, 2010, between JOHN LOMBARDO, Lessor (whether one or more), whose address is 1478 Bluebird Canyon Drive, Laguna Beach, California 92651 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

A Certified Copy
if it bears the seal & name of
the County Clerk Imprinted in purple
Ink, Attest: 5-11-10
Beverly Hanson County Clerk

07.03.10

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

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, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. In addition to the other rights granted herein, Lessor further grants to lessee, during the primary term of this lease [and for a period of thirty (30) days after the expiration of the primary term], a preferential right to acquire a new lease extending beyond the primary term under the circumstances set forth in this paragraph. If, within the above stated period Lessor should

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If it bears the seal & name of
the County Clerk imprinted in purple
Attest: 5-11-10
Deputy Johnson County Clerk

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF ORANGE }

BEFORE ME, the undersigned authority, on this day personally appeared John Lombardo, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 20th day of March, 2010.




Notary Public in and for
The State of California

A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purple
Ink. Attest: 5-11-10
Beverly Hanson County Clerk

07.02.0

18.00 Recording Fee

8.00 Certified Copy Fee

26.00 Total Paid

001292

FILED FOR RECORD

2010 APR 23 PM 4:26

Return to:

Jeff Parks

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

Diane Florez

COMPARED

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

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 810 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Diane Florez, Deputy

BEAR GRAPHICS, INC.

05-11-10A11:07 FILE

FILE NO: 10- 439

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/07/2010 with it's certification of authentication, was filed for record in my office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 403. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas

Dustin Burrows, Deputy
DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

May 11 2010
Dustin Burrows

05-11-10A11:07

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 12th day of March, 2010, between ALICE WILSON BURKE, a married woman dealing in her sole and separate property, Lessor (whether one or more), whose address is 100 Doremus Road, New Iberia, Louisiana 70563-3218 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be Thirty Dollars (\$30.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of Ten and 00/100 Dollars per net acre (\$10.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be



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the County Clerk imprinted in purp
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.03.5

economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.



A Certified Copy
If it bears the seal & name of
the County Clerk Imprinted in purple
Ink. Attest: 5-11-10
Reverly Hanson County Clerk

11.03.4

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.
12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

Alice Wilson Burke
ALICE WILSON BURKE

ACKNOWLEDGMENT

STATE OF LOUISIANA }
PARISH OF IBERIA }

BEFORE ME, the undersigned authority, on this day personally appeared Alice Wilson Burke, known to me 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 5th day of April, 2010.

Karen S. Davis 22586
Notary Public in and for
The State of Louisiana



A Certified Copy
If it bears the seal & name of
the County Clerk Imprinted in purp
Ink. Attest. 5-11-10
Beverly Hanson County Clerk

01.02.4

18.00

Recording Fee

8.00

Certified Copy Fee

26.00

Total Paid

001293

FILED FOR RECORD

2010 APR 23 PM 4:26

Return to:

Jeff Parks

COMPARED

DIANNE O. FLOREZ, COUNTY CLERK, REEVES COUNTY, TX.

Offide

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

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 813 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By:

Dalia H. Flores, Deputy

BEAR GRAPHICS, INC.

05-11-10A11:08 FILE

FILE NO: 10- 440

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/12/2010 with it's certification of authentication, was filed for record in my office 05/11/2010 at 11:08 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 407. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas

Dustin Burrows, Deputy
DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

M. H. 2010
Dustin Burrows

05.07.10

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 12th day of March, 2010, between REWM PARTNERS, Lessor (whether one or more), whose address is P.O. Box 12364, Dallas, Texas 75225 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be Thirty Dollars (\$30.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of Ten and 00/100 Dollars per net acre (\$10.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Reverly Hanson County Clerk

01.03.5

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.



A Certified Copy
It bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Ravary Hanson County Clerk

11.02.5

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR



REWMM PARTNERS

BY: WILSON MELTON - GENERAL PARTNER

JAMES J. Wilson

ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF DALLAS }

BEFORE ME, the undersigned authority, on this day personally appeared Wilson Melton, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity stated.

Given under my hand and seal of office this 12th day of April, 2010.


Notary Public in and for
The State of TEXAS



A Certified Copy
I hereby certify the seal & name of
the County Clerk imprinted in blue
ink. Attest: 5-11-10
Reverly Hanson County Clerk

01.02.5

18.00 Recording Fee
8.00 Certified Copy Fee
26.00 Total Paid

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FILED FOR RECORD

2010 APR 23 PM 4:27

Return to:

Jeff Parks

CLERK, REEVES COUNTY, TX
D. H. H. H.

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

I, hereby certify that this instrument with its certificates of authenticity was FILED on the
date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 816 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: [Signature] Deputy

BEAR GRAPHICS, INC.

05-11-10A11:08 FILE

FILE NO: 10- 441

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within
instrument in writing, dated 03/12/2010 with it's certification of authentication, was filed for record in my
office 05/11/2010 at 11:08 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving
County, Texas, in VOL OP 92, PG: 411. Witness my Hand and Seal of said Court, at office in Mentone, Texas,
on date and year last above written.



FEE: 24.00

BEVERLY HANSON, County Clerk
Loving County, Texas

[Signature] Deputy
DUSTIN BURROWS

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct
copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

MAY 11 2010
[Signature]

05.11.10

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 12th day of March, 2010, between **WYNANT STONE WILSON**, a married man dealing in his sole and separate property, Lessor (whether one or more), whose address is 2014 Brook Hollow Drive, Abilene, Texas 79605 and **CHESAPEAKE EXPLORATION, L.L.C.**, Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be Thirty Dollars (\$30.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of Ten and 00/100 Dollars per net acre (\$10.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be



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the County Clerk imprinted in purp
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11.03.4

economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy; wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.



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If it bears the seal & name of
the County Clerk imprinted in purp
ink. Attest: 5-11-10
Beverly Hanson County Clerk

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.

13. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

Wynant Stone Wilson
WYNANT STONE WILSON

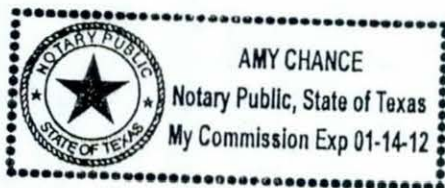
ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF TAYLOR }

BEFORE ME, the undersigned authority, on this day personally appeared Wynant Stone Wilson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 22 day of March, 2010.



ASL
Notary Public in and for
The State of TEXAS



A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purp
ink. Attest: 5-11-10
Beverly Hanson County Clerk

07.02.4

18.00 Recording Fee
 8.00 Certified Copy Fee
 26.00 Total Paid

001290

FILED FOR RECORD

2010 APR 23 PM 4:26

DIANNE O. FLOREZ, COUNTY CLERK, REEVES COUNTY, TX

Return to:

JEFF PARKS

COMPARED

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

THE STATE OF TEXAS, }
 COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 804 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
 REEVES COUNTY, TEXAS

By: [Signature], Deputy

BEAR GRAPHICS, INC.

05-11-10A11:07 FILE

FILE NO: 10- 437

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/12/2010 with it's certification of authentication, was filed for record in my office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 395. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
 Loving County, Texas

[Signature], Deputy
 DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

May 11 2010

[Signature]

05.11.10



PINNACLE LAND SERVICES, INC.

P.O. Box 991
Pleasanton, Texas 78064

Office (830) 569-5436

Fax (830) 569-5438

Cell (830) 570-2275

June 3, 2010

Mr. Drew Reid
General Land Office of Texas
1700 North Congress Avenue, Suite 640
Austin, Texas 78701-1495

Re: Chesapeake Exploration, LLC
Carmen Ferrer
Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P RR Survey, Free
Royalty Classification
Loving County, Texas

Dear Drew:

Please find enclosed a certified copy of the Oil and Gas Lease dated March 10, 2010 from Carmen Ferrer to Chesapeake Exploration, LLC. Also, please find Check no. 14497 in the amount of \$25.00 for the GLO filing fee.

Please let me know if you have any questions regarding this matter.

Sincerely,
PINNACLE LAND SERVICES, INC.

Cindy G. Mercer
Cindy G. Mercer, C. P. L.

/cgm

enclosures

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PINNACLE LAND SERVICES, INC.
P. O. BOX 991 PH. 830-569-5436
PLEASANTON, TX 78064

10708341

14497

37-65/1119 6019
4230795734

Date 6-3-10

Pay to the State of Texas
Order of

\$ 25⁰⁰ ~~XX~~

Twenty-five dollars + ^{no}/₁₀₀

Dollars

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FARGO

Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

Filing Fee

Melanie Llanos

MP

14497

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PRODUCERS 88 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 10th day of MARCH, 2010, between CARMEN FERRER, Lessor (whether one or more), whose address is P.O. BOX 10287, MIDLAND, TEXAS 79702 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **Loving County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T & P RR Survey, Free Royalty Classification

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.29 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.



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If it bears the seal & name of
the County Clerk imprinted in purp
Ink. Attest: 5-13-10
Beverly Hanson County Clerk

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

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, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. In addition to the other rights granted herein, Lessor further grants to lessee, during the primary term of this lease [and for a period of thirty (30) days after the expiration of the primary term], a preferential right to acquire a new lease extending beyond the primary term under the circumstances set forth in this paragraph. If, within the above stated period Lessor should



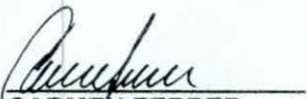
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If it bears the seal & name of
the County Clerk Imprinted in purp
ink. Attest: 5-13-10
Beverly Hanson County Clerk

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR


CARMEN FERRER

ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF MIDLAND }

BEFORE ME, the undersigned authority, on this day personally appeared Carmen Ferrer, known to me 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 March, 2010.




Notary Public in and for
The State of Texas

FILE NO: 10- 453

05-13-10A09:16 FILE

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/10/2010 with it's certification of authentication, was filed for record in my office 05/13/2010 at 09:16 AM o'clock and recorded 05/13/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 513. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas


DUSTIN BURROWS, Deputy



A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in
ink. Attest: 5/13-10
Beverly Hanson County Clerk

FEE: 24.00

1.
File No. WF 111121
Heller, Reed & Lease
Date Filed: 5/20/10
Jerry E. Patterson, Commissioner
By: [Signature]

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest: May 13, 2010

By: [Signature]

Deputy

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 7th day of March, 2010, between **WILLIAM LOMBARDO**, Lessor (whether one or more), whose address is 90 Cleveland Road, Pleasant Hill, California 94523 and **CHESAPEAKE EXPLORATION, L.L.C.**, Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term; and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

01005



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the County Clerk printed in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

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7. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

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Reverly Hanson County Clerk

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

William Lombardo

ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF CONTRA COSTA }

BEFORE ME, the undersigned authority, on this day personally appeared William Lombardo, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 22 day of March, 2010.



Patti L Van Horn
Notary Public in and for
The State of California



A Certified Copy
if it bears the seal & name of
the County Clerk Imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.03.5

18.00

Recording Fee

8.00

Certified Copy Fee

26.00

Total Paid

Return to:

Jeff Parks

001291

FILED FOR RECORD

2010 APR 23 PM 4:26

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

D. Florez

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }ANY PROVISION HEREIN WHICH RESTRICTS THE
SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID
AND UNENFORCEABLE UNDER FEDERAL LAW.I, hereby certify that this instrument with its certificates of authenticity was FILED on the
date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 807 DATE RECORDED 04/27/2010

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By:

D. Florez Deputy

BEAR GRAPHICS, INC.

05-11-10A11:07 FILE

FILE NO: 10- 438

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within
instrument in writing, dated 03/07/2010 with it's certification of authentication, was filed for record in my
office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving
County, Texas, in VOL OP 92, PG: 399. Witness my Hand and Seal of said Court, at office in Mentone, Texas,
on date and year last above written.BEVERLY HANSON, County Clerk
Loving County, Texas

DUSTIN BURROWS

Deputy

FEE: 24.00

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVINGI hereby certify that the above is a true & correct
copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

May 11 2010
Dustin Burrows

07.07.5

Free Roy



PINNACLE LAND SERVICES, INC.

P.O. Box 991
Pleasanton, Texas 78064

Office (830) 569-5436
Fax (830) 569-5438
Cell (830) 570-2275

May 19, 2010

Mr. Drew Reid
General Land Office of Texas
1700 North Congress Avenue, Suite 640
Austin, Texas 78701-1495

Re: Chesapeake Exploration, LLC
Wynant Stone Wilson
William Lombardo
John Lombardo
Alice Wilson Burke
REWM Partners
Section 46, Abstract 1354 & 1355, Block 55 Township 2, T&P Railroad Company
Survey
Loving County, Texas

W/2 150550 08-021455 326.64
E/2 150551 08-021446 326.65
653.29
1/10 - 1/8

Dear Drew:

Please find enclosed a certified copies of the Oil and Gas Leases from the above referenced Lessors to Chesapeake Exploration, LLC. Also, please find Check no. 14420 in the amount of \$125.00 for the GLO filing fees.

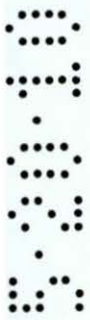
Please let me know if you have any questions regarding this matter.

Sincerely,
PINNACLE LAND SERVICES, INC.

Cindy G. Mercer
Cindy G. Mercer, C. P. L.

/cgm

enclosures



121

PINNACLE LAND SERVICES, INC.
P. O. BOX 991 PH. 830-569-5436
PLEASANTON, TX 78064

10707854

14420

37-65/1119 6019
4230795734

Date 5-19-10

Pay to the
Order of

State of Texas

\$ ~~125.00~~ ^{XX}

One Hundred Twenty-five dollars ^{no} ~~100~~

Dollars



Security
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Back.



Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

506L Filio Fees

Melanie Lomas

MP

144 2011

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.REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 7th day of March, 2010, between JOHN LOMBARDO, Lessor (whether one or more), whose address is 1478 Bluebird Canyon Drive, Laguna Beach, California 92651 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.



A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

07.03.5

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

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, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. In addition to the other rights granted herein, Lessor further grants to lessee, during the primary term of this lease [and for a period of thirty (30) days after the expiration of the primary term], a preferential right to acquire a new lease extending beyond the primary term under the circumstances set forth in this paragraph. If, within the above stated period Lessor should

A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purple
Attest: 5-11-10
County Clerk

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

ACKNOWLEDGMENT

STATE OF CALIFORNIA }

COUNTY OF ORANGE }

BEFORE ME, the undersigned authority, on this day personally appeared John Lombardo, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 20th day of March, 2010.



[Signature]
Notary Public in and for
The State of California

A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

18.00 Recording Fee
8.00 Certified Copy Fee
26.00 Total Paid

001292

FILED FOR RECORD

2010 APR 23 PM 4:26

Return to:

Jeff Parks

COMPARED

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

[Signature]

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

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 810 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]*, Deputy

BEAR GRAPHICS, INC.

FILED

05-11-10A11:07 FILE

FILE NO: 10- 439

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/07/2010 with it's certification of authentication, was filed for record in my office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 403. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas

[Signature], Deputy
DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest: May 11 2010

By: *[Signature]*
Deputy

001292

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 12th day of March, 2010, between ALICE WILSON BURKE, a married woman dealing in her sole and separate property, Lessor (whether one or more), whose address is 100 Doremus Road, New Iberia, Louisiana 70563-3218 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be Thirty Dollars (\$30.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of Ten and 00/100 Dollars per net acre (\$10.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be



If it bears the seal & name of
the County Clerk imprinted in pulp
ink, Attest: 5-11-10
Beverly Hanson County Clerk

11.03.5

economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.



A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purple
Ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.03.5

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

Alice Wilson Burke
ALICE WILSON BURKE

ACKNOWLEDGMENT

STATE OF LOUISIANA }
PARISH OF IBERIA }

BEFORE ME, the undersigned authority, on this day personally appeared Alice Wilson Burke, known to me 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 5th day of April, 2010.

Karen S. Davis 22586
Notary Public in and for
The State of Louisiana



A Certified Copy
If it bears the seal & name of
the County Clerk Imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.03.4

18.00 Recording Fee

8.00 Certified Copy Fee

26.00 Total Paid

001293

FILED FOR RECORD

2010 APR 23 PM 4:26

Return to:

Jeff Parks

COMPARED

DIANNE O. FLOREZ, COUNTY CLERK, REEVES COUNTY, TX.

D. Florez

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

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 813 DATE RECORDED 04/27/2010

BEAR GRAPHICS, INC.



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Dalia Florez, Deputy

05-11-10A11:08 FILE

FILE NO: 10- 440

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/12/2010 with its certification of authentication, was filed for record in my office 05/11/2010 at 11:08 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 407. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas

Dustin Burrows, Deputy
DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

May 11, 2010
Dustin Burrows

05.07.10

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.



A Certified Copy
 It bears the seal & name of
 the County Clerk imprinted in purple
 ink. Attest: 5-11-10
 Beverly Hanson County Clerk

01.03.5

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.

12. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR



REWM PARTNERS

BY: WILSON MELTON - GENERAL PARTNER

JAMES Jwm

ACKNOWLEDGMENT

STATE OF TEXAS }

COUNTY OF DALLAS }

BEFORE ME, the undersigned authority, on this day personally appeared Wilson Melton, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity stated.

Given under my hand and seal of office this 12th day of April, 2010.


Notary Public in and for
The State of TEXAS



A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in blue
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.03.5

18.00 Recording Fee
8.00 Certified Copy Fee
26.00 Total Paid

Return to:

Jiff Parks

001294

FILED FOR RECORD

2010 APR 23 PM 4:27

DIANNE O. FLOREZ, COUNTY CLERK, REEVES COUNTY, TX

[Signature]

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

I, hereby certify that this instrument with its certificates of authenticity was FILED on the date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 816 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: [Signature], Deputy

BEAR GRAPHICS, INC.

05-11-10A11:08 FILE

FILE NO: 10- 441

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/12/2010 with it's certification of authentication, was filed for record in my office 05/11/2010 at 11:08 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 411. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas

[Signature], Deputy
DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

May 11 2010
[Signature]
Deputy

05.07.10

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 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 12th day of March, 2010, between **WYNANT STONE WILSON**, a married man dealing in his sole and separate property, Lessor (whether one or more), whose address is 2014 Brook Hollow Drive, Abilene, Texas 79605 and **CHESAPEAKE EXPLORATION, L.L.C.**, Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in **LOVING County, Texas**, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P Rwy. Survey

The free royalty of 1/8th of sulphur and 1/16th of all other minerals owned by the State of Texas is to be borne by the landowner's royalty provided for herein, but only in the same proportion that Lessor's mineral interest bears to the entire mineral estate.

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.2900 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be Thirty Dollars (\$30.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of Ten and 00/100 Dollars per net acre (\$10.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of _____ which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4 If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be



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the County Clerk imprinted in purp
ink. Attest: 5-11-10
Beverly Hanson County Clerk

11.03.5

economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger or smaller than those specified, units may be created, reduced or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination. A copy of any and all documents filed of record, pursuant to the provisions of this Oil & Gas Lease, shall be furnished by mail in a timely manner, to the Lessor.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

9. Lessor hereby warrants and agrees to defend the title to said land by, through and under him only and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.



A Certified Copy
it bears the seal & name of
the County Clerk imprinted in purp
ink. Attest: 5-11-10
Beverly Hanson County Clerk

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. Lessee shall have the option, but not the obligation of extending the primary term of this lease in whole or in part for an additional two (2) years from the expiration of the primary term by the payment to Lessor on or before the expiration of said primary term, a sum equal to Two Hundred Dollars and no/100ths (\$200.00) per net mineral acre.

13. At the expiration of the primary term hereof; this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof; the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR

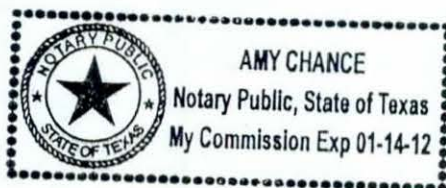
Wynant Stone Wilson
WYNANT STONE WILSON

ACKNOWLEDGMENT

STATE OF TEXAS }
COUNTY OF TAYLOR }

BEFORE ME, the undersigned authority, on this day personally appeared Wynant Stone Wilson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 22 day of March, 2010.



ASL
Notary Public in and for
The State of TEXAS



A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in purple
ink. Attest: 5-11-10
Beverly Hanson County Clerk

01.02.9

18.00 Recording Fee
 8.00 Certified Copy Fee
 26.00 Total Paid

Return to:

JEFF PARKS

001290

FILED FOR RECORD

2010 APR 23 PM 4:26

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX

Diane O. Florez

COMPARED

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

THE STATE OF TEXAS, }
 COUNTY OF REEVES. }

I, hereby certify that this instrument with its certificates of authenticity was FILED on the
 date and at the time stamped hereon and was duly RECORDED in the OFFICIAL PUBLIC
 RECORDS of Real Property of Reeves County, Texas, as indicated.

OPR VOL. 841 PAGE 804 DATE RECORDED 04/27/2010



DIANNE O. FLOREZ, COUNTY CLERK
 REEVES COUNTY, TEXAS

By: Diane O. Florez, Deputy

BEAR GRAPHICS, INC.

05-11-10A11:07 FILE

FILE NO: 10- 437

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within
 instrument in writing, dated 03/12/2010 with it's certification of authentication, was filed for record in my
 office 05/11/2010 at 11:07 AM o'clock and recorded 05/11/2010 in the OFFICIAL PUBLIC RECORDS of Loving
 County, Texas, in VOL OP 92, PG: 395. Witness my Hand and Seal of said Court, at office in Mentone, Texas,
 on date and year last above written.



BEVERLY HANSON, County Clerk
 Loving County, Texas

By: Dustin Burrows, Deputy
 DUSTIN BURROWS

FEE: 24.00

CERTIFIED COPY CERTIFICATE STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct
 copy of the original record on file in my office.

Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest:

By:

Deputy

May 11 2010
Dustin Burrows

05.11.10



PINNACLE LAND SERVICES, INC.

P.O. Box 991
Pleasanton, Texas 78064

Office (830) 569-5436

Fax (830) 569-5438

Cell (830) 570-2275

June 3, 2010

Mr. Drew Reid
General Land Office of Texas
1700 North Congress Avenue, Suite 640
Austin, Texas 78701-1495

Re: Chesapeake Exploration, LLC
Carmen Ferrer
Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T&P RR Survey, Free
Royalty Classification
Loving County, Texas

Dear Drew:

Please find enclosed a certified copy of the Oil and Gas Lease dated March 10, 2010 from Carmen Ferrer to Chesapeake Exploration, LLC. Also, please find Check no. 14497 in the amount of \$25.00 for the GLO filing fee.

Please let me know if you have any questions regarding this matter.

Sincerely,
PINNACLE LAND SERVICES, INC.

Cindy G. Mercer, C. P. L.

/cgm

enclosures

320

121

PINNACLE LAND SERVICES, INC.
P. O. BOX 991 PH. 830-569-5436
PLEASANTON, TX 78064

10708341

14497

37-65/1119 6019
4230795734

Date 6-3-10

Pay to the State of Texas

Order of Twenty-five dollars + ^{no}/₁₀₀

\$ 25⁰⁰ ~~XX~~

Dollars

 Security
Features
Details on
Back

WELLS
FARGO

Wells Fargo Bank, N.A.
Texas
wellsfargo.com

FOR

Filing Fee

Melai Llanos

MP

14497

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PRODUCERS 88 REV.-TEX. C-PAID-UP (3-73)

OIL AND GAS LEASE

THIS AGREEMENT made this 10th day of MARCH, 2010, between CARMEN FERRER, Lessor (whether one or more), whose address is P.O. BOX 10287, MIDLAND, TEXAS 79702 and CHESAPEAKE EXPLORATION, L.L.C., Lessee, with address of 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118, WITNESSETH:

1. Lessor, in consideration of Ten and No/100***** Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas and all other minerals, conducting seismic operations, injecting gas, water, other fluids, and air into subsurface strata, establishing and utilizing facilities for surface and subsurface disposal of salt water, constructing roads, laying pipe lines, storing oil, building tanks, power stations and lines, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land in Loving County, Texas, to-wit:

Section 46, Abstracts 1354 & 1355, Block 55 Township 2, T & P RR Survey, Free Royalty Classification

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 653.29 gross acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, 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 are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 1/4 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 1/4 of the amount realized from such a sale; (c) on all other minerals mined and marketed, 1/4, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of One and 00/100 Dollars per net acre (\$1.00/net acre) per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the PAY DIRECTLY TO LESSOR Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, in a similar manner as described in paragraph 13, which additional operations shall be deemed to be had when not more than ninety (90) days elapse between the completion or abandonment of one well and the commencement of operations on another well thereon, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land, not owned by Lessors, within 467 feet of or shown to be economically draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.



A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purp
Ink. Attest: 5-13-10
Beverly Hanson County Clerk

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. 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. No well shall be drilled within two hundred feet (200 ft.) 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 the heirs, executors, administrators, successors and assigns of the parties hereto, 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 or impair the effectiveness of any payment theretofore made by Lessee. No such change or division in the ownership of the land or royalties shall impair the effectiveness of any payment theretofore made by Lessee or be binding upon Lessee for any purpose (and irrespective of whether Lessee has either actual or constructive knowledge thereof) until 60 days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public enemy: wars, blockades, insurrection or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments or other governmental officers, or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the land covered by this lease or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

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, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce the same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in the event of failure of title in whole or in part, it is agreed that if Lessor does not own, or have the right to lease, the entire mineral estate herein purported to be leased in the land above described, then the royalties and any other sums payable hereunder shall be reduced proportionately. Should any party named above as Lessor fail to execute this lease, or should any party execute the lease who is not named as a Lessor, it shall nevertheless be binding upon the party or parties executing the same. In the event the leased lands are encumbered by a mortgage, then prior to the payment of any royalties due hereunder, Lessor agrees to obtain a subordination of mortgage, at Lessor's expense, in a form acceptable to Lessee.

10. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to Lessor or his heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered.

11. In addition to the other rights granted herein, Lessor further grants to lessee, during the primary term of this lease [and for a period of thirty (30) days after the expiration of the primary term], a preferential right to acquire a new lease extending beyond the primary term under the circumstances set forth in this paragraph. If, within the above stated period Lessor should



A Certified Copy
If it bears the seal & name of
the County Clerk imprinted in purp
ink. Attest: 5-13-10
Beverly Hanson County Clerk

receive an offer from a third party to lease all or part of the leased premises, or to grant a right or option to lease, on terms that Lessor desires to accept, Lessor shall notify lessee of the offer and all of its particulars, including the amount of bonus payment, royalty, primary term, and all proposed lease provisions. Lessee shall have ten (10) days following receipt of Lessor's notice within which to notify Lessor that lessee desires to purchase a new lease (or acquire an option to lease, as the case may be) on precisely the same terms as such third-party offer. If lessee so notifies Lessor, Lessor will execute such new lease (or option) to lessee, containing the terms set forth in Lessor's notice to Lessee, upon lessee's tendering the bonus payment (if any) stated in such notice. If Lessee does not notify Lessor of its election to acquire a new lease within the specified period, Lessor will be free to accept the third party's offer, subject to Lessee's rights under this lease so long as it remains in effect; provided, however, that such lease shall be on terms no more favorable to the third party Lessee than those set forth in the aforesaid notice, and provided further that if Lessor has not executed and delivered a lease (or the proposed right or option to lease) to a third party pursuant to such offer within thirty (30) days following expiration of Lessee's said ten-day option period, such lease shall not be valid unless Lessor again offers the same to Lessee in the manner above prescribed. This paragraph shall apply to any offer received by Lessor within the period of time herein stated, regardless of whether the term of the new lease for which the offer is made is to begin before or after the expiration of this lease.

12. At the expiration of the primary term hereof, this lease shall terminate as to all lands covered hereby not then included in or otherwise allocated to a "well unit", as hereinafter defined, unless Lessee is producing oil, gas or other hydrocarbons from any well on the leased premises, or lands pooled therewith, or then engaged in the drilling or reworking of any well on the leased premises, or lands pooled therewith and does not allow more than 180 days to elapse between the completion or abandonment of one well on such land and the commencement of another well thereon until the leased premises, or lands pooled therewith, have been "fully developed", as hereinafter defined. Operations for drilling of the first such development well must be commenced within 180 days after the expiration of the primary term if production is established under this lease prior to the expiration of the primary term. Should Lessee fail to timely commence a well in accordance with the aforesaid 180 day continuous drilling or development program prior to the point in time the leased premises have been fully developed then this lease shall terminate as to all lands not included in or otherwise allocated to a well unit. For the purpose hereof, the term "well unit" shall mean the proration or spacing unit created for a well capable of producing oil and/or gas in paying quantities as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction, and the term "fully developed" shall mean the point in time when the entirety of the leased premises has been included in a well unit, or units as prescribed or permitted by the applicable rules and regulations of the governmental authority having jurisdiction. Completion as defined herein shall be the date of the official potential test. At the expiration of the primary term or this continuous development program, whichever is later, Lessee shall release this lease as to all depths one hundred feet below the deepest formation drilled in each "well unit". At the expiration of the primary term or this continuous development program, each such "well unit" shall be treated as a separate oil and gas lease.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

LESSOR


CARMEN FERRER

ACKNOWLEDGMENT

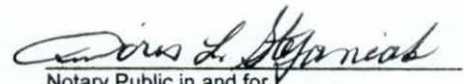
STATE OF TEXAS }

COUNTY OF MIDLAND }

BEFORE ME, the undersigned authority, on this day personally appeared Carmen Ferrer, known to me 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 March, 2010.




Notary Public in and for
The State of Texas

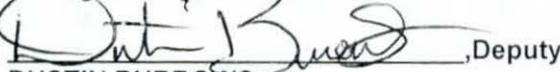
FILE NO: 10- 453

05-13-10A09:16 FILE

I, BEVERLY HANSON, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated 03/10/2010 with it's certification of authentication, was filed for record in my office 05/13/2010 at 09:16 AM o'clock and recorded 05/13/2010 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas, in VOL OP 92, PG: 513. Witness my Hand and Seal of said Court, at office in Mentone, Texas, on date and year last above written.



BEVERLY HANSON, County Clerk
Loving County, Texas


DUSTIN BURROWS, Deputy



A Certified Copy
if it bears the seal & name of
the County Clerk imprinted in
ink. Attest: 543-10
Beverly Hanson County Clerk

FEE: 24.00

1.
File No. WF 111121

Patterson, Rees & Lease

Date Filed: 5/20/10

Jerry E. Patterson, Commissioner

By [Signature]

CERTIFIED COPY CERTIFICATE
STATE OF TEXAS COUNTY OF LOVING

I hereby certify that the above is a true & correct copy of the original record on file in my office.
Beverly Hanson, County & District Clerk, Loving Co., Texas

Attest: MAY 13, 2010
By: [Signature]
Deputy

11.12.13

MF 11121

DIVISION ORDER

TO: SHELL WESTERN E&P
P O BOX 576
HOUSTON, TX 77001

PROPERTY: K25279700BSE/001

COPY

November 5, 2013

The undersigned severally, and not jointly, certifies it is the legal owner of the interest set out herein and of all the oil, gas, and related liquid hydrocarbons produced from the SHELL WESTERN E&P - ROSS 55-2-46 LOV 1H lease, located in LOVING COUNTY, State of TEXAS, more particularly described as follows:

SEC 46, BLK 55 T2, T&P RR C0

Effective 7:00 A.M., DATE OF FIRST PRODUCTION, and until further written notice, subject to the conditions, covenants, and directions hereof, you are authorized to receive and to purchase such oil and to give credit for such oil and for such proceeds derived from the sale of gas as set forth in the division order.

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 AND GAS.

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

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

The payor shall pay all parties for gas and/or liquid hydrocarbons based on the price provisions set forth in the contract for the purchase of such gas and/or liquid hydrocarbons by the purchaser.

PAYMENT: From the effective date, payment is to be made monthly by the payor's check, based on this division of interest, for the oil run during the preceding calendar month from the property shown herein, less taxes required by law to be deducted and remitted by payor as purchaser.

From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for gas and/or hydrocarbons produced from the property shown herein for the second month preceding the current month, less taxes required by law to be deducted and remitted by payor as purchaser.

Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until April 30th of each year, 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 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 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.

x _____
BY:
ITS:
STATE OF TEXAS
F/B/O PERMANENT SCHOOL FUND
Owner Number: STAGA700
SSN/TIN: [REDACTED]
Phone No: _____



FRACTIONAL INTEREST

2011

OWNER NO	NAME ADDRESS AND SOCIAL SECURITY NO	FRACTIONAL INTEREST	EX	TI	DECIMAL
STAGA700	STATE OF TEXAS F/B/O PERMANENT SCHOOL FUND COMMISSIONER OF GENERAL LAND OFFICE STEVEN F AUSTIN BUILDING AUSTIN, TX 78701	(1/16 x 8/8)		RI	0.06250000

3

File No. 24E 111121
DIVISION ORDER
Date Filed: 11-12-13
Jerry E. Patterson, Commissioner
By [Signature]

MF111121
DIVISION ORDER

TO: Shell Western
P.O. Box 576
Houston, TX 77001

PROPERTY: J113SB/00003

May 10, 2016

The undersigned severally, and not jointly, certifies it is the legal owner of the interest set out herein and of all the oil, gas, and related liquid hydrocarbons produced from the Shell Western - ROSS 55-2-46 2H lease, located in LOVING COUNTY, State of TEXAS, more particularly described as follows: API 301-32744
SEC 46, BLK 55 T2, T&P RR C0

Effective 7:00 A.M., DATE OF FIRST PRODUCTION, and until further written notice, subject to the conditions, covenants, and directions hereof, you are authorized to receive and to purchase such oil and to give credit for such oil and for such proceeds derived from the sale of gas as set forth in the division order.

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 AND GAS.

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

TERMS OF SALE: The undersigned will be paid in accordance with the division of interest as shown. Payor shall pay all parties for oil, gas and/or liquid hydrocarbons based on the price provisions set forth in any oil and gas lease or other agreement vesting in payee the right to receive production proceeds. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities in oil.

The payor shall pay all parties for gas and/or liquid hydrocarbons based on the price provisions set forth in the contract for the purchase of such gas and/or liquid hydrocarbons by the purchaser.

PAYMENT: From the effective date, payment is to be made monthly by the payor's check, based on this division of interest, for the oil run during the preceding calendar month from the property shown herein, less taxes required by law to be deducted and remitted by payor as purchaser.

From the effective date, payment is to be made monthly by payor's check, based on this division of interest, for gas and/or hydrocarbons produced from the property shown herein for the second month preceding the current month, less taxes required by law to be deducted and remitted by payor as purchaser.

Payments of less than \$100 may be accrued before disbursement until the total amount equals \$100 or more, or until April 30th of each year, 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 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 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.

X

STATE OF TEXAS
F/B/O PERMANENT SCHOOL FUND
Owner Number: 0002008225
SSN/TIN: XXXXXXXXXX
Phone No: _____



FRACTIONAL INTEREST

OWNER NO	NAME ADDRESS AND SOCIAL SECURITY NO	FRACTIONAL INTEREST	EX	TI	DECIMAL
0002008225	STATE OF TEXAS F/B/O PERMANENT SCHOOL FUND COMMISSIONER OF GLO STEVEN F AUSTIN BLDG AUSTIN, TX 78701	(1/16 x 8/8)	01	RI	0.06250000

Shell Exploration & Production Company



P.O. Box 576
Houston TX 77001

May 10, 2016

RE: ROCAZOLLER ST 54-1-12 2H – J113SQ/00001
Loving County, TX

Dear Interest Owner:

I have enclosed a Division Order for the above referenced property. When reviewing your Division Order, please note the following:

1. Check the Division Order for accuracy as to your social security number or tax identification number, the spelling of your name and mailing address.
2. Sign your name in the space provided on the Division Order. If executing on behalf of a company, L.L.C., etc., please arrange for all members to join in the execution as well as provide their title.
3. Please be advised that by executing the Division Order you certify and warrant that you still own the interest of record. If you no longer claim the interest credited to you, please furnish us the name and address of the party presently claiming the interest.
4. Shell Exploration & Production Company offers Electronic Funds Transfer as an alternative to the mailing of checks to owners. We also offer Electronic Check Detail as an alternative to receiving your check detail in the mail. If you are interested in either of these options, please complete and return the form enclosed.
5. After the Division Order has been properly executed, please return one copy in the enclosed envelope. The duplicate copy is provided for your files.

If you have any questions concerning your Division Order, please contact the Royalty Owner Hotline at 281-544-2600 or shellror@shell.com. Thank you for your cooperation and assistance in this matter.

Regards,

A handwritten signature in cursive script that reads "Taylor Mingle".

Taylor Mingle
Division Order Tech
Land & Contract Administration



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

August 24, 2016

Lisa Valteau
Division Order Analyst
Shell Exploration & Production Company
P. O. Box 576
Houston, Texas 77001-0576

Re: State Lease Nos. MF039017 Rocazoller State 54-1-12 2H; and
✓MF111121 Ross 55-2-46 2H

Dear Mrs. Valteau:

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

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

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

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

Thank you,

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

File No. MF 111121

Division Order

Date Filed: 8/25/16

George P. Bush, Commissioner

By 

(4)

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

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☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Restricted Delivery \$ _____

Postage

\$

Total Postage and Fees

\$

Sent To

Street and Apt. No., or PO Box No.

SWEP I LP
150 N Dairy Ashford Rd #E1044E
City, State, ZIP+4® Houston, TX 77079-1115

MF 11121
MF 111121

Postmark
Here

ATTN: Veronica Tucker

2445 0662 0000 0202 9T02

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SW EPI LP
 ATTN: Veronica Tucker
 150 N Dairy Ashford Rd
 Houston, TX 77079-1115
 #E1044E



9590 9402 1749 6074 7565 29

7016 2070 0000 7390 5472

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

David Miller

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

RECEIVED

JUN 12 2018

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation

☐ Signature Confirmation Restricted Delivery

Delivery Restricted Delivery

ail

Restricted Delivery

(over \$500)

USPS TRACKING#

N HOUSTON



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 1749 6074 7565 29

United States
Postal Service



Texas General Land Office

George P. Bush, Commissioner

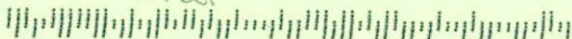
P.O. Box 12873

Austin, Texas 78711-2873

ATTN: Aurora Jordan 7th Energy

MF111121

MF111121





Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

SWEPI LP

Attn: Veronica Tucker

150 N Dairy Ashford Rd #E1044E

Houston, TX 77079-1115

Billing Date: 6/4/2018

Billing Due Date: 7/4/2018

Customer Number: C000044963

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00534	MF111121	\$1,447.74	\$0.00	\$149.94	\$53.34	\$1,651.02
Total Due		\$1,447.74	\$0.00	\$149.94	\$53.34	\$1,651.02

Penalty and interest have been calculated thru 6/30/2018. Payment remitted after 6/30/2018 will result in additional penalty and interest charges.

Contact Info: Sabrina Garcia (512) 475-1510 or Sabrina.Garcia@GLO.TEXAS.GOV

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

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

Detach and return with payment

Reconciliation Billing

SWEPI LP

Billing Date: 6/4/2018

Billing Due Date: 7/4/2018

Customer Number: C000044963

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
18I00534	MF111121	\$1,447.74	\$0.00	\$149.94	\$53.34	\$1,651.02
Total Due		\$1,447.74	\$0.00	\$149.94	\$53.34	\$1,651.02
Amt. Paid						

Customer ID: C000044963
 Invoice Number: 18I00534
 GLO Lease: MF111121
 GLO Review: SWEPI LP
 Review Period: September 2016 through August 2017

Category: Gas
 Auditor/AE: Sgarcia
 Billing Date: 6/1/2018
 P&I Calculation Date: 6/30/2018
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participa	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Apr-17	08-47767	2,696	1.00000000	\$3.160013	1.048188	\$8,929.93	\$558.12	\$0.00	\$558.12	380	4.75%	\$55.81	\$23.31	\$637.24
May-17	08-47767	1,003	1.00000000	\$3.289056	1.047716	\$3,456.33	\$216.02	\$0.00	\$216.02	350	4.75%	\$25.00	\$8.18	\$249.20
Jun-17	08-47767	2,026	1.00000000	\$3.322364	1.049003	\$7,060.95	\$441.31	\$0.00	\$441.31	319	4.75%	\$44.13	\$14.93	\$500.37
Jul-17	08-47767	1,117	1.00000000	\$3.184505	1.044831	\$3,716.56	\$232.29	\$0.00	\$232.29	288	4.75%	\$25.00	\$6.92	\$264.21
TOTALS		6,842				\$23,163.78	\$1,447.74	\$0.00	\$1,447.74			\$149.94	\$53.34	\$1,651.02

ATTN: Thiagarajan Balasubramanian
 CERTIFIED MAIL: 7016 2070 0000 7390 5472

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL ID 08-47767
 COLUMN (5), (6) PRICE & BTU - TAKEN FROM ROYALTY PRODUCTION REPORTS SUBMITTED TO THE TEXAS GENERAL LAND OFFICE.
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

File No. ME 111121

County

Recon Billing

Date Filed: 6/6/18

George P. Bush, Commissioner

By AT

2016 2070 0000 7391 0803

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

MF 111121

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
- ☐ Return Receipt (electronic) \$ _____
- ☐ Certified Mail Restricted Delivery \$ _____
- ☐ Adult Signature Required \$ _____
- ☐ Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$

Total Postage and Fees

\$

ATTN: Veronica A Tucker

Sent To

SW & PILP

Street and Apt. No. or PO Box No.

150 N Dairy Ashford Rd #E1044 E

City, State, ZIP+4®

Houston, TX 77079-1115

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

for an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SWAPILP
ATTN: Veronica Tucker
150 N Dairy Ashford Rd
210442
Houston, Tx 77079-1115



9590 9402 1972 6123 7483 41

2. Article Number (Transfer from service label)

7016 2070 0000 7391 0803

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Joe Ford*

☒ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

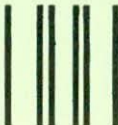
3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Restricted Delivery

USPS TRACKING #



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 1972 6123 7483 41

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box •

MF11121
ENERGY
Verd is
7th FLR

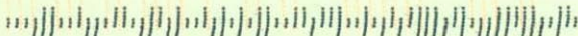


Texas General Land Office

George P. Bush, Commissioner

P.O. Box 12873

Austin, Texas 78711-2873





Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

SWEPI LP
Attn: Veronica Tucker
150 N Dairy Ashford Rd #E1044E
Houston, TX 77079-1115

Billing Date: 8/8/2019
Billing Due Date: 9/7/2019
Customer Number: C000044963

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00642	MF111121	\$2,309.42	\$0.00	\$317.00	\$174.77	\$2,801.19
Total Due		\$2,309.42	\$0.00	\$317.00	\$174.77	\$2,801.19

Penalty and interest have been calculated thru 8/31/2019. Payment remitted after 8/31/2019 will result in additional penalty and interest charges.

Contact Info:

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For other royalty reporting questions, visit <http://www.glo.texas.gov>, call (512) 463-6850 or email us at glo123@glo.texas.gov.

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Detach and return with payment

Reconciliation Billing

SWEPI LP

Billing Date: 8/8/2019

Billing Due Date: 9/7/2019

Customer Number: C000044963

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
19I00642	MF111121	\$2,309.42	\$0.00	\$317.00	\$174.77	\$2,801.19
Total Due		\$2,309.42	\$0.00	\$317.00	\$174.77	\$2,801.19
Amt. Paid						

Customer ID: C000044963
 Invoice Number:
 GLO Lease: MF111121
 GLO Review: Swepi LP
 Review Period: September 2017 through August 2018

Category: Gas
 Auditor/AE: Asoriano
 Billing Date: 8/1/2019
 P&I Calculation Date: 8/31/2019
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Particls	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Ro	Number of Da	Interest Rate For	Penalty Rate Fron	Interest Rate Fron	Revenue Due
Sep-17	08-47767	-1,383	1.00000000	\$ 2.953700	1.042015	(\$4,256.60)	(\$266.04)	\$0.00	(\$266.04)	654	4.75%	\$0.00	\$0.00	(\$266.04)
Oct-17	08-47767	2,946	1.00000000	\$ 2.909214	1.034939	\$8,869.99	\$554.37	\$0.00	\$554.37	624	4.75%	\$55.44	\$40.76	\$650.57
Dec-17	08-47767	-134	1.00000000	\$ 2.908684	1.019414	(\$397.33)	(\$24.83)	\$0.00	(\$24.83)	562	5.50%	\$0.00	\$0.00	(\$24.83)
Jan-18	08-47767	4,324	1.00000000	\$ 3.986043	1.047118	\$18,047.76	\$1,127.98	\$0.00	\$1,127.98	534	5.50%	\$112.80	\$80.74	\$1,321.52
Feb-18	08-47767	2,108	1.00000000	\$ 3.535223	1.046905	\$7,801.80	\$487.61	\$0.00	\$487.61	503	5.50%	\$48.76	\$32.62	\$568.99
Mar-18	08-47767	505	1.00000000	\$ 1.911032	1.058342	\$1,021.38	\$63.84	\$0.00	\$63.84	473	5.50%	\$25.00	\$3.98	\$92.82
Apr-18	08-47767	881	1.00000000	\$ 1.595671	1.052646	\$1,479.80	\$92.49	\$0.00	\$92.49	442	5.50%	\$25.00	\$5.34	\$122.83
May-18	08-47767	380	1.00000000	\$ 1.652601	1.027260	\$645.11	\$40.32	\$0.00	\$40.32	412	5.50%	\$25.00	\$2.14	\$67.46
Aug-18	08-47767	1,908	1.00000000	\$ 1.825527	1.073431	\$3,738.87	\$233.68	\$0.00	\$233.68	320	5.50%	\$25.00	\$9.19	\$267.87
TOTALS		11,535				\$36,950.77	\$2,309.42	\$0.00	\$2,309.42			\$317.00	\$174.77	\$2,801.19

ATTN: GANESHKUMAR SUBRAMANIAM
 CERTIFIED MAIL: 7016 2070 0000 7391 0803

COMMENTS: BILLING ON DIFFERENCE FROM VOLUMES REPORTED TO GLO COMPARED TO THE VOLUMES REPORTED TO RRC.

COLUMN (3) VOLUME - REPRESENTS UNDER REPORTED SALES VOLUMES TO THE GLO FROM RRC WELL IDS 08-47767
 COLUMN (5) (6) PRICE & BTU - TAKEN FROM GLO REPORTS
 COLUMNS (12), (13), (14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rrac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. THE PREFERRED METHOD OF PAYMENT IS BY CHECK ACCOMPANIED WITH THE BOTTOM HALF OF THE ATTACHED INVOICE. IF PAYMENT IS MADE THROUGH ACH DEBIT, NOTIFY THE AUDITOR AS TO THE REMITTANCE DATE SO THE INVOICE CAN BE PROPERLY CREDITED.

6
File No. MF 111 121
County
Reconciliation Billing
Date Filed: 8/9/19
George P. Bush, Commissioner
By VD



Texas General Land Office

Reconciliation Billing

George P. Bush, Commissioner

PO Box 12873
Austin, TX 78711-2873
(800) 998-4456
8:00 - 5:00 M-F

SWEPI LP

Attn: Veronica Tucker

150 N Dairy Ashford Rd #E1044E

Houston, TX 77079-1115

Billing Date: 11/8/2021

Billing Due Date: 12/8/2021

Customer Number: C000044963

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00100	MF111121	\$0.00	\$11,771.10	\$1,177.11	\$1,034.17	\$13,982.38
Total Due		\$0.00	\$11,771.10	\$1,177.11	\$1,034.17	\$13,982.38

Penalty and interest have been calculated thru 11/30/2021. Payment remitted after 11/30/2021 will result in additional penalty and interest charges.

Jacquet,David (512) 463-5262 or david.jacquet@glo.texas.gov

NOTICE

- Please update GLO1 and GLO2 production reports to correct volumes.
- Please do not update GLO3 report to include billed royalty, penalty or interest. This receivable has already been recorded.
- For questions regarding this invoice, email us at glo123@glo.texas.gov

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Detach and return with payment

Reconciliation Billing

SWEPI LP

Billing Date: 11/8/2021

Billing Due Date: 12/8/2021

Customer Number: C000044963

Remit Payment To:

Texas General Land Office

PO Box 12873

Austin, TX 78711-2873

Invoice	Mineral File	Gas Royalty	Oil Royalty	Penalty	Interest	Total Due
22I00100	MF111121	\$0.00	\$11,771.10	\$1,177.11	\$1,034.17	\$13,982.38
Total Due		\$0.00	\$11,771.10	\$1,177.11	\$1,034.17	\$13,982.38
Amt. Paid						

Customer ID: C000044963
 Invoice Number:
 GLO Lease: MF111121
 GLO Review: SHELL WESTERN E & P INC
 Review Period: SEPT 2019 - AUG 2020

Category Oil
 Auditor/AE: DJACQUET
 Billing Date: 11/1/2021
 P&I Calculation Date: 11/30/2021
 Royalty Rate: 6.25%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Month / Year	RRC Number	Gas/Oil Volume	Tract Participation Rate	Price	BTU	Gross Value	Royalty Due	Royalty Paid	Additional Royalty Due	Number of Days Late	Interest Rate For Additional Royalty	Penalty From Additional Royalty	Interest From Additional Royalty	Revenue Due
Oct-19	08-287543	281	1.000000	\$52.92	1	\$14,887.82	\$930.49	\$0.00	\$930.49	726	6.50%	\$93.05	\$110.52	\$1,134.06
Dec-19	08-287543	1,447	1.000000	\$59.44	1	\$86,036.31	\$5,377.27	\$0.00	\$5,377.27	664	5.75%	\$537.73	\$512.50	\$6,427.50
Mar-20	08-287543	190	1.000000	\$25.67	1	\$4,881.24	\$305.08	\$0.00	\$305.08	574	5.75%	\$30.51	\$24.75	\$360.34
Apr-20	08-287543	3,384	1.000000	\$17.48	1	\$59,150.85	\$3,696.93	\$0.00	\$3,696.93	543	5.75%	\$369.69	\$281.88	\$4,348.50
May-20	08-287543	1,446	1.000000	\$16.17	1	\$23,381.30	\$1,461.33	\$0.00	\$1,461.33	513	5.75%	\$146.13	\$104.52	\$1,711.98
TOTALS		6,749				\$188,337.51	\$11,771.10	\$0.00	\$11,771.10			\$1,177.11	\$1,034.17	\$13,882.38

COMMENTS: BILLING ON UNDER REPORTED VOLUMES FOR RRC ID# 08-287543.

COLUMN (3) VOLUMES - REPRESENTS THE VOLUMES REPORTED TO THE GLO VERSUS VOLUMES REPORTED TO THE RRC.
 COLUMNS (5) THE PRICES -WERE BASED OFF THE AVERAGE PRICE THAT WAS REPORTED ON THE GLOIS..
 COLUMNS (12),(13),(14) PLEASE GO TO THIS WEB SITE FOR EXPLANATION OF PENALTY AND INTEREST ASSESSMENT:
<http://www.glo.texas.gov/energy-business/oil-gas/rac/forms/penalty-interest-assessment-rules.pdf>

NOTE 1: PLEASE REMIT PAYMENT OF THIS INVOICE SEPARATELY FROM REGULAR ROYALTY PAYMENTS. AYMENT MAY BE MADE BY CHECK OR ACH DEBIT
 SEND AN E-MAIL WITH A COPY OF THIS INVOICE ATTACHED TO: account.services@glo.texas.gov NOTING THE CHECK NUMBER OR ACH CONFIRMATION NUMBER WHEN PAYMENT IS REMITTED

FOR QUESTIONS REGARDING THIS INVOICE PLEASE E-MAIL DAVID JACQUET: david.jacquet@glo.texas.gov

ATTN: THAMARAI SELVAN
 SENT VIA E-MAIL: Thamarai.selman@shell.com

File No. MF 11121

County
Recon Billings

Date Filed: 1/3/2022

George P. Bush, Commissioner

Fy VD



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 13220

GENERAL INFORMATION

Name of Well: VJ Ranch – Link 55 – 2 B # 3402H API # 42-301-36007
Name of Operator: ConocoPhillips Company RRC # 08-882604
Operator Contact Person: Brian Austin Phone: 918-661-4254
Counties: Loving

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	MF111121	15928	5412	0.06250000	0.06250000	0.33977901	0.02123619
Totals:							0.02123619
Effective Date:	<u>11/01/2022</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00605

Comments:

- Final as drilled plat submitted on November 30, 2023. PSA submitted for approval at the January 30, 2024 SLB Meeting.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INUT240001

Unit Number 13220
Operator Name ConocoPhillips Company
Customer ID C000044468
Unit Name VJ Ranch - Link 55 - 2 B # 3402H
County 1 Loving **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.02123619
State Part in Unit 0.33977901
Unit Depth Specified Depths
From Depth
To Depth
Well
Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 11/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111121		0.000000	0.000000	0.33977901	O/G	0.06250000	0.02123619	No

API Number

4230136007

Remarks:

PSA 00605

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:

01/03/2024

01/03/2024

01/03/2024

01/09/24

01/03/2024

Pooling Committee Report

To: School Land Board

INUT240001

Date of Board Meeting:

Unit Number: 13220

Effective Date: 11/01/2022

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: Conocophillips Company

Unit Name: VJ Ranch - Link 55 - 2 B # 3402H

Field Name: PHANTOM (WOLFCAMP)

County: Loving

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF111121	0.06250000	03/07/2015	5 years	653.290000	0.000000	0.02123619

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	33.98%
<u>State Net Revenue Interest:</u>	2.12%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

OPERATOR: PDEH LLC

WELL LOCATION

LEASE NAME & WELL NO.:

VJ RANCH-LINK 55-2 B #3402H

UNITLEASE ACREAGE:

1957.56 ACRES (MEASURED)

NEAREST TOWN IN COUNTY:

±11.0 MILES NORTHWEST OF MENTONE, TEXAS

DESCRIPTION:

S.H.L./P.P./F.T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380

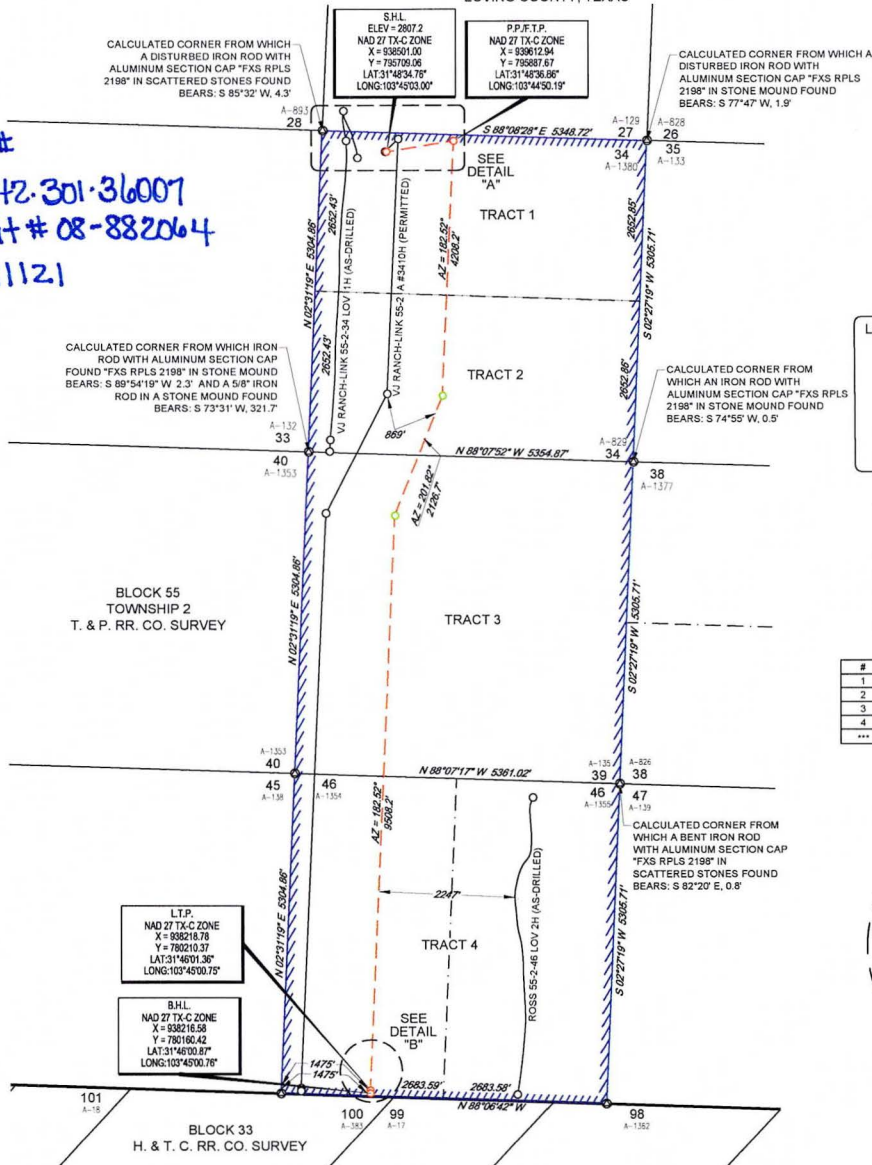
L.T.P./B.H.L.: SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1354

LOVING COUNTY, TEXAS

SCALE: 1" = 2000'



iNut#
API#42-301-36007
Permit # 08-882064
MF111121



PRODUCTIVE LATERAL

LENGTH (F.T.P. TO L.T.P.)	
1	2,953'
2	2,716'
3	5,369'
4	5,205'
TOTAL	15,843'

LEGEND:

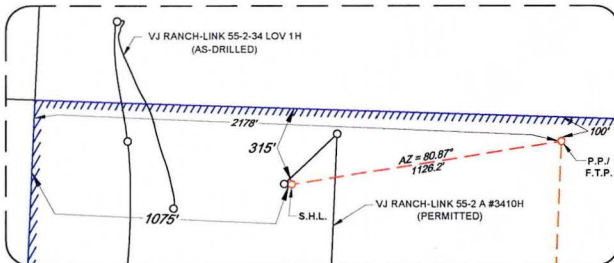
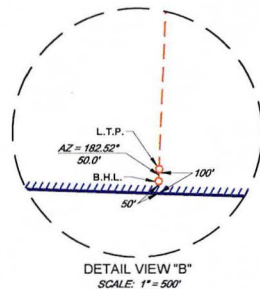
Unit Boundary	-----
Survey Line	-----
Abstract Line	-----
Proposed Well Path	-----
Existing/Permitted Well Path	-----
Mineral Tract Boundary	-----
Calculated Corner	●
Well Point	○
Geometric Point	○

TIES TABLE

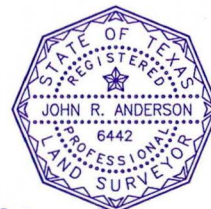
POINT	UNIT	SURVEY/SECTION
S.H.L.	315' FNL & 1075' FWL	315' FNL & 1075' FWL
P.P./F.T.P.	100' FNL & 2178' FWL	100' FNL & 2178' FWL
L.T.P.	100' FSL & 1475' FWL	100' FSL & 1475' FWL
B.H.L.	50' FSL & 1475' FWL	50' FSL & 1475' FWL

OWNERSHIP TABLE

#	MINERAL TRACT	ACREAGE
1	VJ RANCH INTERESTS L.P.	325.79
2	MATTHEW LINK PROPERTIES LTD., ET AL.	325.98
3	CHEVRON USA INC.	652.52
4	RALPH LESS ROSS, ET AL.	653.27
---	TOTAL ACREAGE	1957.56



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WWW.TOPOGRAPHIC.COM



John R. Anderson 6/29/2022
John R. Anderson, R.P.L.S. No. 6442

HHR-55T2-34-P2_BO VJ RANCH - LINK 55-2 B #3402H	REVISION:		NOTES:	NOTES CONT'D:
	INT	DATE		
DATE: 06/16/2022			1. ORIGINAL DOCUMENT SIZE: 11" X 17"	6. THE PRELIMINARY LOCATION HAS BEEN CAREFULLY SURVEYED ON THE GROUND DURING THE DATE OF MAY 17, 2022.
FILE: LO_HHR-55T2-34-P2_BO_VJ_RANCH-LINK_55-2_B_#3402H			2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1927, UNLESS OTHERWISE NOTED.	7. S.H.L. = SURFACE HOLE LOCATION
DRAWN BY: O.M.			3. THIS LOCATION AND/OR UNITLEASE BOUNDARY HAS BEEN CAREFULLY SURVEYED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE ACCORDING TO THE EVIDENCE, OFFICIAL SURVEY RECORDS, MAPS, AND OTHER DATA PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC. THIS PLAN WAS CREATED FOR THE SOLE PURPOSE OF FILING A PERMIT WITH THE RAILROAD COMMISSION OF TEXAS AND SHOULD NOT BE CONSTRUED AS A "BOUNDARY SURVEY" IN COMPLIANCE WITH T.B.P.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAN AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.	8. P.P. = POINT OF PENETRATION
SHEET: 1 OF 1			4. ALL ELEVATION VALUES CONTAINED HEREIN ARE ORTHOMETRIC ONLY, BASED UPON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88), U.S. SURVEY FEET.	9. F.T.P. = FIRST TAKE POINT
			5. ALL MINERAL OWNERSHIP DATA SHOWN HEREIN IS BASED ON INFORMATION PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC OR ITS SUBSIDIARIES & AFFILIATES.	10. L.T.P. = LAST TAKE POINT
				11. B.H.L. = BOTTOM HOLE LOCATION

File No. MF111121
Loving County
iNut 13220 - API 42-301-36007
Date Filed: 01/04/2024
Commissioner Dawn Buckingham, M.D.
By: Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 13221

GENERAL INFORMATION

Name of Well: VJ Ranch – Link 55 – 2 A # 3410H API # 42-301-36006
Name of Operator: ConocoPhillips Company RRC # 08-882542
Operator Contact Person: Brian Austin Phone: 918-661-4254
Counties: Loving

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	MF111121	15928	5412	0.06250000	0.06250000	0.33977901	0.02123619
Totals:							0.02123619
Effective Date:	<u>11/01/2022</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00605

Comments:

- Final as drilled plat submitted on November 30, 2023. PSA submitted for approval at the January 30, 2024 SLB Meeting.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: VD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

INUT240001

Unit Number 13221
Operator Name ConocoPhillips Company
Customer ID C000044468
Unit Name VJ Ranch - Link 55 -2 A # 3401H
County 1 Loving **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.02123619
State Part in Unit 0.33977901
Unit Depth Specified Depths
From Depth
To Depth
Well
Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 11/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111121		0.000000	0.000000	0.33977901	O/G	0.06250000	0.02123619	No

API Number
4230136006

Remarks:

Prepared By: Jm
GLO Base Updated By: Jm
RAM Approval By: JD
GIS By: RC
Well Inventory By: Jm

Prepared Date: 01/03/2024
GLO Base Date: 01/03/2024
RAM Approval Date: 01/03/2024
GIS Date: 01/09/24
WI Date: 01/03/2024

Pooling Committee Report

To: School Land Board

INUT240001

Date of Board Meeting:

Unit Number: 13221

Effective Date: 11/01/2022

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: ConnocoPhillips Company

Unit Name: VJ Ranch - Link 55 -2 A # 3401H

Field Name: PHANTOM (WOLFCAMP)

County:

Loving

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF111121	0.06250000	03/07/2015	5 years	653.290000	0.000000	0.02123619

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	33.98%
<u>State Net Revenue Interest:</u>	2.12%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

OPERATOR: PDEH LLC

WELL LOCATION

LEASE NAME & WELL NO.:

VJ RANCH-LINK 55-2 A #3410H

UNIT/LEASE ACREAGE:

1957.56 ACRES (MEASURED)

NEAREST TOWN IN COUNTY:

±11.0 MILES NORTHWEST OF MENTONE, TEXAS

DESCRIPTION:

S.H.L./P.P./F.T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380

L.T.P./B.H.L.: SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1354

LOVING COUNTY, TEXAS

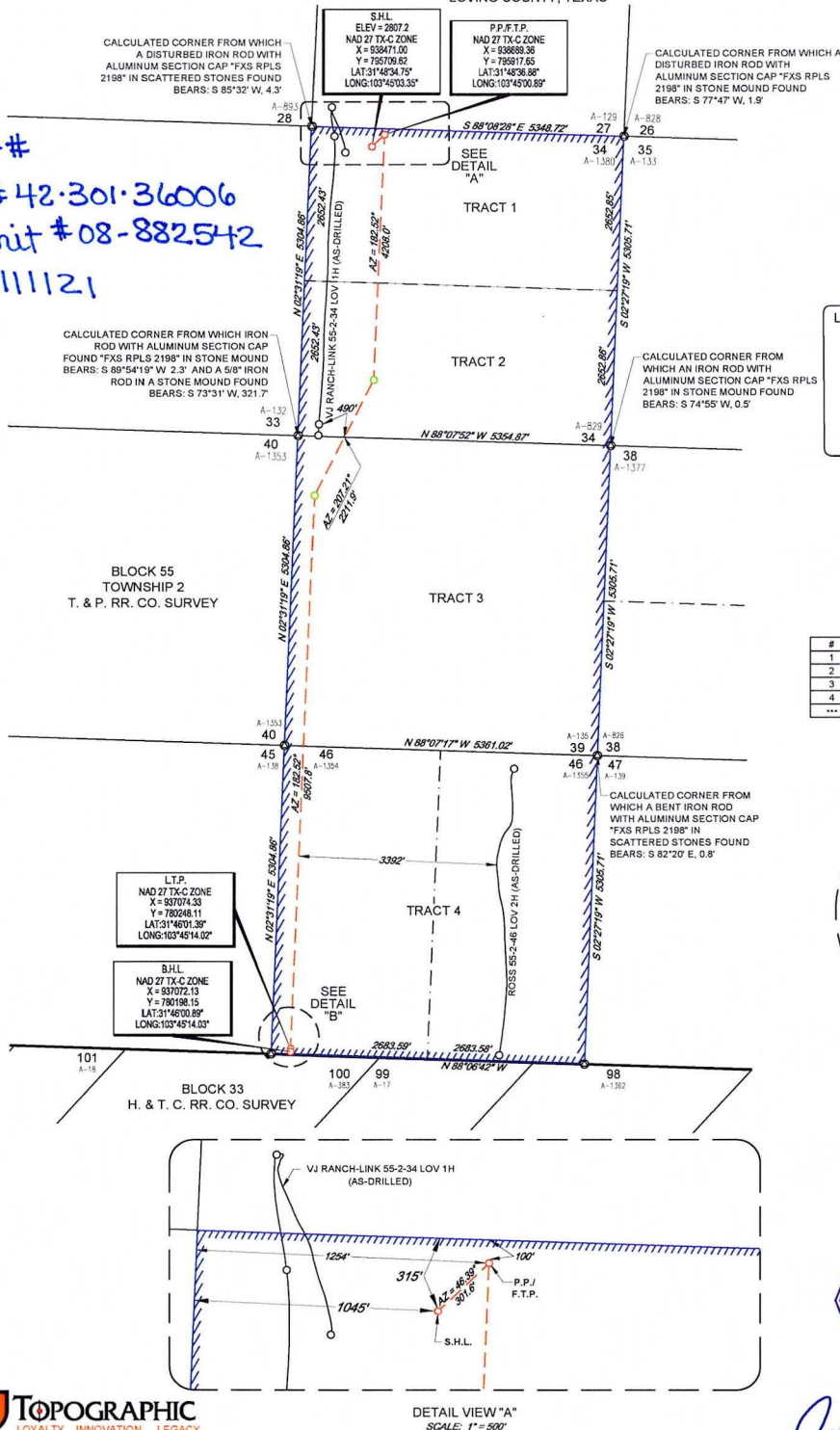
SCALE: 1" = 2000'

iNut#

API # 42-301-36006

Permit # 08-882542

MF 111121



PRODUCTIVE LATERAL

LENGTH (F.T.P. TO L.T.P.)	
1	2,562'
2	2,759'
3	5,412'
4	5,205'
TOTAL	15,928'

LEGEND:

Unit Boundary	Unit Boundary
Survey Line	Survey Line
Abstract Line	Abstract Line
Proposed Well Path	Proposed Well Path
Existing/Permitted Well Path	Existing/Permitted Well Path
Mineral Tract Boundary	Mineral Tract Boundary
Calculated Corner	Calculated Corner
Well Point	Well Point
Geometric Point	Geometric Point

TIES TABLE

POINT	UNIT	SURVEY/SECTION
S.H.L.	315' FNL & 1045' FWL	315' FNL & 1045' FWL
P.P./F.T.P.	100' FNL & 1254' FWL	100' FNL & 1254' FWL
L.T.P.	100' FSL & 330' FWL	100' FSL & 330' FWL
B.H.L.	50' FSL & 330' FWL	50' FSL & 330' FWL

OWNERSHIP TABLE

#	MINERAL TRACT	ACREAGE
1	VJ RANCH INTERESTS L.P.	325.79
2	MATTHEW LINK PROPERTIES LTD., ET AL.	325.98
3	CHEVRON USA INC.	652.52
4	RALPH LESS ROSS, ET AL.	653.27
---	TOTAL ACREAGE	1957.56

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TEXAS FIRM REGISTRATION NO. 10042504
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DETAIL VIEW "A"
SCALE: 1" = 500'



John R. Anderson 6/29/2022
John R. Anderson, R.P.L.S. No. 6442

REVISION:	DATE	
	INT	DATE
HHR-55T2-34-P2_BO VJ RANCH - LINK 55-2 A #3410H		
DATE: 06/16/2022		
FILE: LO_HHR-55T2-34-P2_BO_VJ_RANCH-LINK_55-2_A_#3410H.DWG		
DRAWN BY: O.M.		
SHEET: 1 OF 1		

NOTES:

1. ORIGINAL DOCUMENT SIZE: 11" X 17"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983, UNLESS OTHERWISE NOTED.
3. THIS LOCATION AND/OR UNIT/LEASE BOUNDARY HAS BEEN CAREFULLY SURVEYED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE ACCORDING TO THE EVIDENCE, OFFICIAL SURVEY RECORDS, MAPS, AND OTHER DATA PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC. THIS PLAT WAS CREATED FOR THE SOLE PURPOSE OF FILING A PERMIT WITH THE RAILROAD COMMISSION OF TEXAS AND SHOULD NOT BE CONSTRUED AS A "BOUNDARY SURVEY" IN COMPLIANCE WITH T.B.P.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
4. ALL ELEVATION VALUES CONTAINED HEREIN ARE ORTHOMETRIC ONLY, BASED UPON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88), U.S. SURVEY FEET.
5. ALL MINERAL OWNERSHIP DATA SHOWN HEREIN IS BASED ON INFORMATION PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC OR ITS SUBSIDIARIES & AFFILIATES.

NOTES CONT'D:

6. THE PRELIMINARY LOCATION HAS BEEN CAREFULLY SURVEYED ON THE GROUND DURING THE DATE OF MAY 17, 2022.
7. S.H.L. = SURFACE HOLE LOCATION
8. P.P. = POINT OF PENETRATION
9. F.T.P. = FIRST TAKE POINT
10. L.T.P. = LAST TAKE POINT
11. B.H.L. = BOTTOM HOLE LOCATION

File No. MF111121

Loving County

iNvt 13221 - API 42-301-36006

Date Filed: 01/04/2024

Commissioner Dawn Buckingham, M.D.

By: Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 13222

GENERAL INFORMATION

Name of Well: VJ Ranch – Link 55 – 2 C # 3412H API # 42-301-36008
 Name of Operator: ConocoPhillips Company RRC # 08-882605
 Operator Contact Person: Brian Austin Phone: 918-661-4254
 Counties: Loving

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Rylyty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	MF111121	15798	5346	0.06250000	0.06250000	0.33839727	0.02114983
Totals:							0.02114983
Effective Date: <u>11/01/2022</u>							State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00605

Comments:

- Final as drilled plat submitted on November 30, 2023. PSA submitted for approval at the January 30, 2024 SLB Meeting.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
 RAM approval by: VD GIS updated by: RC

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INUT240001

Unit Number 13222
Operator Name ConocoPhillips Company
Customer ID C000044468
Unit Name VJ Ranch - Link 55 - 2 C # 3412H
County 1 Loving **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.02114983
State Part in Unit 0.33839727
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Length of Lateral
If Exclusions Apply: See Remarks

Effective Date 11/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111121		0.000000	0.000000	0.33839727	O/G	0.06250000	0.02114983	No

API Number
4230136008

Remarks:

Prepared By:
GLO Base Updated By:
RAM Approval By:
GIS By:
Well Inventory By:

Prepared Date: 01/03/2024
GLO Base Date: 01/03/2024
RAM Approval Date: 01/03/2024
GIS Date: 01/09/24
WI Date: 01/03/2024

Pooling Committee Report

To: School Land Board

INUT240001

Date of Board Meeting:

Unit Number: 13222

Effective Date: 11/01/2022

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: Conocophillips Company

Unit Name: VJ Ranch - Link 55 - 2 C # 3412H

Field Name: PHANTOM (WOLFCAMP)

County: Loving

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF111121	0.06250000	03/07/2015	5 years	653.290000	0.000000	0.02114983

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

<u>Participation Basis:</u>	Length of Lateral
Surface Acreage	
<u>State Acreage:</u>	33.84%
<u>State Net Revenue Interest:</u>	2.11%

<u>Unit Type:</u>	<u>Unitized for:</u>
iNut	Oil And Gas
<u>Term:</u>	

<u>RRC Rules:</u>	<u>Spacing Acres:</u>
No	

OPERATOR: PDEH LLC

WELL LOCATION

LEASE NAME & WELL NO.:

VJ RANCH-LINK 55-2 C #3412H

UNIT/LEASE ACREAGE:

1957.56 ACRES (MEASURED)

NEAREST TOWN IN COUNTY:

±11.0 MILES NORTHWEST OF MENTONE, TEXAS

DESCRIPTION:

S.H.L./P.P./F.T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380

L.T.P./B.H.L.: SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1354

LOVING COUNTY, TEXAS

SCALE: 1" = 2000'

PRODUCTIVE LATERAL

LENGTH (F.T.P. TO L.T.P.)	
1	2,553'
2	2,894'
3	5,346'
4	5,205'
TOTAL	15,798'

LEGEND:

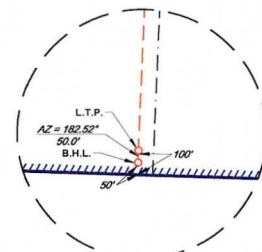
Unit Boundary	Unit Boundary
Survey Line	Survey Line
Abstract Line	Abstract Line
Proposed Well Path	Proposed Well Path
Existing/Permitted Well Path	Existing/Permitted Well Path
Mineral Tract Boundary	Mineral Tract Boundary
Calculated Corner	Calculated Corner
Well Point	Well Point
Geometric Point	Geometric Point

TIES TABLE

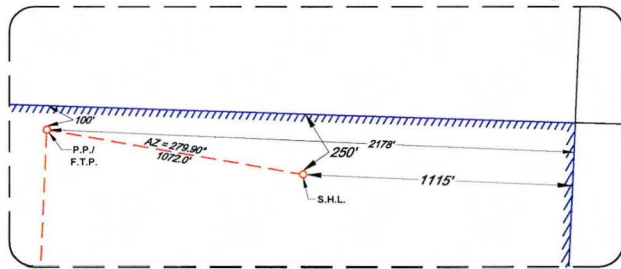
POINT	UNIT	SURVEY/SECTION
S.H.L.	250' FNL	250' FNL & 1115' FEL
P.P./	100' FNL	100' FNL & 2178' FEL
F.T.P.	2178' FEL	2178' FEL
L.T.P.	2620' FNL	2620' FNL & 100' FSL
B.H.L.	2620' FNL	2620' FNL & 50' FSL

OWNERSHIP TABLE

#	MINERAL TRACT	ACREAGE
1	VJ RANCH INTERESTS L.P.	325.79
2	MATTHEW LINK PROPERTIES LTD. EL AL	325.98
3	CHEVRON USA INC.	652.52
4	RALPH LESS ROSS, ET AL	653.27
***	TOTAL ACREAGE	1957.56

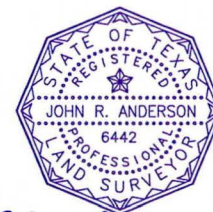


DETAIL VIEW "B"
SCALE: 1" = 500'



DETAIL VIEW "A"
SCALE: 1" = 500'

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TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



John R. Anderson 6/29/2022
John R. Anderson, R.P.L.S. No. 6442

HHR-55T2-34-P1
VJ RANCH-LINK 55-2
C #3412H

REVISION:

INT DATE

NOTES:

1. ORIGINAL DOCUMENT SIZE: 11" X 17"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1983, UNLESS OTHERWISE NOTED.
3. THIS LOCATION AND/OR UNIT/LEASE BOUNDARY HAS BEEN CAREFULLY SURVEYED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE ACCORDING TO THE EVIDENCE, OFFICIAL SURVEY RECORDS, MAPS, AND OTHER DATA PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC. THIS PLAT WAS CREATED FOR THE SOLE PURPOSE OF FILING A PERMIT WITH THE RAILROAD COMMISSION OF TEXAS AND SHOULD NOT BE CONSTRUED AS A "BOUNDARY SURVEY" IN COMPLIANCE WITH T.B.P.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
4. ALL ELEVATION VALUES CONTAINED HEREON ARE ORTHOMETRIC ONLY, BASED UPON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88), U.S. SURVEY FEET.
5. ALL MINERAL OWNERSHIP DATA SHOWN HEREIN IS BASED ON INFORMATION PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC OR ITS SUBSIDIARIES & AFFILIATES.

NOTES CONT'D:

6. THE PRELIMINARY LOCATION HAS BEEN CAREFULLY SURVEYED ON THE GROUND DURING THE DATE OF MAY 18, 2022.
7. S.H.L. = SURFACE HOLE LOCATION
8. P.P. = POINT OF PENETRATION
9. F.T.P. = FIRST TAKE POINT
10. L.T.P. = LAST TAKE POINT
11. B.H.L. = BOTTOM HOLE LOCATION

DATE: 06/16/2022
FILE: LOVING-55T2-34-P1_VJ_RANCH-LINK_55-2_C_#3412H.DWG
DRAWN BY: O.M.
SHEET: 1 OF 1

File No. MF111121
Loving County
iNut 13222 - API 42-301-36008
Date Filed: 01/04/2024
Commissioner Dawn Buckingham, M.D.
By: Jm



Information for processing an Internal Non Unit Transaction (iNut)
Length of Lateral

iNut No. 13223

GENERAL INFORMATION

Name of Well: VJ Ranch – Link 55 – 2 E # 3414H API # 42-301-36010
Name of Operator: PDEH LLC RRC # 08-882608
Operator Contact Person: Brian Austin Phone: 918-661-4254
Counties: Loving

ALLOCATION OF STATE UNITS AND/OR LEASES BASED ON LENGTH OF LATERAL

Lease Type	Unit/Lease No	Total Lateral Ft.	Unit or Lease Lateral Ft.	Unit or Lease Ryty Decimal	Lease Royalty Decimal	RRAC Participation Factor	State Participation by Unit/Lease
FR	MF111121	15717	5306	0.06250000	0.06250000	0.33759623	0.02109976
Totals:							0.02109976
Effective Date:	<u>11/01/2022</u>						State Net Royalty Revenue in Well

Name of Production Sharing Agreement, if any: PSA 00605

Comments:

- Final as drilled plat submitted on November 30, 2023. PSA submitted for approval at the January 30, 2024 SLB Meeting.

Attach a plat showing the iNut well with length of laterals marked and the State lands marked.

Lease Types: Relinquishment Act Land (RAL), State Fee (SF), Free Royalty (FR), Unleased Riverbed (UR), Highway Right of Way (HROW), Unleased Highway (UH), Criminal Justice (TDCJ), Parks & Wildlife (TPW), Mineral Production Allocation (MPAA), Dept. of Aging (DADS), School for the Blind (SBVI), Stephen F. Austin (SFA), TX A&M (A&M).

Prepared by: Jm Alamo updated by: Jm WI updated by: Jm
RAM approval by: JD GIS updated by: RL

DO NOT DESTROY



Texas General Land Office

UNIT AGREEMENT MEMO

INUT240001

Unit Number 13223
Operator Name ConocoPhillips Company
Customer ID C000044468
Unit Name VJ Ranch - Link 55 - 2 E # 3414H
County 1 Loving **RRC District 1** 08
County 2 **RRC District 2**
County 3 **RRC District 3**
County 4 **RRC District 4**
Unit type iNut
State Net Revenue Interest Oil 0.02109976
State Part in Unit 0.33759623
Unit Depth Specified Depths
From Depth Well
To Depth Formation
Participation Basis Surface Acreage
If Exclusions Apply: See Remarks

Effective Date 11/01/2022
Unitized For Oil And Gas
Unit Term
Old Unit Number **Inactive Status Date**

Lease Number	Tract No	Lease Acres in Unit	Total Unit Acres	Tract Participation	O/G	Lease Royalty	NRI of Lease in Unit	Royalty Rate Reduction Clause
MF111121		0.000000	0.000000	0.33759623	O/G	0.06250000	0.02109976	No

API Number
4230136010

Remarks:

Prepared By: Jm
GLO Base Updated By: Jm
RAM Approval By: JD
GIS By: RC
Well Inventory By: Jm

Prepared Date: 01/03/2024
GLO Base Date: 01/03/2024
RAM Approval Date: 01/03/2024
GIS Date: 01/09/24
WI Date: 01/03/2024

Pooling Committee Report

To: School Land Board

INUT240001

Date of Board Meeting:

Unit Number: 13223

Effective Date: 11/01/2022

Unit Expiration Date:

Applicant: ConocoPhillips Company

Attorney Rep:

Operator: ConocoPhillips Company

Unit Name: VJ Ranch - Link 55 - 2 E # 3414H

Field Name: PHANTOM (WOLFCAMP)

County: Loving

<u>Lease Type</u>	<u>Lease Number</u>	<u>Lease Royalty</u>	<u>Expiration Date</u>	<u>Lease Term</u>	<u>Lease Acres</u>	<u>Lease Acres In Unit</u>	<u>Royalty Participation</u>
FR	MF111121	0.06250000	03/07/2015	5 years	653.290000	0.000000	0.02109976

Private Acres:	0.000000
State Acres:	0.000000
Total Unit Acres:	0.000000

Participation Basis:	Surface Acreage
Surface Acreage	
State Acreage:	33.76%
State Net Revenue Interest:	2.11%

Unit Type:	Unitized for:
iNut	Oil And Gas
Term:	

RRC Rules:	Spacing Acres:
No	

OPERATOR: PDEH LLC

WELL LOCATION

LEASE NAME & WELL NO.:

VJ RANCH-LINK 55-2 E #3414H

UNIT/LEASE ACREAGE:

1957.56 ACRES (MEASURED)

NEAREST TOWN IN COUNTY:

±11.0 MILES NORTHWEST OF MENTONE, TEXAS

DESCRIPTION:

S.H.L./P.P./F.T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380

L.T.P./B.H.L.: SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1355

LOVING COUNTY, TEXAS

SCALE: 1" = 2000'

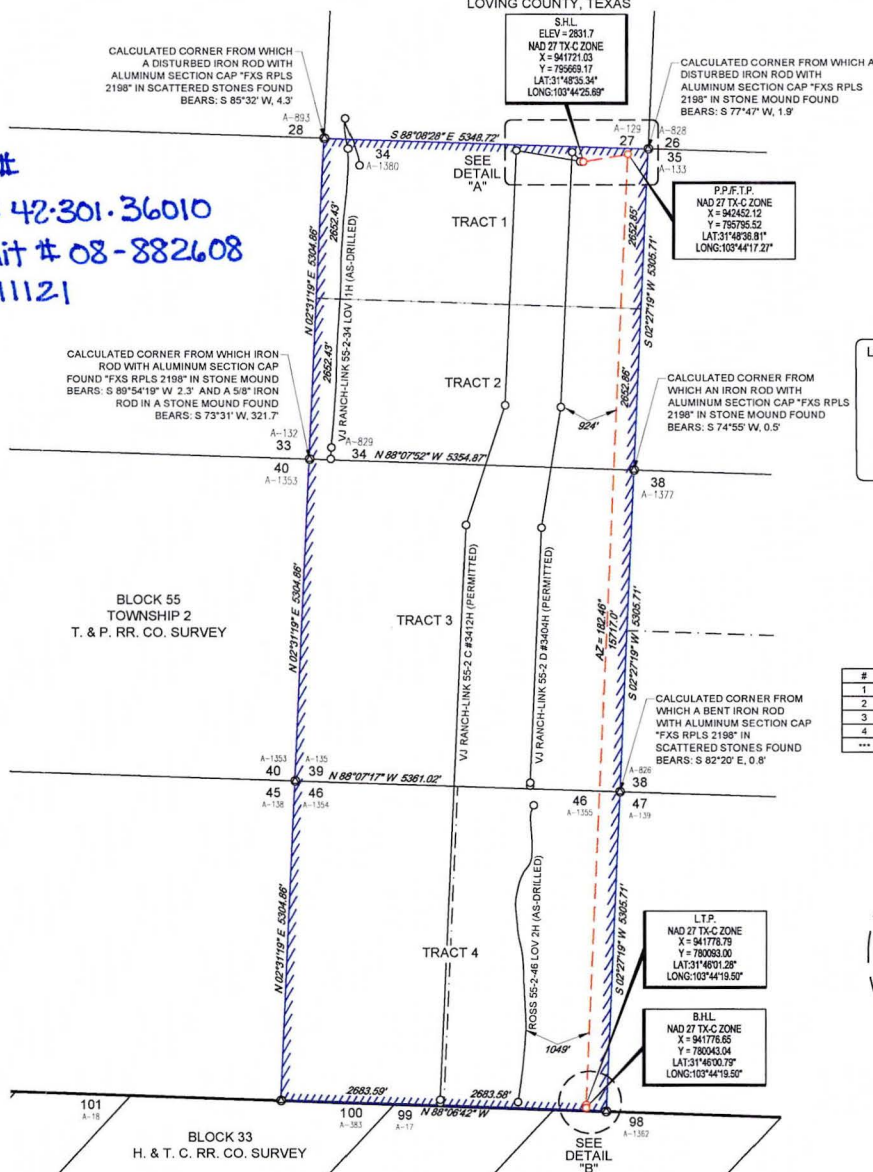
0' 1000' 2000'

i Nut #

API # 42-301-36010

Permit # 08-882608

MF111121



PRODUCTIVE LATERAL

LENGTH (F.T.P. TO L.T.P.)	
1	2.553'
2	2.653'
3	9.306'
4	5.205'
TOTAL	15.717'

LEGEND:

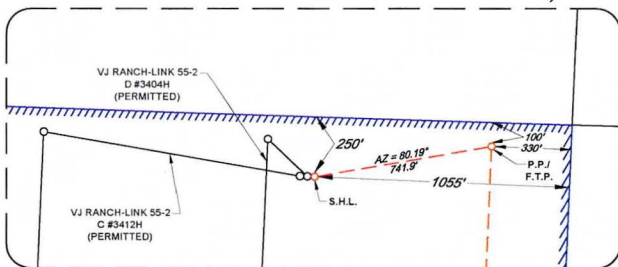
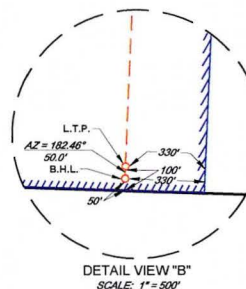
- Unit Boundary
- Survey Line
- Abstract Line
- Proposed Well Path
- Existing/Permitted Well Path
- Mineral Tract Boundary
- Calculated Corner
- Well Point

TIES TABLE

POINT	UNIT	SURVEY/SECTION
S.H.L.	250' FNL	250' FNL & 1055' FEL
P.P./F.T.P.	100' FNL	100' FNL & 330' FEL
L.T.P.	100' FSL	100' FSL & 330' FEL
B.H.L.	50' FSL	50' FSL & 330' FEL

OWNERSHIP TABLE

#	MINERAL TRACT	ACREAGE
1	VJ RANCH INTERESTS L.P.	325.79
2	MATTHEW LINK PROPERTIES LTD., ET AL.	325.98
3	CHEVRON USA INC.	652.52
4	RALPH LESS ROSS, ET AL.	653.27
---	TOTAL ACREAGE	1957.56



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX: (817) 744-7554
TEXAS FIRM REGISTRATION NO. 10042504
WWW.TOPOGRAPHIC.COM



John R. Anderson 6/29/2022
John R. Anderson, R.P.L.S. No. 6442

HHR-55T2-34-P1
VJ RANCH - LINK 55-2
E #3414H

DATE: 06/16/2022
FILE: LO\HHR-55T2-34-P1_VJ_RANCH-LINK-55-2_E_#3414H.DWG
DRAWN BY: O.M.
SHEET: 1 OF 1

REVISION:

INT	DATE

NOTES:

1. ORIGINAL DOCUMENT SIZE: 11" X 17"
2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GRID BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, U.S. SURVEY FEET, NORTH AMERICAN DATUM 1927, UNLESS OTHERWISE NOTED.
3. THIS LOCATION AND/OR UNITLEASE RECORD HAS BEEN CAREFULLY SURVEYED ON THE GROUND UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE ACCORDING TO THE EVIDENCE, OFFICIAL SURVEY RECORDS, MAPS, AND OTHER DATA PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC. THIS PLAT WAS PREPARED FOR THE SOLE PURPOSE OF FILING A PERMIT WITH THE RAILROAD COMMISSION OF TEXAS AND SHOULD NOT BE CONSTRUED AS A "BOUNDARY SURVEY" IN COMPLIANCE WITH T.B.P.L.S. MINIMUM STANDARDS OF PROCEDURES FOR BOUNDARY SURVEYS. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
4. ALL ELEVATION VALUES CONTAINED HEREON ARE ORTHOMETRIC ONLY, BASED UPON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD 88), U.S. SURVEY FEET.
5. ALL MINERAL OWNERSHIP DATA SHOWN HEREIN IS BASED ON INFORMATION PROVIDED BY PERMAN DELAWARE ENTERPRISES HOLDINGS, LLC OR ITS SUBSIDIARIES & AFFILIATES.

NOTES CONT'D:

6. THE PRELIMINARY LOCATION HAS BEEN CAREFULLY SURVEYED ON THE GROUND DURING THE DATE OF MAY 18, 2022.
7. S.H.L. = SURFACE-HOLE LOCATION
8. P.P. = POINT OF PENETRATION
9. F.T.P. = FIRST TAKE POINT
10. L.T.P. = LAST TAKE POINT
11. B.H.L. = BOTTOM HOLE LOCATION

File No. MF111121
Loving County
iNut13223- API 42-301-36010
Date Filed: 01/04/2024
Commissioner Dawn Buckingham, M.D.
By: Jm



MEMORANDUM

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

DATE: January 30, 2024 **PSA# 00605**

TO: School Land Board

FROM: Pooling Committee

SUBJECT: Request from Permian Delaware Enterprises Holdings LLC to have the State enter into a Production Sharing Agreement for drilling of one or more allocation wells.

- Permian Delaware Enterprises Holdings LLC is the operator of State Free Royalty Lease MF111121 in which the State has a royalty interest, and they are requesting that the royalty owners sign a Production Sharing Agreement, which the School Land Board has the authority to approve pursuant to Texas Natural Resources Code §52.154.
- The Production Sharing Agreement will allow the operator to drill one or more allocation wells which will traverse State Free Royalty Lease MF111121.
- The State's participation in the sharing wells will be based on a Productive Lateral Length from FTP to LTP.

POOLING COMMITTEE RECOMMENDATION:

The Pooling Committee recommends Board approval of the Production Sharing Agreement.

DocuSigned by:

General Land Office

12/20/2023

Date

DocuSigned by:

Office of the Governor

12/27/2023

Date

Office of the Governor

Date



0 0.28 0.55 1.1 mi

Print Date: 12/14/2023

PRODUCTION SHARING AGREEMENT

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

THIS PRODUCTION SHARING AGREEMENT (this "Agreement") is by and among the undersigned party ("Interest Owner"), and Permian Delaware Enterprises Holdings LLC, a limited liability company, whose address is 600 W. Illinois Ave., Midland, TX 79701 (the "Operator"). Interest Owner and Operator are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

WHEREAS, Interest Owner owns an interest in the minerals, royalty, executive rights, or the oil and gas lease or leases in, to, or covering the mineral estate, royalties, and/or executive rights in, to, and under those lands, or some portion thereof, described on Exhibit A, attached hereto and made a part hereof (subject to the depth limitation described on Exhibit A, the "Lands"); and

WHEREAS, Operator owns interests in the Lands and the oil, gas and mineral lease described in the attached Exhibit B (the "Lease") that includes the right to develop and operate wells for the production of oil and gas; and

WHEREAS, Operator is the operator of the Lease, and the well or wells thereon;

WHEREAS, Interest Owner and Operator wish to encourage further development of the Lands and the Lease by the drilling of a Horizontal Drainhole Well, or wells, to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells;
- (b) increase the ultimate recovery of Hydrocarbons from the Lands and the Lease; and
- (c) protect the correlative rights of Interest Owner so that Interest Owner may receive a fair share of the Hydrocarbons produced from a Sharing Well;

WHEREAS, the Horizontal Drainhole Well or wells contemplated by this Agreement may traverse a portion of the Lands, and other lands that are located outside the boundaries of the Lands; and,

WHEREAS, to avoid any uncertainties concerning the manner in which Interest Owner will share in the proceeds of production attributable to that portion of a Horizontal Drainhole Well traversing any portion of the Lands, Interest Owner and Operator desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of Hydrocarbons attributable to that portion of any Horizontal Drainhole Well traversing any portion of the Lands.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the undersigned Interest Owner and Operator hereby covenant and agree to the following terms, conditions, and provisions:

- I. In this Agreement, the following capitalized terms and phrases shall have the meaning set forth below:
 - a. "Allocation Factor" is a fraction, the numerator of which is equal to the length of that portion of Productive Drainhole Length of the Sharing Well that lies under the Lands, and the denominator of which is equal to the Productive Drainhole Length of the Sharing Well.
 - b. "Correlative Interval" is the depth interval designated by applicable field rules, or new field designation designated by the Railroad Commission for the Horizontal Drainhole Well, or, where a correlative interval has not been designated by the Railroad Commission, by other evidence submitted by the Operator to the Railroad Commission showing the producing interval for the field in which the Horizontal Drainhole is completed.
 - c. "Horizontal Drainhole" is that portion of the Horizontal Drainhole Well drilled in the Correlative Interval between the penetration point (being the point at which a Horizontal Drainhole Well first intersects the top of the Correlative Interval) and the terminus.
 - d. "Horizontal Drainhole Well" is any well that is developed with one or more Horizontal Drainholes having a horizontal displacement of at least 100 feet within the producing Correlative Interval.

- e. "Hydrocarbons" are oil, gas, condensate, casinghead gas, the respective constituent elements, and all by-products thereof that may be produced from a well permitted by the Railroad Commission.
 - f. "Productive Drainhole Length" is the length of the wellbore path of the Horizontal Drainhole Well that begins at the first Take Point of a Horizontal Drainhole Well and runs along the actual surveyed wellbore path to the last Take Point. In the event a Horizontal Drainhole Well shall be developed with more than one Horizontal Drainhole, then the Productive Drainhole Length shall be the sum of the horizontal lengths of all such Horizontal Drainholes.
 - g. "Railroad Commission" shall mean the Railroad Commission of Texas.
 - h. "Sharing Well" is a Horizontal Drainhole Well in which a portion of the Productive Drainhole Length is located upon the Lands, and another portion or portions are located upon one or more other tracts of land, including lands that may be included in one or more pooled units, or covered by oil, gas and mineral leases other than the Lease.
 - i. "Take Point" is any point along a Horizontal Drainhole where oil, gas and condensate can enter the wellbore from the Correlative Interval and be produced.
 - j. As used in this Agreement, the terms, "Agreement," "Interest Owner," "Operator," "Party," "Parties," "Lands," and "Lease," shall have the meanings indicated in the preamble above.
- II. Interest Owner will share in the proceeds of Hydrocarbons produced and saved from a Sharing Well on the basis of Interest Owner's ownership interest in the Lands, payable pursuant to the terms and provisions of the applicable Lease covering Interest Owner's interest, multiplied by the Allocation Factor. Interest Owner shall not be entitled to any payment for their ownership interest in a Sharing Well, except as provided in this Paragraph II.
 - III. Operations for the exploration, drilling, production, transportation and marketing of Hydrocarbons from each Sharing Well, whether or not the entirety of the Sharing Well's Horizontal Drainhole or surface location is located on the Lands, will be deemed as actual operations conducted on, or production from, the Lands pursuant to the terms and provisions of the Lease and shall be deemed sufficient to maintain the Lease in full force and effect pursuant to the terms and provisions thereof. Exploration, drilling, production, transportation and marketing operations conducted on lands other than the Lands concerning a Sharing Well shall be deemed the same as actual operations conducted on the Lands pursuant to the terms and provisions of the Lease and shall be deemed sufficient to maintain the Lease in full force and effect pursuant to its respective terms and provisions.
 - IV. Operator shall have the right to make reasonable use of the surface of the Lands to conduct operations for the exploration, drilling, production, storing, transportation and marketing of Hydrocarbons from a Sharing Well.
 - V. Hydrocarbons produced from a Sharing Well shall not impose on Operator any offset obligation, whether express or implied, pursuant to the terms of the Lease or otherwise.
 - VI. The undersigned agrees that this Agreement affects only the production of Hydrocarbons produced from a Sharing Well, and in no way affects ownership in the production of Hydrocarbons produced from other wells drilled or to be drilled whose wellbores are located solely within the Lands. **It is expressly agreed that no cross-conveyance of the Parties' interests in any of the Lands or the Lease with other lands or leases located outside the Lands is intended or accomplished by the terms of this Agreement.**
 - VII. In the event any Sharing Well shall be plugged back or recompleted in such a manner that the well no longer conforms within the meaning of a Horizontal Well, as defined herein, then such well shall no longer be considered a Sharing Well for purposes of this Agreement. In the event a Sharing Well shall be plugged back or recompleted in such a manner that the well still conforms to the meaning of a Horizontal Well, as defined herein, after such plugging back or recompletion operation and the Productive Drainhole Length of such well has changed, then there shall be a recalculation of the Allocation Factor originally determined upon first production from said Sharing Well.
 - VIII. The provisions of the various leases, agreements, division orders, transfer orders, pooled unit designations, and pooling agreements covering or affecting the Lands and Lease are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise, *provided however*, nothing contained in this Agreement shall

modify the terms of the Lease regarding the determination of market value, net proceeds or other basis on which the value of Hydrocarbons is made or calculated for the purpose of paying royalty.

- IX. In the event there are any irreconcilable inconsistencies or conflict of terms or ambiguities between the terms and conditions of this Agreement and of the Lease, or any other agreement or document that affects the Lease, then the terms and conditions in this Agreement shall prevail and control.
- X. This Agreement shall become effective as to each undersigned Party when this Agreement is filed in the official public Records of Loving County, Texas, and will thereafter remain effective for so long as a Sharing Well is operated in conformity with the terms and provisions hereof, and, to the extent not inconsistent herewith, the Lease, unless sooner terminated by Operator as hereinafter provided.
- XI. Interest Owner grants Operator the authority to conduct operations to drill, operate, and produce Hydrocarbons from a Horizontal Drainhole Well and/or its Horizontal Drainhole that is drilled across and through any property line of the Lands, or lease line of the Lease, into and under lands not included in the Lands.
- XII. Operator, at its option, may terminate this Agreement, at any time, by filing a Notice of Termination in the public records of Loving County, Texas.
- ~~XIII. In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the undersigned Interest Owner does hereby RATIFY, ADOPT, and CONFIRM the Lease (the "Ratified Lease"), and Interest Owner does hereby GRANT, LEASE and LET unto the Operator, all of Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein.~~
- XIV. This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any Party to execute a counterpart shall not render this instrument ineffective as to any other Party who does execute a counterpart thereof, but shall be binding upon each executing Party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing Parties agree that such instruments shall be treated and given effect for all purposes as a single instrument. Upon Operator's consent, in lieu of execution hereof, Interest Owner may ratify this Agreement by separate instrument acceptable to Operator, in its sole discretion.
- XV. This Agreement is entered into solely for the purpose of drilling Sharing Wells and is not intended to apply to any other well located entirely within the Lands. The Parties agree that this Agreement specifically excludes and shall have no application whatsoever to the existing wells located entirely within the Lands.

[Signature and Acknowledgement Pages Follow]

EXECUTED by each Party on the date shown below for each such Party's acknowledgement, but to be effective as of January 1, 2023.

OPERATOR:

**PERMIAN DELAWARE ENTERPRISES
HOLDINGS LLC**

By: _____
Name: Justin K. Williams
Title: Attorney-in-fact

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

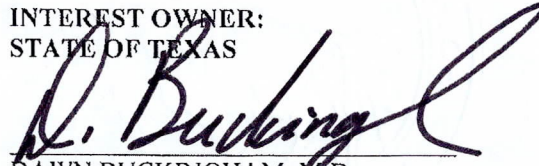
This instrument was acknowledged before me on the _____ day of _____, 2024 by Justin K. Williams as attorney-in-fact for PERMIAN DELAWARE ENTERPRISES HOLDINGS LLC, a limited liability company, on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

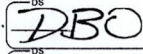
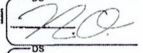
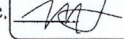
Date Executed 2-13-24

INTEREST OWNER:
STATE OF TEXAS



DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

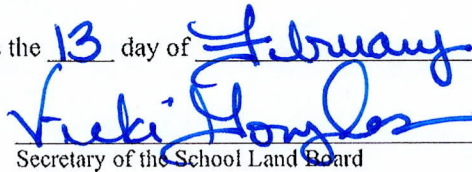
Approved:

leas. 
cont. 
legal 
DLC 
exec. 

CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 30th day of January, 2024, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.



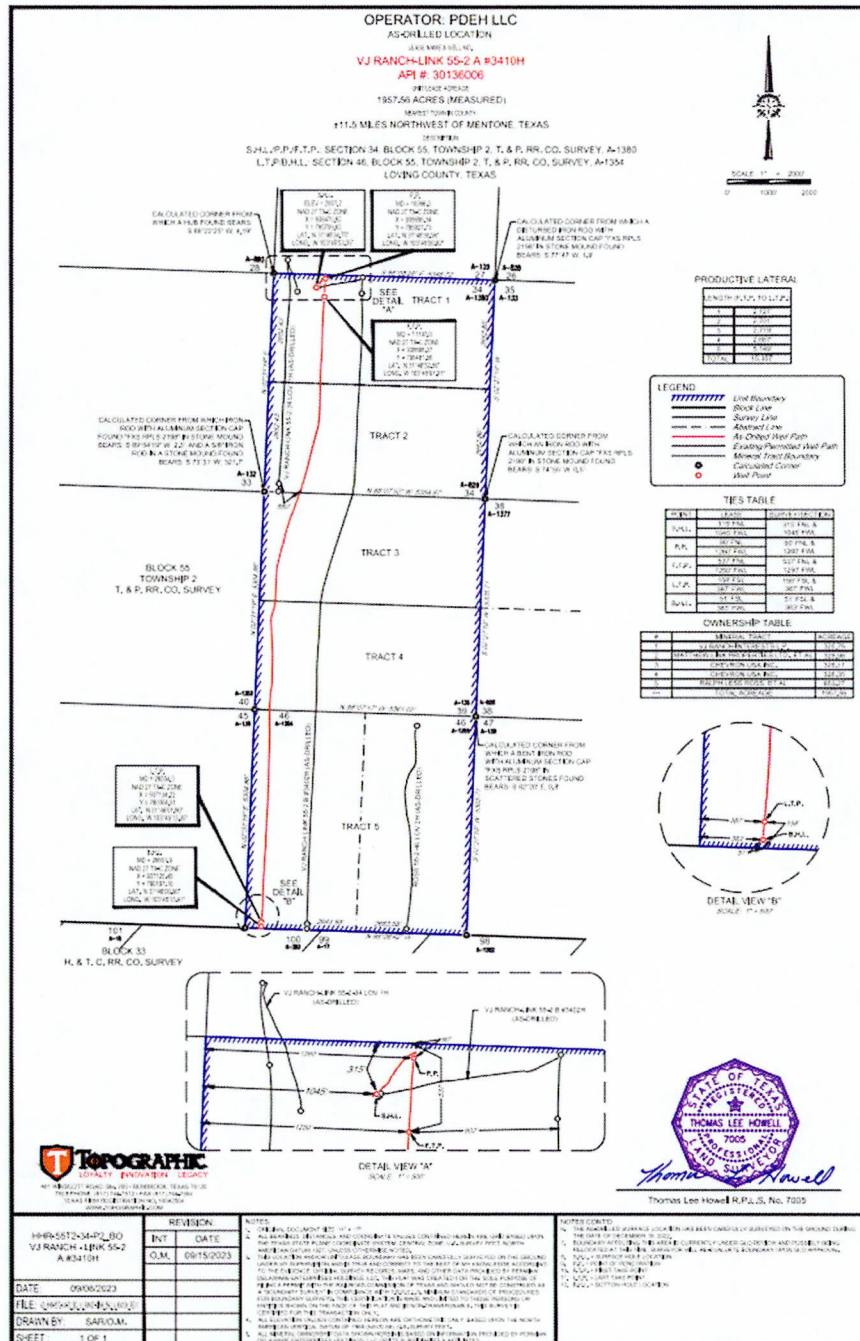
Secretary of the School Land Board

EXHIBIT "A"

Attached to and made part of that certain Production Sharing Agreement dated effective January 1, 2023, by and between the Commissioner of the General Land office, on behalf of the State of Texas and Permian Delaware Enterprises Holdings LLC, covering lands in Loving County, Texas

Lands

All of Section 46, Block 55, T2, T&P Ry. Co. Survey,
Loving County, Texas
Covering all depths from the surface to the center of the earth.



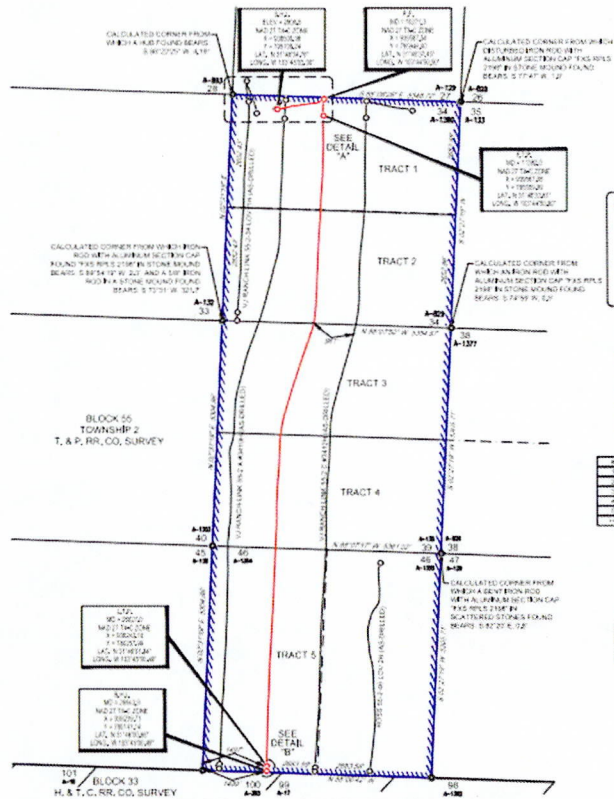
OPERATOR: PDEH LLC
AS-ORDERED LOCATION

VJ RANCH-LINK 55-2 B #3402H
API # 30136007

1957.56 ACRES (MEASURED)
NEAREST TOWN: BLOOMINGDALE

11.5 MILES NORTHWEST OF MENTONE, TEXAS

S.H.L.P.P., F.T.P., SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380
L.T.P.B.M.L., SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1354
LOVING COUNTY, TEXAS



PRODUCTIVE LATERAL

WELL	DATE	DEPTH	PROD.
1	1/1/00	100'	1000
2	2/1/00	150'	1500
3	3/1/00	200'	2000
4	4/1/00	250'	2500
5	5/1/00	300'	3000

LEGEND

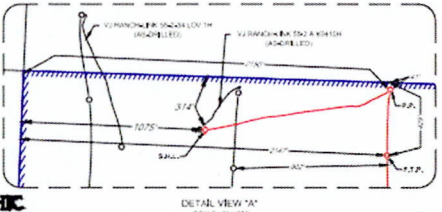
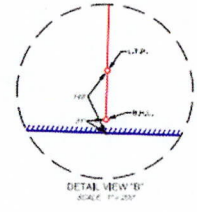
—	Unit Boundary
---	Block Line
---	Survey Line
---	As-Ordered Line
---	As-Ordered Well Path
---	Existing/Proposed Well Path
---	Mineral Tract Boundary
○	Calculated Corner
●	Well Point

TEST TABLE

WELL	DATE	DEPTH	PROD.
1	1/1/00	100'	1000
2	2/1/00	150'	1500
3	3/1/00	200'	2000
4	4/1/00	250'	2500
5	5/1/00	300'	3000

OWNERSHIP TABLE

WELL	DATE	DEPTH	PROD.
1	1/1/00	100'	1000
2	2/1/00	150'	1500
3	3/1/00	200'	2000
4	4/1/00	250'	2500
5	5/1/00	300'	3000



DATE	REVISION	NOTES
09/08/2023	INT DATE	
09/15/2023	COM DATE	
09/22/2023	REV DATE	

DATE: 09/08/2023
FILE: 09/08/2023
DRAWN BY: SANOAL
SHEET: 1 OF 1

S.H.L./P.P./F.T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1380
L.T./P.B.H.L.: SECTION 46, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1354
LOVING COUNTY, TEXAS



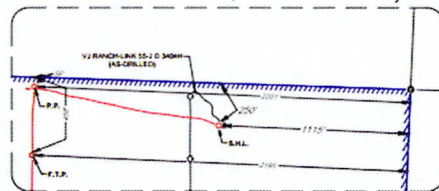
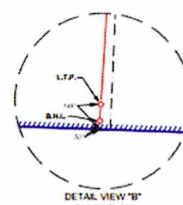
PRODUCTIVE LATERALS	
LENGTH of T.P. TO L.T.P.	
1	2,200'
2	2,000'
3	2,710'
4	2,600'
5	5,160'
TOTAL	14,670'

LEGEND:

-  Unit Boundary
-  Block Line
-  Survey Line
-  Abstract Line
- Air-Drifted Well Path
- Existing/Planned Well Path
- Mineral Tract Boundary
-  Circulated Corner
-  Well Point

TIES TABLE		
POINT	LEAGUE	SUPERSECTION
S.M.L.	250 FNL	250 FNL & 110 FSL
	110 FSL	
P.P.	50 FNL	50 FNL & 230 FSL
	230 FSL	
P.T.P.	450 FNL	450 FNL & 210 FSL
	210 FSL	
L.T.P.	50 FNL	100 FSL & 200 FNL
	200 FNL	
S.M.L.	50 FNL	50 FNL & 200 FNL
	200 FNL	

#	MINERAL TRACT	ACREAGE
1	W/2 RANCH INTERESTS L.P.	302.71
2	MATTHEW LINK PROPERTIES LTD., ET AL	302.58
3	CHEVRON USA INC.	302.17
4	CHEVRON USA INC.	302.33
5	BAUMFLESS ROSS, ET AL	452.27
***	TOTAL ACREAGE	1562.96



DETAIL VIEW "A"



881 WINGCOTT ROAD, BOX 208 • SEBROOK, FL 33428-2018
TEL: (813) 744-7512 • FAX: (813) 744-7504

HHR-55T2-34-P1		REVISION	
VJ RANCH-LINK 55-2		INT	DA
C 83412H		O.M.	09/15

DATE: 09/11/2023

FILE: C:\PROGRA~1\NOVELL\NDS\

DRAWN BY: SARVO.M

SHEET: 1 OF 1

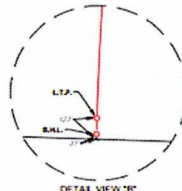
[illegible]

NOTES CONT'D:

- A. THE ABOVE-DISCUSSED LOCATION HAS BEEN CAREFULLY SURVEYED BY THE GROUPS DURING THE DATE OF SURVEYING IN JULY.
- B. SURVEYING AT FACTING THESE AREAS CURRENTLY UNDER GILD INQUIRY AND POSSIBLY BEING REDEVELOPED AT THIS TIME, SURVEY FOR WILL BE RETURNED SURVEYING UPON GILD APPROVAL.
- C. SURVEY = SURVEYING HOLD & LOCATION
- D. P.P. = POINT OF INVESTIGATION
- E. F.P. = FIRST TAKE POINT
- F. U.P. = ULTIMATE END POINT
- G. S.W.L. = BOTTOM HOLE LOCATION

Jeffrey N. Lueders, R.P.L.S. No. 6512
Certified Date: 09/18/2023

S.H.L./P.P.F./T.P.: SECTION 34, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-1300
L.T./P.B.H.L.: SECTION 30, BLOCK 55, TOWNSHIP 2, T. & P. RR. CO. SURVEY, A-135
LOVING COUNTY, TEXAS



NOTES CONT'D:

- 1. THE ABOVE-CELL SURFACE LOCATION HAS BEEN CHANGINGLY SURFACED ON THE GROUND DURING THE SIXTH OF SEPTEMBER 1952.
- 2. BOUNDARY OF FACED TRENCH THIS AREA IS CURRENTLY UNDER SOIL REPAIR AND POSSIBLY BEING RELOCATED AT THIS TIME. SURFACE WILL BE RE-CONCRETE BOUNDARY UPON SOIL APPROXIMATE.
- 3. SURFACE SURFACED THIS LOCATION.
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[End of Exhibit "A"]

EXHIBIT "B"

Attached to and made part of that certain Production Sharing Agreement dated effective January 1, 2023,
by and between the Commissioner of the General Land office, on behalf of the State of Texas and
Permian Delaware Holdings LLC, covering lands in Loving County, Texas

Lease No. 1

Lessor: Ralph Lee Ross

Lessee: Continental Land Resources, LLC

Date: 7/18/2005

Recording Information: Volume 53, Page 170, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 2

Lessor: William Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/7/2010

Recording Information: Volume 92, Page 399, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 3

Lessor: Carmen Ferrer

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/10/2010

Recording Information: Volume 92, Page 513, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 4

Lessor: Kaye Cropp Gaffney

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 601, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 5

Lessor: Alison Wilson Burke

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/10/2010

Recording Information: Volume 92, Page 407, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 6

Lessor: Olive Gaffney Twyman

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 598, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 7

Lessor: Kathryn Gaffney Neuhaus

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 604, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 8

Lessor: John Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/7/2010

Recording Information: Volume 92, Page 403, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 9

Lessor: Wynant Stone Wilson

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/12/2010

Recording Information: Volume 92, Page 395, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 10

Lessor: REWM Partners

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/12/2010

Recording Information: Volume 92, Page 411, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 11

Lessor: Bridget Bird

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1793, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 12

Lessor: Jean Starr Victory

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1795, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 13

Lessor: Joan Starr Devlin

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1785, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 14

Lessor: Craig Tantalo Testamentary Trust

Lessee: SWEPI LP

Date: 1/11/2013

Recording Information: 2013-2175, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 15

Lessor: Karen Tantalo Lyons

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1797, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 16

Lessor: Jonathan Bird

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1796, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 17

Lessor: Jack May Testamentary Trust

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/9/2012

Recording Information: 2012-1788, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 18

Lessor: Claudia Tantalo Watson

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2013-0152, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 19

Lessor: Peter Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1787, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 20

Lessor: John Lawrence May

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/9/2012

Recording Information: 2012-1784, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 21

Lessor: Mary Starr Kelly

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2013-0046, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 22

Lessor: Paula Starr Barovetto Living Trust

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/8/2012

Recording Information: 2012-1786, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

[End of Exhibit "B"]

File No. MF111121

Loving County

PSA # 00605

Date Filed: 2-20-24

Commissioner Dawn Buckingham, M.D.

By: CRB

12



JoAnn Bone
Staff Land Analyst

ConocoPhillips Company
600 W. Illinois Avenue
Midland, Texas 79701
432.683.7443
432.818.2275

Joann.e.bone@conocophillips.com

December 12, 2023

Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701-1495
Attn: Joy McCauley

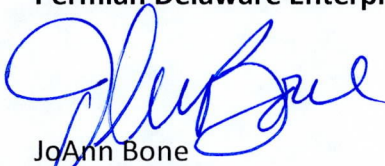
**Re: Production Sharing Agreement – All of Section 46, Block 55, T2, T&P Ry. Co. Survey,
Loving County, Texas
MF #111121**

Dear Ms. McCauley,

Permian Delaware Enterprises Holdings LLC ("PDEH") is the current Lessee of several leases referenced in "Exhibit B" of the attached Production Sharing Agreement. The State of Texas General Land Office owns a 1/16th free royalty (NPRI) insofar and only insofar as to Section 46, Block 55, Township 2, T&P Ry. Co. Survey, Loving County, Texas. Due to this NPRI, PDEH has enclosed a Production Sharing Agreement for your review and execution. The requested fee of \$500 has been enclosed, and the as-drilled plats are included in "Exhibit A" of the Agreement.

Please execute the signature page before a notary public and return it in the enclosed prepaid envelope. Should you have any questions or require further information, please do not hesitate to contact me or Parker Landis at parker.landis@conocophillips.com or 432.685.4361.

Sincerely,
Permian Delaware Enterprises Holdings LLC



JoAnn Bone
Staff Land Analyst

RECEIVED

DEC 13 2023

General Land Office

File No. MF 111121

(13)

Loving County

Ltr to GLO

Date Filed: 2-20-24

Commissioner Dawn Buckingham, M.D.

By: CRB

ConocoPhillips Company DEV Permit, Record, Misc. Fee Receipt

Lease Date	Original Lessor	#Mth	Mth Ending	Lease Number
12-11-2023	PSA - VJ Ranch Sec 46 Blk 55-2	000	12-11-2023	15002

AGENCY LEASE NUMBER:

IN PAYMENT OF: DEV Permit, Record, Misc. Fee Business Unit: Permian
FOR:

REMARKS: PSA FEE - Sec 46, Blk 55-2, Loving Co., TX

FOR THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873

(BA# P249639001)

TOTAL AMOUNT PAID: 500.00
DATE PAID: 12/11/2023

24702957

RECEIVED

DEC 13 2023

General Land Office

DETACH BEFORE DEPOSITING CHECK

WHEN WRITING REFER TO OUR LEASE NUMBER 1:

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK

JPMORGAN CHASE BANK, N.A.
Chicago, ILProp. Nbr. 15002
Serial Nbr.

Check Date 12/11/2023

ConocoPhillips Company
PO Box 7500
Bartlesville, OK 74005-750070-2322/719
Check No. 00524139

EXACTLY *****500 US Dollars and 00 Cents*****

\$500.00*

PAY TO THE ORDER OF
TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873

24702957

C O Phillips

Authorized Signature

14

File No. ME111121

Loving County

Application Fee

Date Filed: 2-20-24

Commissioner Dawn Buckingham, M.D.

By: CRB

RECEIVED

PRODUCTION SHARING AGREEMENT

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

THIS PRODUCTION SHARING AGREEMENT (this "Agreement") is by and among the undersigned party ("Interest Owner"), and Permian Delaware Enterprises Holdings LLC, a limited liability company, whose address is 600 W. Illinois Ave., Midland, TX 79701 (the "Operator"). Interest Owner and Operator are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

WHEREAS, Interest Owner owns an interest in the minerals, royalty, executive rights, or the oil and gas lease or leases in, to, or covering the mineral estate, royalties, and/or executive rights in, to, and under those lands, or some portion thereof, described on Exhibit A, attached hereto and made a part hereof (subject to the depth limitation described on Exhibit A, the "Lands"); and

WHEREAS, Operator owns interests in the Lands and the oil, gas and mineral lease described in the attached Exhibit B (the "Lease") that includes the right to develop and operate wells for the production of oil and gas; and

WHEREAS, Operator is the operator of the Lease, and the well or wells thereon;

WHEREAS, Interest Owner and Operator wish to encourage further development of the Lands and the Lease by the drilling of a Horizontal Drainhole Well, or wells, to:

- (a) prevent physical and economic waste and the drilling of unnecessary wells;
- (b) increase the ultimate recovery of Hydrocarbons from the Lands and the Lease; and
- (c) protect the correlative rights of Interest Owner so that Interest Owner may receive a fair share of the Hydrocarbons produced from a Sharing Well;

WHEREAS, the Horizontal Drainhole Well or wells contemplated by this Agreement may traverse a portion of the Lands, and other lands that are located outside the boundaries of the Lands; and,

WHEREAS, to avoid any uncertainties concerning the manner in which Interest Owner will share in the proceeds of production attributable to that portion of a Horizontal Drainhole Well traversing any portion of the Lands, Interests Owner and Operator desire to enter into this Agreement and to agree upon the basis for sharing and allocating the proceeds of production of Hydrocarbons attributable to that portion of any Horizontal Drainhole Well traversing any portion of the Lands.

NOW THEREFORE, in consideration of the premises, to comply with the terms and conditions of their mutual agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the undersigned Interest Owner and Operator hereby covenant and agree to the following terms, conditions, and provisions:

- I. In this Agreement, the following capitalized terms and phrases shall have the meaning set forth below:
 - a. "Allocation Factor" is a fraction, the numerator of which is equal to the length of that portion of Productive Drainhole Length of the Sharing Well that lies under the Lands, and the denominator of which is equal to the Productive Drainhole Length of the Sharing Well.
 - b. "Correlative Interval" is the depth interval designated by applicable field rules, or new field designation designated by the Railroad Commission for the Horizontal Drainhole Well, or, where a correlative interval has not been designated by the Railroad Commission, by other evidence submitted by the Operator to the Railroad Commission showing the producing interval for the field in which the Horizontal Drainhole is completed.
 - c. "Horizontal Drainhole" is that portion of the Horizontal Drainhole Well drilled in the Correlative Interval between the penetration point (being the point at which a Horizontal Drainhole Well first intersects the top of the Correlative Interval) and the terminus.
 - d. "Horizontal Drainhole Well" is any well that is developed with one or more Horizontal Drainholes having a horizontal displacement of at least 100 feet within the producing Correlative Interval.

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Mozelle Carr, County Clerk
Mozelle Carr
Clerk Deputy



- e. "Hydrocarbons" are oil, gas, condensate, casinghead gas, the respective constituent elements, and all by-products thereof that may be produced from a well permitted by the Railroad Commission.
 - f. "Productive Drainhole Length" is the length of the wellbore path of the Horizontal Drainhole Well that begins at the first Take Point of a Horizontal Drainhole Well and runs along the actual surveyed wellbore path to the last Take Point. In the event a Horizontal Drainhole Well shall be developed with more than one Horizontal Drainhole, then the Productive Drainhole Length shall be the sum of the horizontal lengths of all such Horizontal Drainholes.
 - g. "Railroad Commission" shall mean the Railroad Commission of Texas.
 - h. "Sharing Well" is a Horizontal Drainhole Well in which a portion of the Productive Drainhole Length is located upon the Lands, and another portion or portions are located upon one or more other tracts of land, including lands that may be included in one or more pooled units, or covered by oil, gas and mineral leases other than the Lease.
 - i. "Take Point" is any point along a Horizontal Drainhole where oil, gas and condensate can enter the wellbore from the Correlative Interval and be produced.
 - j. As used in this Agreement, the terms, "Agreement," "Interest Owner," "Operator," "Party," "Parties," "Lands," and "Lease," shall have the meanings indicated in the preamble above.
- II. Interest Owner will share in the proceeds of Hydrocarbons produced and saved from a Sharing Well on the basis of Interest Owner's ownership interest in the Lands, payable pursuant to the terms and provisions of the applicable Lease covering Interest Owner's interest, multiplied by the Allocation Factor. Interest Owner shall not be entitled to any payment for their ownership interest in a Sharing Well, except as provided in this Paragraph II.
 - III. Operations for the exploration, drilling, production, transportation and marketing of Hydrocarbons from each Sharing Well, whether or not the entirety of the Sharing Well's Horizontal Drainhole or surface location is located on the Lands, will be deemed as actual operations conducted on, or production from, the Lands pursuant to the terms and provisions of the Lease and shall be deemed sufficient to maintain the Lease in full force and effect pursuant to the terms and provisions thereof. Exploration, drilling, production, transportation and marketing operations conducted on lands other than the Lands concerning a Sharing Well shall be deemed the same as actual operations conducted on the Lands pursuant to the terms and provisions of the Lease and shall be deemed sufficient to maintain the Lease in full force and effect pursuant to its respective terms and provisions.
 - IV. Operator shall have the right to make reasonable use of the surface of the Lands to conduct operations for the exploration, drilling, production, storing, transportation and marketing of Hydrocarbons from a Sharing Well.
 - V. Hydrocarbons produced from a Sharing Well shall not impose on Operator any offset obligation, whether express or implied, pursuant to the terms of the Lease or otherwise.
 - VI. The undersigned agrees that this Agreement affects only the production of Hydrocarbons produced from a Sharing Well, and in no way affects ownership in the production of Hydrocarbons produced from other wells drilled or to be drilled whose wellbores are located solely within the Lands. It is expressly agreed that no cross-conveyance of the Parties' interests in any of the Lands or the Lease with other lands or leases located outside the Lands is intended or accomplished by the terms of this Agreement.
 - VII. In the event any Sharing Well shall be plugged back or recompleted in such a manner that the well no longer conforms within the meaning of a Horizontal Well, as defined herein, then such well shall no longer be considered a Sharing Well for purposes of this Agreement. In the event a Sharing Well shall be plugged back or recompleted in such a manner that the well still conforms to the meaning of a Horizontal Well, as defined herein, after such plugging back or recompletion operation and the Productive Drainhole Length of such well has changed, then there shall be a recalculation of the Allocation Factor originally determined upon first production from said Sharing Well.
 - VIII. The provisions of the various leases, agreements, division orders, transfer orders, pooled unit designations, and pooling agreements covering or affecting the Lands and Lease are hereby amended to the extent necessary to make such instruments and agreements conform to the provisions herein, but not otherwise, *provided however*, nothing contained in this Agreement shall

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 Record Filed in Loving County, Texas
 Mozelle Carr, County Clerk

 Clerk/Deputy



modify the terms of the Lease regarding the determination of market value, net proceeds or other basis on which the value of Hydrocarbons is made or calculated for the purpose of paying royalty.

- IX. In the event there are any irreconcilable inconsistencies or conflict of terms or ambiguities between the terms and conditions of this Agreement and of the Lease, or any other agreement or document that affects the Lease, then the terms and conditions in this Agreement shall prevail and control.
- X. This Agreement shall become effective as to each undersigned Party when this Agreement is filed in the official public Records of Loving County, Texas, and will thereafter remain effective for so long as a Sharing Well is operated in conformity with the terms and provisions hereof, and, to the extent not inconsistent herewith, the Lease, unless sooner terminated by Operator as hereinafter provided.
- XI. Interest Owner grants Operator the authority to conduct operations to drill, operate, and produce Hydrocarbons from a Horizontal Drainhole Well and/or its Horizontal Drainhole that is drilled across and through any property line of the Lands, or lease line of the Lease, into and under lands not included in the Lands.
- XII. Operator, at its option, may terminate this Agreement, at any time, by filing a Notice of Termination in the public records of Loving County, Texas.
- XIII. ~~In addition to the foregoing, and for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the undersigned Interest Owner does hereby RATIFY, ADOPT, and CONFIRM the Lease (the "Ratified Lease"), and Interest Owner does hereby GRANT, LEASE and LET unto the Operator, all of Interest Owner's interest in the acreage covered by the Ratified Lease, subject to the same terms and conditions provided for therein, as same may have been previously amended, or amended herein.~~
- XIV. This instrument may be executed in multiple counterparts, each of which shall be given the same effect as the execution of an original instrument. Failure of any Party to execute a counterpart shall not render this instrument ineffective as to any other Party who does execute a counterpart thereof, but shall be binding upon each executing Party and its, his or her heirs, legal representatives, successors and assigns. The executed counterparts may be combined into one or more instruments for recordation, by combining the signature pages and acknowledgments, and the executing Parties agree that such instruments shall be treated and given effect for all purposes as a single instrument. Upon Operator's consent, in lieu of execution hereof, Interest Owner may ratify this Agreement by separate instrument acceptable to Operator, in its sole discretion.
- XV. This Agreement is entered into solely for the purpose of drilling Sharing Wells and is not intended to apply to any other well located entirely within the Lands. The Parties agree that this Agreement specifically excludes and shall have no application whatsoever to the existing wells located entirely within the Lands.

[Signature and Acknowledgement Pages Follow]

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Mozella Carr, County Clerk
Mazella Carr
Clerk/Deputy



EXECUTED by each Party on the date shown below for each such Party's acknowledgement, but to be effective as of January 1, 2023.

OPERATOR:

PERMIAN DELAWARE ENTERPRISES
HOLDINGS LLC

By: Justin K. Williams
Name: Justin K. Williams
Title: Attorney-in-fact

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 3rd day of March, 2024 by Justin K. Williams as attorney-in-fact for PERMIAN DELAWARE ENTERPRISES HOLDINGS LLC, a limited liability company, on behalf of said company.

Erika Rubalcado
Notary Public, State of Texas

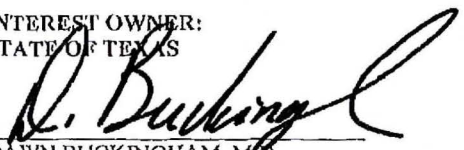
My Commission Expires:
6-3-2024



Certified Copy
A True and Correct Copy of the Original
Record Filed in Loving County, Texas
Mozelle Carr, County Clerk

Mozelle Carr
Clerk/Deputy



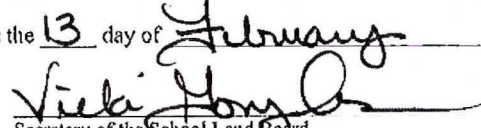
Date Executed 2-13-24INTEREST OWNER:
STATE OF TEXAS
DAWN BUCKINGHAM, M.D.
Commissioner, General Land Office

Approved:

ions DB
cont. DBO
legal DBO
DLC DB
exec. DB

CERTIFICATE

I, Vicki Gonzales, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 30th day of January, 2024, the foregoing instrument was presented to and approved by said Board under the provisions of Subchapter E, Chapter 52, of the Natural Resources Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 13 day of February, 2024.
Secretary of the School Land Board

Certified Copy

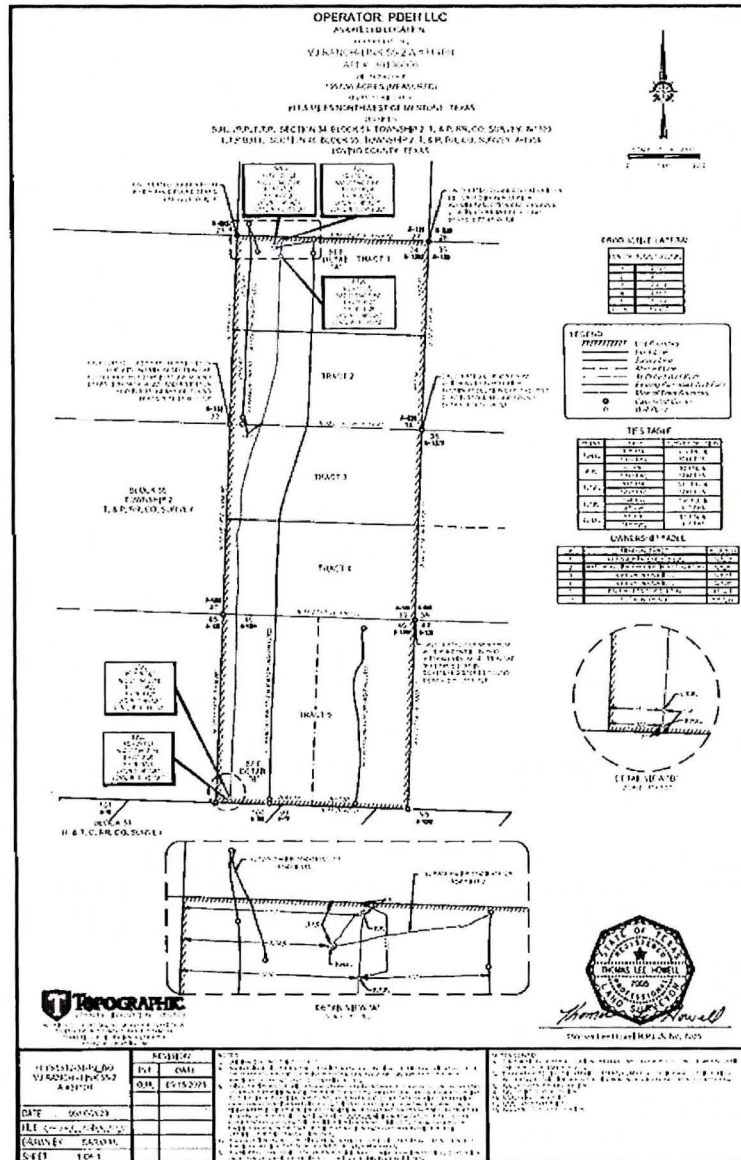
A True and Correct Copy of the Original
Record Filed in Loving County, Texas
Mozelle Carr, County Clerk
Clerk/Deputy

EXHIBIT "A"

Attached to and made part of that certain Production Sharing Agreement dated effective January 1, 2023,
by and between the Commissioner of the General Land office, on behalf of the State of Texas and
Permian Delaware Enterprises Holdings LLC, covering lands in Loving County, Texas

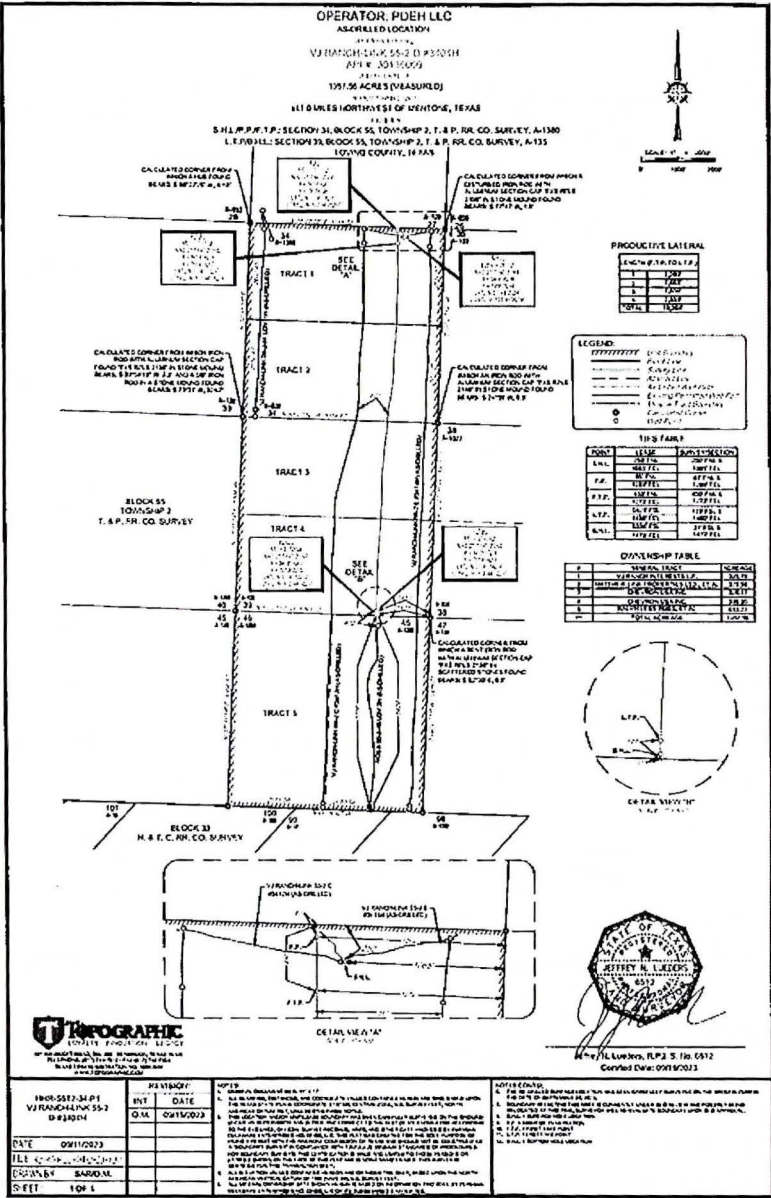
Lands

All of Section 46, Block 55, T2, T&P Ry. Co. Survey,
Loving County, Texas
Covering all depths from the surface to the center of the earth.



Certified Copy
A True and Correct Copy of the Original
Record Filed in Loving County, Texas
Mozelle Carr, County Clerk
Mozelle Carr
Clerk/Deputy





Mozelle Carr, County Clerk
Marcela Renteia
 Clerk/Deputy



EXHIBIT "B"

Attached to and made part of that certain Production Sharing Agreement dated effective January 1, 2023,
by and between the Commissioner of the General Land office, on behalf of the State of Texas and
Permian Delaware Holdings LLC, covering lands in Loving County, Texas

Lease No. 1

Lessor: Ralph Lee Ross

Lessee: Continental Land Resources, LLC

Date: 7/18/2005

Recording Information: Volume 53, Page 170, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 2

Lessor: William Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/7/2010

Recording Information: Volume 92, Page 399, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 3

Lessor: Carmen Ferrer

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/10/2010

Recording Information: Volume 92, Page 513, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 4

Lessor: Kaye Cropp Gaffney

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 601, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 5

Lessor: Alison Wilson Burke

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/10/2010

Recording Information: Volume 92, Page 407, Official Public Records of Loving County, Texas

Certified Copy

A True and Correct Copy of the Original
Record Filed in Loving County, Texas

Mozelle Carr, County Clerk

Mazela Renteic
Clerk/Deputy



Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 6

Lessor: Olive Gaffney Twyman

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 598, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 7

Lessor: Kathryn Gaffney Neuhaus

Lessee: Chesapeake Exploration, L.L.C.

Date: 4/13/2010

Recording Information: Volume 93, Page 604, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 8

Lessor: John Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/7/2010

Recording Information: Volume 92, Page 403, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 9

Lessor: Wynant Stone Wilson

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/12/2010

Recording Information: Volume 92, Page 395, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 10

Lessor: REWM Partners

Lessee: Chesapeake Exploration, L.L.C.

Date: 3/12/2010

Recording Information: Volume 92, Page 411, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

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Record Filed in Loving County, Texas
Mozelle Carr, County Clerk
Mozelle Carr
Clerk/Deputy



Lease No. 11

Lessor: Bridget Bird

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1793, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 12

Lessor: Jean Starr Victory

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1795, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 13

Lessor: Joan Starr Devlin

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1785, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 14

Lessor: Craig Tantalio Testamentary Trust

Lessee: SWEPI LP

Date: 1/11/2013

Recording Information: 2013-2175, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 15

Lessor: Karen Tantalio Lyons

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1797, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 16

Lessor: Jonathan Bird

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Record Filed in Loving County, Texas
Mozelle Carr, County Clerk

Marcia Pontreia
Clerk/Deputy



Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1796, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 17

Lessor: Jack May Testamentary Trust

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/9/2012

Recording Information: 2012-1788, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 18

Lessor: Claudia Tantalo Watson

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2013-0152, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 19

Lessor: Peter Lombardo

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/5/2012

Recording Information: 2012-1787, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 20

Lessor: John Lawrence May

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/9/2012

Recording Information: 2012-1784, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 21

Lessor: Mary Starr Kelly

Lessee: Chesapeake Exploration, L.L.C.

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Record Filed in Loving County, Texas
Mozelle Carr, County Clerk
Mozelle Carr
Clerk/Deputy



Date: 10/5/2012

Recording Information: 2013-0046, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

Lease No. 22

Lessor: Paula Starr Barovetto Living Trust

Lessee: Chesapeake Exploration, L.L.C.

Date: 10/8/2012

Recording Information: 2012-1786, Official Public Records of Loving County, Texas

Land Covered: Section 46, Block 55, Township 2, T&P RR. Co. Survey, Abstracts 1354 & 1355,
Loving County, Texas

[End of Exhibit "B"]

Certified Copy
A True and Correct Copy of the Original
Record Filed in Loving County, Texas
Mozelle Carr, County Clerk
M. Carr
Clerk Deputy



I, Mozelle Carr, Clerk of the County Court, in and for said County, do hereby certify that the within instrument in writing, dated with its certification of authentication, was filed in my office 03/04/2024 at 03:49 PM and recorded 03/04/2024 in the OFFICIAL PUBLIC RECORDS of Loving County, Texas with Instrument Number 2024-0460. Witness my Hand and Seal of Said Court, at office in Mentone, Texas, on date and year last above written.



Mozelle Carr

MOZELLE CARR, County Clerk
Loving County Texas

Certified Copy
A True and Correct Copy of the Original
Record Filed in Loving County, Texas
Mozelle Carr, County Clerk

Mirala Bentura
Clerk/Deputy





Erika Rubalcado
Senior Land Tech
ConocoPhillips Company
600 W. Illinois Avenue
Midland, Texas 79701
432.688.6655
Erika.rubalcado@conocophillips.com

March 19, 2024

Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701-1495
Attn: Joy McCauley

VIA FED EX

**Re: Production Sharing Agreement – All of Section 46, Block 55, T2, T&P Ry. Co. Survey,
Loving County, Texas
MF #111121**

Dear Ms. McCauley,

Attached you will find a Certified Copy of the recorded subject Production Sharing Agreement from Loving County, Texas for your records.

Sincerely,
Permian Delaware Enterprises Holdings LLC

Erika Rubalcado
Senior Land Tech

ConocoPhillips Company DEV Permit, Record, Misc. Fee Receipt

Lease Date	Original Lessor	#Mth	Mth Ending	Lease Number
03-19-2024	PSA - VJ Ranch Sec 46 Blk 55-2	000	03-26-2024	15812

AGENCY LEASE NUMBER:

IN PAYMENT OF: DEV Permit, Record, Misc. Fee Business Unit: Permian
FOR:

REMARKS: GLO Filing Fee

FOR THE CREDIT OF:

TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873

(BA# P249639001)

TOTAL AMOUNT PAID: 25.00
DATE PAID: 03/26/2024

24705994

DETACH BEFORE DEPOSITING CHECK

WHEN WRITING REFER TO OUR LEASE NUMBER

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK

JPMORGAN CHASE BANK, N.A.
Chicago, ILProp. Nbr. 15812
Serial Nbr.

Check Date 03/26/2024

ConocoPhillips Company
PO Box 7500
Bartlesville, OK 74005-750070-2322/719
Check No. 00525940

24705994

\$25.00*

EXACTLY ****25 US Dollars and 00 Cents****

PAY TO THE ORDER OF
TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN TX 78711-2873

C O Phillips

Authorized Signature

121

File No. MF111121
Loving County
Recorded copy PSA00605
Date Filed: 7/30/2024
Commissioner Dawn Buckingham, M.D.
By: Jm

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