

# 8796

MF112013

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF112013	65-901260		JOHNSON
<i>Survey</i>		JOHNSON COUNTY ROADS	
<i>Block</i>			
<i>Block Name</i>			
<i>Township</i>			
<i>Section/Tract</i>			
<i>Land Part</i>			
<i>Part Description</i>			
<i>Acres</i>	4.556		
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>	
<i>Name</i>		CHESAPEAKE EXPLORATION, LLC	
<i>Lease Date</i>		2/1/2011	
<i>Primary Term</i>		1 yrs	
<i>Bonus (\$)</i>		\$11,390.00	
<i>Rental (\$)</i>		\$0.00	
<i>Lease Royalty</i>		0.2500	

*Leasing:*                     

*Analyst:*                     

*Maps:*   Vlt                    

*GIS:*   ZL                    



**CAUTION**

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

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

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Archives and Records Staff

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





# The State of Texas

HROW Lease  
Revised 8/06



## Austin, Texas

PAID-UP  
OIL AND GAS LEASE NO. (MF 112013)  
GENERAL LAND OFFICE  
AUSTIN, TEXAS

THIS AGREEMENT made and entered into by and between the Commissioner of the General Land Office of the State of Texas, whose address is Stephen F. Austin Building, 1700 North Congress, Austin, Texas, 78701, hereinafter called "Lessor", hereunto authorized by the School Land Board, pursuant to the provisions of Chapters 32 and 52 of the Natural Resources Code (hereinafter called N.R.C.), and amendments thereto, and all applicable rules promulgated by the School Land Board and **Chesapeake Exploration, LLC**, whose address is **PO Box 18496, Oklahoma City, OK 73154** hereinafter called "Lessee".

1. Lessor, in consideration of **Eleven Thousand Three Hundred Ninety 00/100 (\$ 11,390.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Tarrant**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **4.556 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. **PRIMARY TERM:** This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **one year, from February 1st, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

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

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **1/4** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **1/4** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

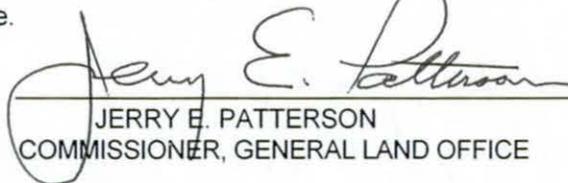
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

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

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

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

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

  
JERRY E. PATTERSON  
COMMISSIONER, GENERAL LAND OFFICE

Approved:  
ML:   
DC:   
CC: 

# Mineral Ownership Report

Cursory

Prospect BARNETT\_RED\_ST  
Tract: \*

Dated: 11/11/2010

Description:

Printed 11/18/2010

PLAN#: 91927.BAR

4.556 acres, more or less, situated in the Louis Cohen Survey, Abstract No. 290, the Robert Gillaster Survey, Abstract No. 619, and the John Kirby Survey, Abstract No. 2022, Tarrant County, Texas, as described on attached Exhibit "A".

EXHIBIT "A"

State of Texas

4.556 acres, more or less, situated in the Louis Cohen Survey, Abstract No. 290, the Robert Gillaster Survey, Abstract No. 619, and the John Kirby Survey, Abstract No. 2022, Tarrant County, Texas, as described in the following:

0.143 acres, more or less, situated in the Louis Cohen Survey, Abstract No. 290, as described in that certain Easement and Right of Way Deed dated January 23, 1967, from TEXAS ELECTRIC SERVICE COMPANY, a corporation, to CITY OF FORT WORTH, recorded in Volume 4366, Page 16;

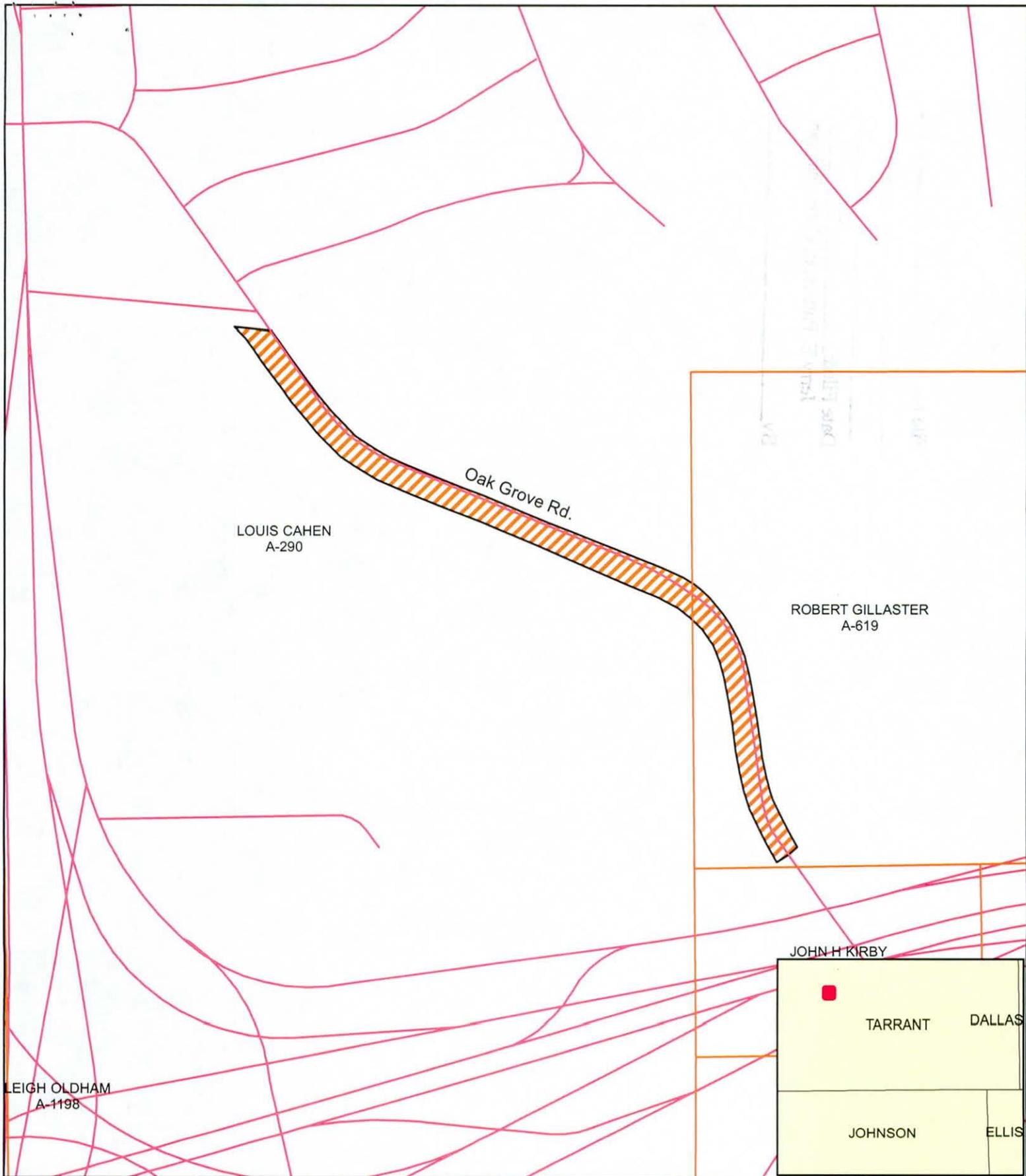
0.186 acres, more or less, situated in the Robert Gillaster Survey, Abstract No. 619, as described in that certain Warranty Deed dated July 3, 1967, from 1001 OAK GROVE LTD., acting herein by and through its general partners, NATHAN RUBENSTEIN and ALEX HESSELSON, to CITY OF FORT WORTH, a municipal corporation of Tarrant County, Texas, recorded in Volume 4431, Page 209;

0.062 acres, more or less, situated in the John Kirby Survey, Abstract No. 2022, the M. Garrison Survey, Abstract No. 598, and the R. Gillaster Survey, Abstract No. 619, as described in that certain Right of Way Deed dated March 7, 1960, from RYAN MORTGAGE COMPANY, a corporation, to CITY OF FORT WORTH, a municipal corporation, recorded in Volume 3422, Page 413;

1.183 acres, more or less, situated in the Louis Cohen Survey, Abstract No. 290, as described in that certain Warranty Deed dated May 10, 1967, from COWTOWN POSSE, INC., acting herein by and through its duly authorized officers, to CITY OF FORT WORTH, a municipal corporation, recorded in Volume 4407, Page 330.

2.982 acres, more or less, situated in the Louis Cohen Survey, Abstract No. 290, the Robert Gillaster Survey, Abstract No. 619, the John H. Kirby Survey, Abstract No. 2022 and the M. Garrison Survey, Abstract No. 598, as described in that certain General Warranty Deed dated July 21, 1967 from RYAN MORTGAGE COMPANY, acting herein by and through its duly authorized officers, to CITY OF FORT WORTH, a municipal corporation, recorded in Volume 4436, Page 507;

All in the Official Public Records, Tarrant County, Texas.



Map showing a Buffer  
of Oak Grove Rd.  
4.556 acres  
Tarrant County



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



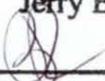
Map Compiled by Zeke Guillen  
IS/BAS/GIS  
February 15, 2011

1.  
File No. DF 112013

Lease

Date Filed: 7/20/10

Jerry E. Patterson, Commissioner

By 

# RedSky Land, LLC

Bonus \_\_\_\_\_

Complete Petroleum Land Services

Texas General Land Office  
Stephen F. Austin Building  
1700 N. Congress Avenue  
Suite 840  
Austin, TX 78701

December 15, 2010

Mr. Drew Reid:

Enclosed in this package is a proposal for a lease of the Minerals under Oak Grove Road that is included in Chesapeake Operating, Inc.'s Iglesia Bautista Unit in Johnson County.

Have Money  
-M-11-2013

4,556 acres

\$2500.00

1/4 royalty ✓

1 yr ✓

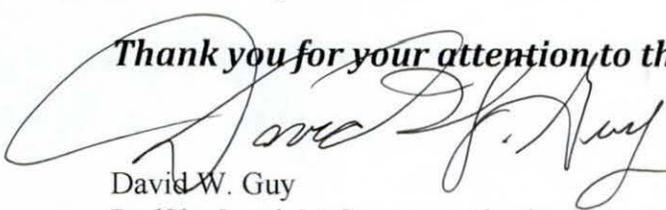
Shel in 25.4  
Pn Ac

Tarrant

- This lease is for the specific purpose of drilling a horizontal well.
- There is a \$100.00 processing fee check enclosed.
- Payment for consideration in the form of a check from Chesapeake Operating, Inc. in the amount of \$11,390.00 is enclosed.
- Surrounding acreage has been previously leased by Chesapeake Energy or they are the successors in interest to the previous lessee. A recorded copy of each lease is enclosed, as well as all related assignments and documentation of lease bonus payments. An affidavit stating knowledge of lease bonus payments is also included for leases in which no documentation was found.
- Maps of the area are included for reference.
- Copies of the deeds wherein the State of Texas acquired its mineral interest are enclosed.

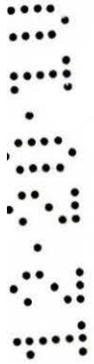
If there is anything else that I can provide to you to expedite this process, please do not hesitate to call me at your earliest convenience.

**Thank you for your attention to this matter,**



David W. Guy  
RedSky Land, LLC, as an authorized agent for Chesapeake Exploration L.L.C.  
835 SW Alsbury, Suite H, Burleson, TX 76028  
817-295-9779 Office

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
201988	12/02/10	120210	BARNETT CORE PR LSE BNS 4.556	11390.00  11703646  121
Total for check				\$11,390.00



11703647

102576 STATE OF TX

No. 1415822

11703647

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
201989	12/02/10	120210B	BARNETT CORE PR PROCESSING FEE	100.00 121
<b>Total for check</b>				<b>\$100.00</b>

2.

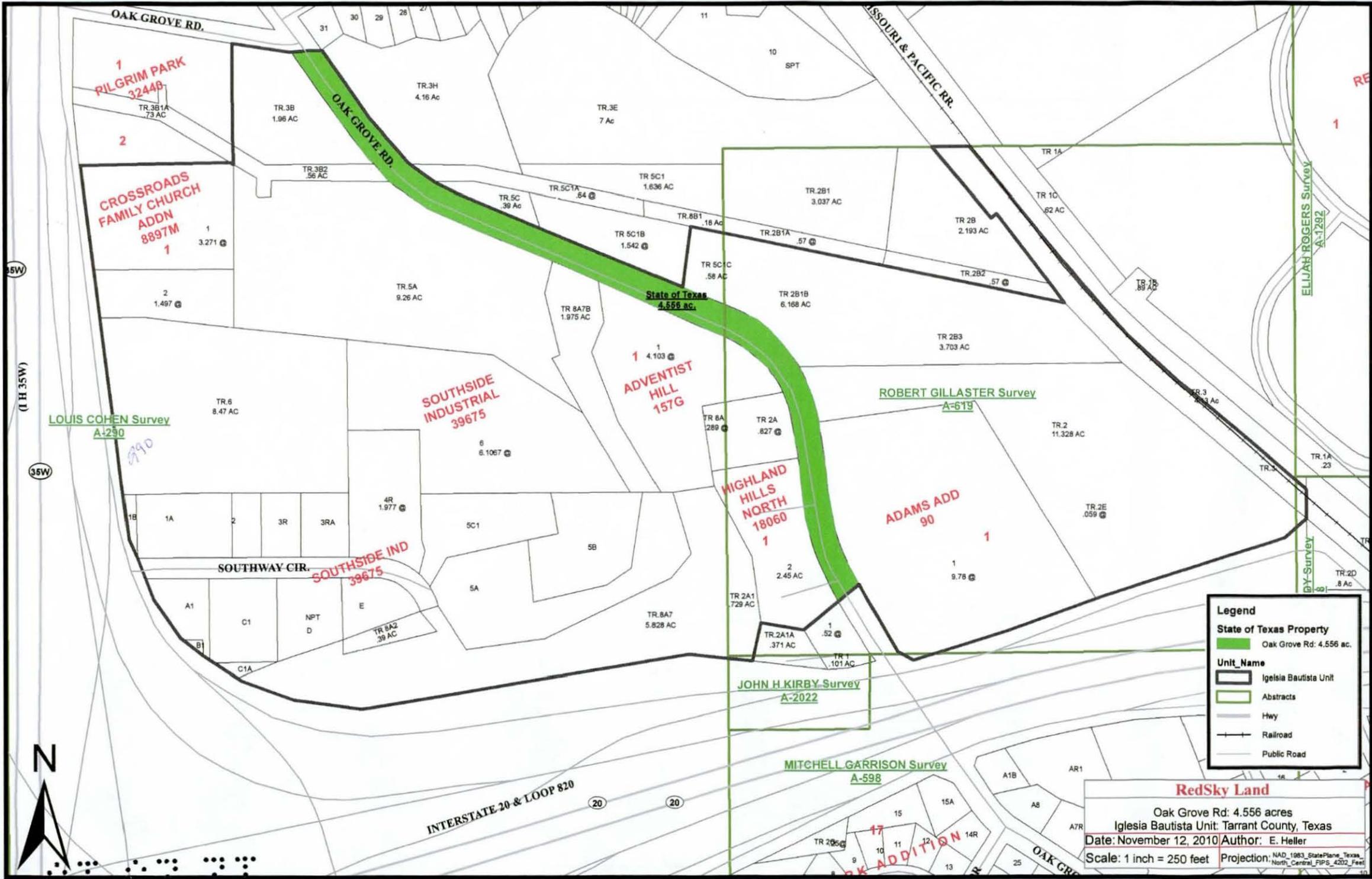
File No. MF 112013

Latter, Lewis & Lee

Date Filed: 12/20/10  
Jerry E. Patterson, Commissioner

By 

12.20.10



1  
PILGRIM PARK  
32448  
TR.3B1A  
73 AC

2  
CROSSROADS  
FAMILY CHURCH  
ADDN  
8897M  
1  
3.271

LOUIS COHEN Survey  
A-290

SOUTHSIDE  
INDUSTRIAL  
39675

1  
4.103  
ADVENTIST  
HILL  
157G

ROBERT GILLASTER Survey  
A-619

HIGHLAND  
HILLS  
NORTH  
18060  
1

ADAMS ADD  
90  
1

SOUTHWAY CIR.  
SOUTHSIDE IND  
39675

JOHN H. KIRBY Survey  
A-2022

MITCHELL GARRISON Survey  
A-598

**Legend**

**State of Texas Property**  
 Oak Grove Rd: 4.556 ac.

**Unit Name**  
 Iglesia Bautista Unit  
 Abstracts  
 Hwy  
 Railroad  
 Public Road

**RedSky Land**

Oak Grove Rd: 4.556 acres  
 Iglesia Bautista Unit: Tarrant County, Texas  
 Date: November 12, 2010 / Author: E. Heller  
 Scale: 1 inch = 250 feet / Projection: NAD\_1983\_StatePlane\_Texas\_North\_Central\_FIPS\_4202\_Feet

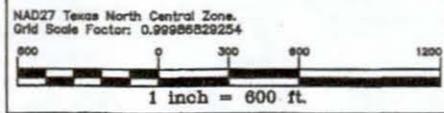


UNIT LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°18'08"E	4.99
L2	N00°13'13"E	58.53
L3	N00°13'38"E	318.86
L4	S79°58'11"E	200.82
L5	N10°48'58"E	53.40
L6	N12°18'58"E	189.25
L7	N39°09'01"W	80.83
L8	N38°01'18"W	266.38
L9	S53°22'28"W	30.00
L10	N36°37'32"W	352.80
L11	N82°36'28"E	153.28
L12	S38°01'18"E	525.24
L13	S38°09'01"E	78.32
L14	S40°54'18"E	100.72
L15	S47°48'08"E	159.05
L16	S50°51'13"W	200.85
L17	N01°13'38"E	30.98
L18	N33°02'42"W	92.36
L19	S86°59'18"W	170.19
L20	N82°59'42"W	131.99
L21	S09°43'52"W	113.32
L22	N83°04'58"W	213.90
L23	S82°46'53"W	283.96
L24	N73°28'21"W	174.28
L25	N86°13'56"W	193.09
L26	N85°56'48"W	135.88
L27	N06°21'08"E	76.33
L28	N89°44'50"W	85.17
L29	N07°19'03"W	94.89
L30	N08°50'47"W	54.50



J. Thornhill Survey  
A-1519

UNIT CURVE TABLE					
Curve	Delta	Radius	Length	Chord-Dir	Chord
C1	31°35'13"	552.81	304.65	S53°02'51"E	300.81
C2	2°20'47"	723.51	29.63	N31°35'20"W	29.63
C3	24°02'47"	743.94	312.22	N25°57'02"W	309.94



G. Main Survey  
A-1096

L. Oidham Survey  
A-1198

Iglesia Bautista Acreages

1. First Pentecostal Church of Fort Worth Inc - 4.775 ac.
  2. Plaza Tierra Caliente Inc - 12.333 ac.
  3. Iglesia Bautista El Buen Pastor of Fort Worth - 8.488 ac.
  4. Charles Crawford - 12.325 ac.
  5. Texas Conference Association of Seventh-Day Adventists - 13.600 ac.
  6. Unleased Tract - 0.109 ac.
  7. Trojacek Family Investment Company LLC - 3.610 ac.
  8. Charles Bryant - 0.517 ac.
  9. Danny Dulka - 0.821 ac.
  10. Wanda Adams - 0.774 ac.
  11. Jefferson Cox et al - 2.119 ac.
  12. Mobile Enterprises Inc - 1.202 ac.
  13. Wanda Adams - 1.380 ac.
  14. Land Rover - 1.121 ac.
  15. Peppertrees Acres - 2.570 ac.
  16. Choice Capital - 29.498 ac.
  17. Union Pacific Railroad Company - 3.833 ac.
  18. State Of Texas - 2.877 ac.
- Total Acres - 101.650 ac.  
Total Leased Acres - 98.864 ac.

**HERBERT S. BEASLEY**  
REGISTERED PROFESSIONAL SURVEYORS

P. O. BOX 8873  
FORT WORTH, TEXAS 76124

**LAND SURVEYORS L.P.**  
• LAND • TOPOGRAPHIC  
• CONSTRUCTION SURVEYING

METRO 817-429-0194  
FAX 817-446-5486



Prepared 30 July 2008  
Revised 9 September 2009

S. Woody Survey  
A-1638

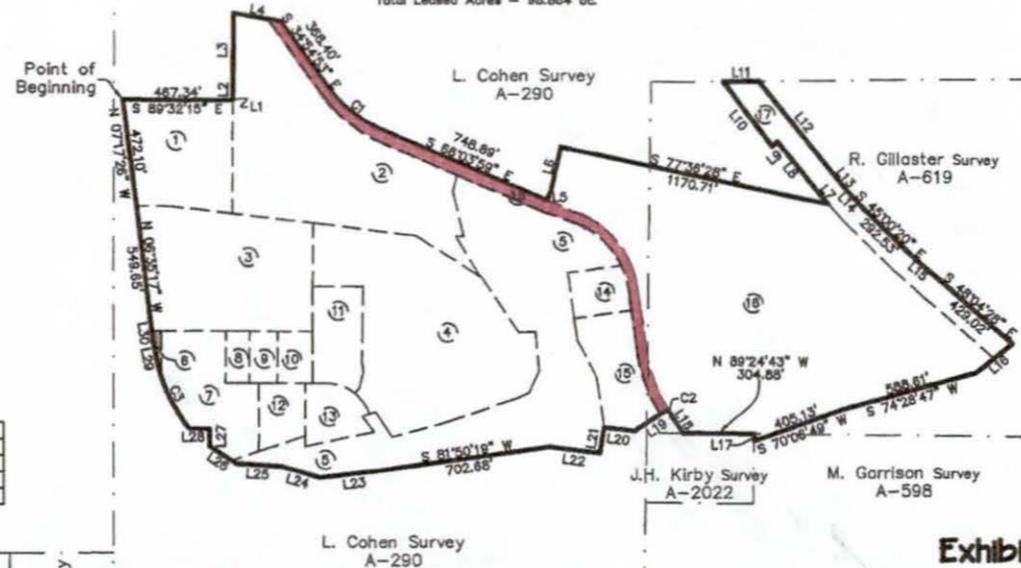


Exhibit C

**CHESAPEAKE OPERATING, INC.**  
101.650 Acre Iglesia Bautista Unit  
Fort Worth, Tarrant County, Texas  
CHK-Bautista UNIT.dwg



# RedSky Land, LLC

Complete Petroleum Land Services

## AFFIDAVIT OF PAID LEASE BONUSES

STATE OF TEXAS  
COUNTY OF JOHNSON  
KNOW ALL MEN BY THESE PRESENTS:

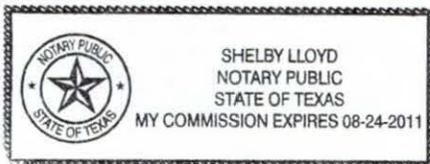
BEFORE ME, the undersigned Notary Public in and for the County and State aforesaid, on this day personally appeared David W. Guy, known to me to be a credible person, who, being on oath duly sworn, deposes and states as follows:

That I, as agent for RedSky Land, LLC, and as agent for Chesapeake Exploration L.L.C. am very familiar with the leases and bonuses paid in the acreage adjacent to Oak Grove Road which is incorporated in to the pooled unit operated by Chesapeake Operating, Inc. named "The Iglesia Bautista Unit". The prevailing bonus paid in the unit adjacent to Oak Grove Road is \$2,500.00 per mineral acre surrounding the proposed lease.

Further, Affiant sayeth not.

  
Affiant

SUBSCRIBED TO AND SWORN BEFORE ME, the undersigned authority, on this the 16 day of December, 2010, to certify which witness my hand and seal of office.





4.

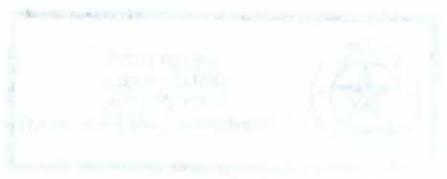
File No. MF112013

Jeffery J. Patterson

Date Filed: 12/20/10

Jerry E. Patterson, Commissioner

By [Signature]



12.20.10

KNOW ALL MEN BY THESE PRESENTS:

16  
4366

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

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

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

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

BEGINNING at the most easterly Northeast corner of said one acre tract and the Northwest corner of said easement, said point of beginning being in the present center of Oak Grove Road;  
THENCE with the North line of said easement South 89 degrees 03 minutes East 55-8/10 feet to a point on a curve in the proposed Northeast right of way line of Oak Grove Road, from which the center of said curve bears North 41 degrees 49 minutes East 353-48/100 feet;  
THENCE Southeasterly with said curve, through a central angle of 14 degrees 48 minutes, a distance of 91-3/10 feet to a point in the South line of said easement;  
THENCE with the South line of said easement and the South line of said one acre tract North 89 degrees 03 minutes West, at 72-9/10 feet the Southwest corner of said easement and the Southeast corner of said one acre tract, in all 143-1/10 feet to a point on a curve in the proposed Southwest right of way line of Oak Grove Road, from which the center of said curve bears North 47 degrees 10 minutes East 606-54/100 feet;  
THENCE Northwesterly with said curve, through a central angle of 6 degrees 15 minutes, a distance of 66-2/10 feet to a point in the North line of said one acre tract;  
THENCE with said North line, South 89 degrees 03 minutes East 54-4/10 feet to the place of beginning, and containing 0-143/1000 acre of land.

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

Grantee agrees to relocate all necessary fencing and reinstall all gates at Grantee's sole expense and that such relocated fencing and gates shall be of the same type and construction as now exists on the herein described land and that such relocated fencing shall be in as good or better state of repair as existed prior to relocation.

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

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

TO HAVE AND TO HOLD the above described easement together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Fort Worth, Texas, its successors heirs, and assigns and Grantor hereby binds itself to warrant and forever to defend and singular said easement unto the said City of Fort Worth, Texas, its successors heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by through or under it but not otherwise.

EXECUTED this the 23rd day of January, 1967

ATTEST: J. W. Cook, Asst. Secretary  
TEXAS ELECTRIC SERVICE COMPANY  
By: [Signature] VICE President - OPERATIONS  
CANTON, TEXAS, TARRANT COUNTY, TEXAS

CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS  
COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared  
W. G. Marquardt, Vice-President-Operations, Texas Electric Service Co., known to me to be the  
person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the  
said Texas Electric Service Company  
a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed,  
and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 25<sup>th</sup> day of January A. D., 1967

(L. S.)

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

THE STATE OF TEXAS

TARRANT County

Easement and  
Right of Way

FROM  
TEXAS ELECTRIC SERVICE COMPANY

TO

CITY OF FORT WORTH

TECO 731-817

VOL. 4366 PAI 18

Thomas M. Ryan  
VOL. 2134 PAGE 138

Proposed R.O.W. Line

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

TESCO Easement  
VOL. 2551  
PAGE 5

S. 35° 23' E. 347.6'

23' W  
23' E  
80.0'

340.0'  
340.0'

OBK GROVE  
Old P.L.  
New P.L.

188.4'  
91.3'  
78.9'  
55.8'  
220.6'  
86.3'  $\Delta = 11^\circ 56'$   
See Detail Of P.I.

R.O.W. Line

TESCO ROW  
VOL. PAGE  
AREA REQ. 0.071 Ac.

LOUIS COHEN SUR. A-290

SOUTH R.O.W. CURVE  
 $\Delta = 30^\circ 32'$   
 $T = 165.55'$   
 $R = 606.54'$   
 $L = 323.22'$

NEW & CURVE DATA  
 $\Delta = 30^\circ 32'$   
 $T = 131.0'$   
 $R = 480.0'$   
 $L = 255.8'$

OLD & OR PL.  
 $\Delta = 30^\circ 30'$   
 $T = 113.0'$   
 $R = 414.48'$   
 $L = 270.6'$

TESCO ROW  
VOL. 2543 PAGE 150

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

07.07.77

1200 10

275 12021

STATE OF TEXAS  
COUNTY OF TARRANT

\*\*\*\*\*  
EASEMENT AND RIGHT OF WAY  
\*\*\*\*\*

BETWEEN  
TEXAS ELECTRIC SERVICE COMPANY

FILED

TARRANT COUNTY, TEXAS

FEB 24 8 48 AM '67

FOR GRANTOR  
W. C. "RED" GOWEN  
COUNTY CLERK

CITY OF FORT WORTH

GRANTEE

RETURN TO  
CITY SECRETARY  
CITY HALL  
CITY

STATE OF TEXAS  
COUNTY OF TARRANT

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

FEB 24 1967



*W. C. "Red" Gowen*  
COUNTY CLERK  
TARRANT COUNTY, TEXAS

VOL. PAGE  
4366 19

FILED  
TARRANT COUNTY, TEXAS  
DATE FEB 24 1967  
W. C. "RED" GOWEN  
COUNTY CLERK  
BY *W. C. "Red" Gowen* DEPUTY

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

That 1001 Oak Grove Ltd., acting herein by and through its general partners, Nathan Rubenstein and Alex Hesselson, for and in consideration of the sum of Two Thousand Ninety and No/100 Dollars (\$2,090.00) and other good and valuable consideration to it in hand paid by the City of Fort Worth, the receipt of which is acknowledged and confessed, has Granted, Sold and Conveyed and by these presents does Grant, Sell and Convey unto the said City of Fort Worth, a municipal corporation of Tarrant County, Texas, all that certain lot, tract or parcel of land situated in Tarrant County, Texas, and being described as follows:

Being a part of the remainder of that tract of land out of the Robert Gillaster Survey, Abstract No. 619, Tarrant County, Texas, conveyed to 1001 Oak Grove Ltd. by deed recorded in Volume 3562, Page 601 of the Deed Records of Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of tract described in deed to REPROCO, Inc., as recorded in Volume 4000, Page 253, of the Deed Records of Tarrant County, Texas, said point lying east approximately 390 feet and north approximately 160 feet from the southwest corner of the said Gillaster Survey;  
THENCE S. 57 degrees 18 minutes W. 26.6 feet to the center of Oak Grove Road;  
THENCE N. 32 degrees 42 minutes W. with said center of Oak Grove Road, 34.1 feet to the beginning of a curve to the right, a point from which the radius point of said curve bears N. 57 degrees 18 minutes E. 398.1 feet;  
THENCE with said curve and with the center of Oak Grove Road through a central angle of 25 degrees 23 minutes for a distance of 176.4 feet to the end of said curve;  
THENCE N. 7 degrees 19 Minutes W. 1.3 feet with center of Oak Grove Road;

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

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

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

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

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

IN WITNESS WHEREOF, this instrument is executed this 3rd day of July, A. D. 1967, at Fort Worth, Texas.

1001 OAK GROVE LTD.

By Nathan Rubenstein  
Nathan Rubenstein,  
General Partner

By Alex Hesselson  
Alex Hesselson,  
General Partner

THE STATE OF TEXAS §

COUNTY OF TARRANT §

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



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

Joe G. Wooten  
Notary Public in and for Tarrant  
County, Texas

THE STATE OF TEXAS §

COUNTY OF TARRANT §

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



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

Joe G. Wooten  
Notary Public in and for Tarrant  
County, Texas

123456

VOL 4431 PAGE 212

227 48138  
WARRANTY DEED

From: 1001 Oak Grove Ltd.

To: City of Fort Worth

FILED  
TARRANT COUNTY, TEXAS  
JUL 18 9 29 AM '67  
W. C. "RED" COWEN  
COUNTY CLERK  
BY \_\_\_\_\_ DEP.

RETURN TO  
CITY SECRETARY  
CITY HALL  
CITY

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

JUL 18 1967



*W. C. Red Cowen*  
COUNTY CLERK  
TARRANT COUNTY, TEXAS

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

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

WITNESS my hand at Hurst, Texas this 8th day of March 19 50. Witness at request of Grantor:

[Signature]

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared [Name], 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 8th day of March A. D. 1950.

(L. S.)

[Signature]

Filed for Record in [Volume] at [Date]

And Recorded in [Volume] at [Date]

Instrument No. [Number]

MELVIN WHEAT FAULK, County Clerk, Tarrant County, Texas

The State of Texas, County of Tarrant

14767-1/50

Know All Men by These Presents:

That Ryan Mortgage Company, a corporation

of the County of Tarrant, State of Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) and other good and valuable considerations, to it in hand paid by the City of Fort Worth, a municipal corporation, as follows:

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



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

City of Fort Worth, a municipal corporation of the County of Tarrant, State of Texas, all that certain lot, tract or parcel of land, described as follows, to-wit:

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

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

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

THENCE South 57 degrees 1 minute West a distance of 21.35 feet;

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

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

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

City of Fort Worth, its successors corporation does. ~~Not~~ and assigns forever and said ~~As~~ hereby binds itself, its successors and assigns ~~holders, executors and administrators~~ to Warrant and Forever Defend, all and singular the said premises unto the said

City of Fort Worth, its successors ~~Not~~ and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

EXECUTED  
WITNESSE----- here at Fort Worth, Texas  
this 7th day of March 19 60

ATTEST  
*[Signature]*  
Witness at request of Grantor Secretary

RYAN MORTGAGE COMPANY  
By *[Signature]*  
President

SINGLE ACKNOWLEDGMENT

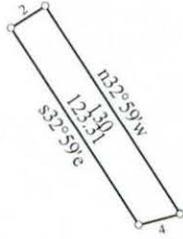
THE STATE OF TEXAS  
COUNTY OF Tarrant

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

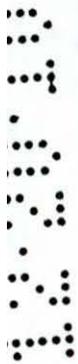
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of March A.D. 19 60

(L.S.) *[Signature]*  
Notary Public in and for Tarrant County, Texas

Filed for Record MAR 10 1960  
And Recorded MAR 15 1960  
Instrument No. 14547  
MELVIN "MEL" FAULK, County Clerk,  
Tarrant County, Texas  
By *[Signature]* Deputy



Title: Volume 3422 Page 413		Date: 11-18-2010
Scale: 1 inch = 100 feet	File:	
Tract 1: 0.062 Acres: 2708 Sq Feet: Closure = n32.5650w 0.35 Feet: Precision =1/842: Perimeter = 297 Feet		
001=n32.59w 130	003=s32.59e 123.31	
002=s57.01w 21.38	004=n75.15e 22.51	



The State of Texas, } Know All Men by These Presents:  
County of TARRANT

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

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

and other good and valuable considerations to it in hand paid by City of Fort Worth, a municipal corporation as follows:

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



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

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

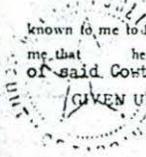
Tract No. 1:  
BEGINNING at a point in the Southwest right of way line of Felix Street (as previously dedicated) extended southeasterly, said point being South 35° 23' East 15.2 feet from the Southeast corner of Block 29, Southland Terrace, an addition to the City of Fort Worth, Tarrant County, Texas, and said point also being in the center of old Oak Grove Road near its intersection with Felix Street, and also on the Northerly property line of said Cowtown Posse, Inc., tract of land;  
THENCE South 79° 51' E. with said line 2.7 feet to an angle point;  
THENCE continuing with the center of old Oak Grove Road, South 57° 46' East 100.0 feet to an angle point on the center line of Felix Street extended southeasterly;  
THENCE South 35° 23' East continuing with the center of old Oak Grove Road and the northeasterly line of said Cowtown Posse, Inc., tract, 340.0 feet to the beginning of a curve in said line from which the radius point of said curve bears North 54° 37' East 414.48 feet;  
THENCE Southeasterly with said curve through a central angle of 7° 51' for a distance of 56.8 feet to the Northeast corner of a right of way tract conveyed to the Texas Electric Service Company by deed recorded in Volume 2543 page 150 of the Deed Records of Tarrant County, Texas;



SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, }  
COUNTY OF TARRANT

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



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

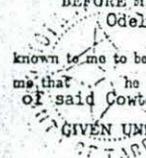
(L. S.)

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

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS }  
COUNTY OF Tarrant

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



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

(L. S.)

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

441--The Odco Company, Publishers--Dallas

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

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

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

Lewis Poore  
Lewis Poore

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

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

(L. S.)

\_\_\_\_\_  
County Clerk County, Texas  
By \_\_\_\_\_ Deputy.

123456789

202 34415  
**Warranty Deed**  
 FROM  
 Cortown Posse, Inc.,  
 TO  
 City of Fort Worth

FILED FOR RECORD  
 This day of \_\_\_\_\_ A.D. 19\_\_\_\_  
 at \_\_\_\_\_ o'clock \_\_\_\_\_ M.  
 BY \_\_\_\_\_  
 TARRANT COUNTY CLERK  
 W.C. "RED" COWEN  
 COUNTY CLERK  
 TARRANT COUNTY, TEXAS  
 MAY 25 1 20 PM '67  
 RECORDED  
 COUNTY CLERK  
 TARRANT COUNTY, TEXAS  
 In Book \_\_\_\_\_ on Page \_\_\_\_\_  
 County Records  
 County Clerk  
 Deputy  
 Recording Fee \$ \_\_\_\_\_  
 This instrument should be filed immediately with  
 the County Clerk for Record.  
 Return to Land Department, City of Ft. Worth  
 2010 W. T. Maggoner Bldg.,  
 L-1648 City 76102

The Otis Company, Publishers, Dallas

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

MAY 25 1967



*W.C. "Red" Cowen*  
 COUNTY CLERK  
 TARRANT COUNTY, TEXAS

FILED  
 TARRANT COUNTY, TEXAS  
 DATE 5-25-67 BY W.C. "RED" COWEN COUNTY CLERK  
 DEPUTY

VOL 4407 PAGE 333

STATE OF TEXAS }  
COUNTY OF TARRANT }

KNOW ALL MEN BY THESE PRESENTS:

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

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

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

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

Beginning at a point in the NE line of Oak Grove Road near its intersection with Felix St. said point being the S corner of Lot 31 Block 30 Southland Terrace (Sixth Filing) an addition to the City of Fort Worth, Tarrant County, Texas, and said point also being in the NEly right of way line of the proposed widening of Oak Grove Road; Thence S 35 deg 23' E with said right of way line, 347.6 ft to the beginning of a curve whose radius point bears N 54 deg 37 min E 353.48 ft.; Thence SEly with said curve through a central angle of 30 deg 32 min for a distance of 188.4 ft to the end of said curve, passing the north edge of a 50 ft wide easement granted to Texas Electric Service Company, at 78.9 ft along said curve and the south edge, at 170.2 ft along said curve; Thence S 65 deg 55 min E continuing with the Nly right of way line of the proposed widening of Oak Grove Road, a distance of 341.5 ft to a point in the center of Sycamore Creek, a point on the West line of a tract of land conveyed to the Business Loan and Investment Company by deed rec. in Vol. 3116 p 68 of the Deed Records of Tarrant County, Texas; Thence S 1 deg 21 min E with said line, 41.3 ft to a point in the center of the existing pavement of Oak Grove Road, said point being the Wly SWC of Business Loan and Investment Company tract, and the S corner of the remainder of said Ryan tract; Thence N 65 deg 53 min W with the center of the existing pavement of Oak Grove Road and the SWly line of said Ryan tract, 358.7 ft, to the beg. of a curve whose radius point bears N 24 deg 07 min E, 414.48 ft; Thence NWly with said curve, the center of the existing Oak Grove Road pavement, and said Ryan property line through a central angle of 30 deg 30 min for a distance of 220.6 ft to the end of said curve; Thence N 35 deg 23 min W with said road line and property line, 340.0 ft to an angle point in said property line; Thence N 57 deg 46 min W with said Ryan property line 100.0 ft to another angle point; Thence N 79 deg 51 min W 2.7 ft to a point in the SW right of way line of the proposed widening of Oak Grove Road; Thence N 35 deg 23 min W with said line, 11.9 ft to a point being S 35 deg 23 min E, 3.3 ft from the SEC of Block 29, Southland Terrace, an addition to the City of Fort Worth, Tarrant County, Texas; Thence with the following courses and distances with the SWly lines of Felix St as previously dedicated: S 79 deg 31 min E, 32.4 ft; S 61 deg 46 min E 97.2 ft and N 54 deg 37 min E 14.3 ft to the place of beginning and containing 0.837 acres of land of which 0.25 acres are contained within the limits of the existing pavement of Oak Grove Road.

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

(continued next page)



EXECUTED this 21st day of JULY, 1967.

ATTEST: *James Adams*  
Notary Public  
Tarrant County, Texas

RYAN MORTGAGE COMPANY  
*T. W. Reilly*  
Pres.

STATE OF TEXAS }  
COUNTY OF TARRANT

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

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

*Lawrence J. Bennett*  
Notary Public Tarrant County, Texas.

STATE OF TEXAS }  
COUNTY OF

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

known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said

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

Given under my hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Notary Public County, Texas.

STATE OF TEXAS }  
COUNTY OF

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

wife of the said \_\_\_\_\_, personally known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed. And the said

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

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

Given under my hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Notary Public County, Texas.

*of Book*

51469

**General Warranty Deed**

RYAN MORTGAGE COMPANY

TO

CITY OF FORT WORTH

**FILED**  
TARRANT COUNTY, TEXAS  
JUL 28 3 09 PM '67  
W. C. "RED" COWEN  
COUNTY CLERK  
BY *[Signature]* DEPT.

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

Return to: FIELD P. HUNTER, GALVESTON, TEXAS  
Form No. 13-66

2010 N. T. Maggoner Bldg.,  
Ft. Worth, Tex. 76102

GF 9170-E

STATE OF TEXAS }  
COUNTY OF TARRANT }

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

JUL 28 1967



*W. C. "Red" Cowen*  
COUNTY CLERK  
TARRANT COUNTY, TEXAS

3.

File No. MF 112013

Jed

Date Filed: 12/20/10

Jerry E. Patterson, Commissioner

By [Signature]

15.50.30

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

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

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

THIS AGREEMENT made this 26<sup>th</sup> day of SEPTEMBER, 2006, between Wanda R. Adams, as Trustee of the Wanda R. Adams 2002 Trust, dated January 7, 2002, Lessor (whether one or more), whose address is 5404 Rustic Trail, Colleyville, Texas 76034-3216, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

.671 acres of land, more or less, being Lot 3RA) out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-111, Page 37, of the Plat Records of Tarrant County, Texas.

.697 acres of land, more or less, out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated September 1, 2004, from XYZ Door Company, Inc. and Overhead Door Corporation, as Grantor, to Wanda R. Adams as Trustee of the Wanda R. Adams 2002 Trust, as Grantee, recorded in Instrument D204276035, of the Deed Records of Tarrant County, Texas.

Said land is hereby deemed to contain 1.368 acres, more or less.

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

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

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

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

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, by Lessee, is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more

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

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

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

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

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

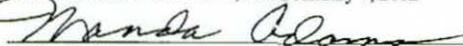
10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by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

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

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

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

Wanda R. Adams 2002 Trust, dated January 7, 2002

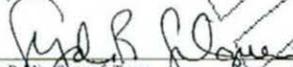
  
By: Wanda Adams  
As: Trustee of the Wanda R. Adams 2002 Trust, dated January 7, 2002.

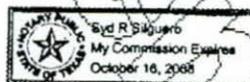
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 10th day of September, 2006,  
by Wanda R. Adams, as Trustee of the Wanda R. Adams 2002 Trust, dated January 7, 2002.

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





SHAW INTERESTS INC  
PO BOX 9612

MIDLAND TX 79708

Submitter: SHAW INTEREST INC

---

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

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

Filed For Registration: 11/01/2006 11:45 AM  
Instrument #: D206342228  
OPR 3 PGS \$20.00

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



D206342228

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

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

Producers 48 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 17<sup>th</sup> day of July, 2006, between Charles C. Crawford, A/K/A C. C. Crawford, a married man, Lessor (whether one or more), whose address is 716 West Knox, Ennis, Texas 75119, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

3.832 acres of land, more or less, being a portion of Lot 5, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated June 28, 1983, from C. C. Crawford Tire Company, Inc., as Grantor, to C. C. Crawford and wife, Bertha Crawford, as Grantee, and recorded in Volume 7544, Page 713, of the Official Public Records of Tarrant County, Texas.

1.40 acres of land, more or less, being all of Lot 5A, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume 388-103, Page 913, of the Plat Records of Tarrant County, Texas.

6.1067 acres of land, more or less, being Lot 6, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain plat recorded in Volume A, Page 3046, of the Plat Records of Tarrant County, Texas.

Said lands are hereby deemed to contain 11.339 acres of land, more or less.

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

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

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

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

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

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

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

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

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

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

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

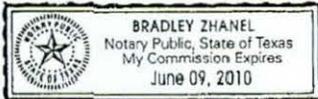
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

  
Charles C. Crawford

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the 17<sup>th</sup> day of July, 2006 by Charles C. Crawford, a married man



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

STATE OF

This instrument was acknowledged before me on the

By

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

**DUPLICATE**

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 17<sup>th</sup> of July, 06  
~~2006~~, by and between Charles C. Crawford, A/K/A C. C. Crawford, a married man, as Lessor, and  
Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

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

Signed for Identification

  
Charles C. Crawford

DUPLICATE Document

3  
Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5<sup>th</sup> day of July, 2006, between Danny Duke, a single person, Lessor (whether one or more), whose address is 5605 East Loop 820 South, Fort Worth, Texas 76119, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870-LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

.537 acres of land, more or less, being Lot 38, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-58, Page 513, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

Danny Duke

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the

5<sup>TH</sup>

day of

JULY

, 2006

By Danny Duke, a single person



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

STATE OF

This instrument was acknowledged before me on the

day of

By

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

DUPLICATE

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 5<sup>th</sup> of July 2006, 2006, by and between Danny Duke, a single person, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

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

Signed for Identification



Danny Duke

UNOFFICIAL DOCUMENT



SHAW INTERESTS INC  
POB-9612

MIDLAND TX 79708

Submitter: SHAW INTERESTS

---

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

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

Filed For Registration: 08/15/2006 02:51 PM  
Instrument #: D206252270  
A 4 PGS \$24.00



D206252270

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

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

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 9<sup>th</sup> day of September, 2006, between Iglesia Bautista El Buen Pastor of Fort Worth, Lessor (whether one or more), whose address is P.O. Box 6233, Fort Worth, Texas 76115, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

8.478 acres of land, more or less, out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated April 3, 2002, from Carsyn Limited No. 70, a Limited Partnership, as Grantor, to Iglesia Bautista El Buen Pastor of Fort Worth, as Grantee, recorded in Volume 15604, Page 160, of the Deed Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

Iglesia Bautista El Buen Pastor of Fort Worth

  
By: Mary Kraus  
As: Chairman of Trustees

  
By: Victor Gonzalez  
As: Trustee

  
By: Andres Garcia  
As: Trustee

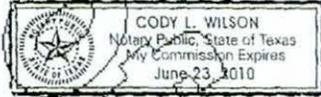
**UNRECORDED INSTRUMENT**

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9TH day of SEPTEMBER, 2006,

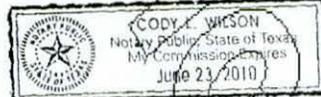
By MARY KRAUS as CHAIRMAN OF TRUSTEES of Iglesia Bautista El Buen Pastor of Fort Worth a Texas corporation, on behalf of said corporation.



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

STATE OF TEXAS  
COUNTY OF TARRANT

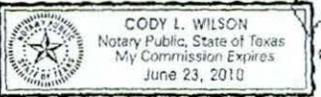
This instrument was acknowledged before me on the 9TH day of SEPTEMBER, 2006,  
by VICTOR GONZALEZ as TRUSTEE of Iglesia Bautista El Buen Pastor of Fort Worth a Texas corporation, on behalf of said corporation.



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

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9TH day of SEPTEMBER, 2006,  
by ANDRES GARCIA as TRUSTEE of Iglesia Bautista El Buen Pastor of Fort Worth a Texas corporation, on behalf of said corporation.



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

DUPLICATE DOCUMENT

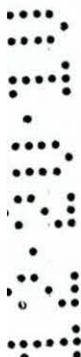


EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 9<sup>th</sup> of September, 2006, by and between Iglesia Bautista El Buen Pastor of Fort Worth, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

11. ADDENDUM CONTROLS

In the event of a conflict between the terms of this addendum and the terms of the printed form lease, the terms of this addendum shall control.

12. SURFACE DRILLSITES

(A) In addition to the right to use the surface of the Lease Premises for purposes set forth in this Lease, Lessee is hereby granted the exclusive right to use the Lease Premises for the purpose of drilling directional and horizontal oil and gas wells from the surface of the Lease Premises and to drill through the subsurface in order to operate and produce such wells for production of oil, gas and associated hydrocarbons from lands other than the Lease Premises. As consideration for the rights granted in this paragraph, Lessor shall be entitled to an overriding royalty of 2% of 8/8ths of the production from each well with a surface location on the Lease Premises which overriding royalty shall be proportionately reduced based on the amount of Lease royalty participation of the Lessor in production from such well as hereinafter set forth:

(1) In the event that the well produces from lands other than the Lease Premises and no portion of the Lease Premises is included in a pooled unit from which such well produces such that Lessor receives no Lease royalty on production from the well, the Lessor will be entitled to receive 100% of the overriding royalty of 2% of 8/8ths.

(2) In the event that the well produces from a pooled unit which includes a portion of the Lease Premises such that Lessor receives lease royalty on an allocated share of production from the well, then the overriding royalty shall be proportionately reduced based on the amount of acreage from the Lease Premises included in the pooled unit. The amount of reduction shall be a fraction with the denominator being the total amount of acreage in the pooled unit and the numerator being the amount of acreage from the Lease Premises within the pooled unit. For example, if the well is producing from a pooled unit comprising a total of 160 acres, of which 10 acres is from the Lease Premises, the overriding royalty will be reduced by  $10 \div 160 = 6.25\%$ . Reduction of the 2.0% overriding royalty by 6.25% results in an overriding royalty of 1.875% to the Lessor.

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

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

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

(E) Notwithstanding the expiration of the term of this Lease, the right to use of the surface granted herein shall survive for a period of five (5) years from the expiration of this Lease and as long thereafter as there is production, or drilling or reworking operations on any well situated on the Lease Premises with no cessation of more than 120 consecutive days. It is not the intent of Lessor or Lessee that any provision herein violate any applicable law regarding the rule against perpetuities, the suspension of the absolute power of alienation, or other rules regarding the vesting or duration of estates, and Lessor's right to future assignments of an overriding royalty shall be construed as not violating such rule to the extent the same can be so construed consistent with the intent of the parties. In the event, however, that any provision hereof is determined to violate such rule, then such provision shall nevertheless be effective for the maximum period (but not longer than the maximum period) permitted by such rule that will result in no violation. To the extent such maximum period is permitted to be determined by reference to "lives in being", Lessor and Lessee agree that "lives in being" shall refer to the lifetime of the last to die of the now living lineal descendants of the late Senator Prescott Bush (paternal grandfather of the current President).

13. WELL LOCATION AND SURFACE CLAUSES

Lessee agrees that the drilling of any oil or gas well, the location of equipment or facilities, and the location of roads and pipelines on the Leased Premises will be situated as agreed upon in writing before any operations begin. Notwithstanding the foregoing, the location of each well proposed by Lessee shall be reconciled to Lessor's use for the Leased Premises, in a manner which minimizes the impact of Lessee's drilling and production operations on Lessor's proposed use of the Leased Premises. A drillsite may not exceed four acres during the initial drilling, completing, fracturing, of a well and shall be reduced to no more than 1.5 acres per well at all other times.

All tank batteries, well facilities and equipment maintained and operated by Lessee on the Leased Premises shall be located within immediate proximity to each of Lessee's well sites and within the said drilling site.

If, to obtain ingress and egress to the Leased Premises, it becomes necessary for the Lessee to cut any fences of the Lessor, the Lessee shall install and maintain suitable and well built gates, installed to the Lessor's satisfaction, which gates shall, upon termination of this Lease for any cause, become the property of Lessor. Said gates shall be supported by H-braces and be a minimum of 16 feet in width. Whether the Lessee uses gates presently in the Lessor's fences along the public roads or constructs its own gates, Lessee agrees to keep the same locked at all times so as to exclude the general public from the Lessor's property, permitting only Lessor's, their tenants and Lessee's servants, agents and employees to have any keys thereto.

Lessee shall have the right to perform all phases of exploration, drilling, production, and transportation necessary to find, produce, save, and market leased substances, but shall not have the right to use the surface of the leased land for any other activities or for any facilities not necessary to find, produce, save, and market leased substances and transport them from the leased land. Lessee shall not have the right to establish and utilize facilities for surface or subsurface disposal of salt water, construct bridges, dig canals, build tanks, power stations, product treatment stations, product treatment facilities, telephone lines, or employee housing on the leased premises except those on the drilling pad. All pipelines and other equipment not on the drilling pad shall be buried at least 36" deep. It is agreed that all roads and locations made, used, or constructed by the Lessee shall be terraced in such manner as to best control and prevent erosion.

No well or wells shall be drilled within 600 feet of Lessor's residence or any other protected use as defined in the Gas Drilling Ordinance of the City of Fort Worth, located on the lands.

It is hereby understood and agreed by and between Lessor and Lessee, their heirs, successors, and assigns, that all seismic operations will be conducted at mutually agreeable locations, and that the consent of Lessor will not be unreasonably withheld, conditioned, or delayed.

Lessee shall consult with Lessor prior to the location of any drilling pads (limited to not more than Four (4) acres), roads, pipelines, pits, tank batteries, electric lines and poles, or any other equipment or alterations to Lessor's property and Lessee will use mutually agreeable locations, which agreement by Lessor or Lessee will not unreasonably be withheld, conditioned, or delayed. At Lessor's option, roads so constructed will be removed and the surface restored as soon as practicable upon completion of operation or cessation of use by Lessee.

At the end of the primary term of this Lease, or any extension thereof, this Lease shall terminate as to all depths lying below one hundred feet (100') below the stratigraphic equivalent of the base of the deepest producing formation from which any well commenced in the primary term, or any extension thereof, is producing on the lands described herein or any lands pooled with all or part of the lands described herein.

#### 14. POOLING LIMITATIONS

In the event that Lessee elects to pool the leased premises, the size of the pooled units shall be limited by the following criteria:

The maximum amount of acreage permitted within a production unit for a producing well formed pursuant to Special Field Rules of the Railroad Commission of Texas, or any other governmental agency having jurisdiction thereof; or if there are no Special Field Rules in effect for the field in which such production well is completed then all lands included in a Producing Unit formed, as follows: for Horizontal Wells, the Producing Unit shall contain the following acreage: 40 acres + Additional Acreage Assignment for Fields with a Density Rule Greater than 40 acres (which is based on Horizontal Drainhole Displacement) as provided in Texas Railroad Commission Rule 86 (adopted effective June 1, 1990). For purposes hereof, a "Horizontal Well" shall be defined as an oil or gas well in which the Horizontal Displacement of the gross completion Interval exceeds 150 feet in length. "Horizontal Drainhole Displacement" shall be the distance from the penetration point of the correlative interval to the terminus of the wellbore. For all wells other than Horizontal Wells, the Producing Unit shall contain the following acreage: 40 acres plus 10% tolerance for an oil well and 160 acres plus 10% tolerance for a gas well. Duty to Develop. The drilling of a well or wells within the broad language of this Lease shall not be construed as an agreement or construction on the part of Lessor that such drilling would constitute reasonable development of the leased premises, and Lessee agrees to drill any and all wells on the leased premises, or such portion or portions thereof as may be in force from time to time, as may be necessary to reasonably develop the same for the production of oil and gas. In the event a well or wells producing oil or gas should be brought in on adjacent land within 330 feet of the leased premises, Lessee agrees to drill such offset wells as a reasonable prudent operator would drill under the same or similar circumstances. If oil and/or gas are discovered on the land covered by this Lease, or on land pooled therewith, Lessee agrees to further develop said land covered by this Lease as a reasonable prudent operator would under the same or similar circumstances to fully develop same.

Lessee shall provide Lessor with a recorded copy of all recorded pooling designations within thirty (30) days from receipt of such recorded designation from the County Clerk.

Notwithstanding any provision in this Lease to the contrary, if a part of the leased premises is pooled or unitized with other lands, lease, or leases so as to form a pooled unit or units, operations on, completion of

a well upon, or production from such unit or units will not maintain this Lease in force as to any land not included in such unit or units. This Lease may be maintained in force as to any land covered hereby and not included in such unit or units by any manner provided for in the printed form of this Lease.

#### 15. ROYALTY

As to all oil and gas sold by Lessee to an unaffiliated entity, the royalties payable to Lessor for oil and gas, including casinghead gas or other gaseous substances produced and saved from the leased premises and sold on or off the leased premises, shall be one-fourth (1/4th) of the net proceeds realized by Lessee from the sale thereof. Upon request, Lessee shall make available for Lessor's review a copy of any gas contract entered into between Lessee and such unaffiliated entity for oil and gas sold from the leased premises, and Lessor shall not disclose the terms of such contract to any party without the prior written consent of Lessee.

Where an entity affiliated with Lessee is the purchaser of the oil or gas, including casinghead gas or other gaseous substances produced and saved from the leased premises and sold on or off the leased premises, the royalties payable to Lessor shall be one-fourth (1/4th) of the net proceeds received by Lessee from such affiliated entity provided, however, the value of Lessor's royalty oil or gas shall be not less than an amount determined through the use of market value index prices for the month of production as set forth in Published Indices. For purposes of this lease, "Published Indices" must be industry recognized published price references, unaffiliated with Lessee, which reflect the market value for oil and natural gas produced in Tarrant County, Texas. Examples of such publications include Natural Gas Week, Inside F.E.R.C.'s Gas Market Report and Natural Gas Intelligence Gas Price Index and other current or future publication satisfying the Published Indices criteria. The parties may mutually agree to base the value of Lessor's royalty oil or gas on one specific index or an average of two or more indices. The Published Indices relied upon to determine the value of Lessor's oil or gas may be changed from time to time in order to always reflect the market value for the oil and gas produced from the leased premises. Upon request, Lessee shall advise Lessor of the Published Indices being used to determine Lessee's royalty.

COST FREE ROYALTY. Lessor's royalty shall be calculated free and clear of costs and expenses for exploration, drilling, development and production including, but not limited to, dehydration, storage, compression, except wellbore compression, separation by mechanical means and product stabilization incurred prior to the production leaving the leased premises or prior to delivery into a pipeline or gathering system, whichever occurs first. Lessor's royalty shall bear its proportionate share of ad valorem taxes and production, severance, or other excise taxes and the actual, reasonable costs incurred by Lessee to transport, compress, process, stabilize or treat the production off the lease premises in order to make the production saleable, increase its value, or get the production to a market. In the negotiation and execution of any gas purchase and/or sales contracts or agreements, Lessee and Lessee's successors in interest agree that the holder of the working interest will use its best efforts to obtain the best price available in the general area for any oil and/or gas produced and sold from any of the lands covered by the lease taking into account the quality of the oil and/or gas.

#### 16. PAYMENT OF ROYALTIES

With respect to each well on the leased premises or on land pooled therewith, initial royalty payments for oil and/or gas shall be made on or before the end of the third calendar month following the month of first production. Thereafter, all royalties which are required to be paid hereunder to Lessor shall be due and payable in the following manner: Royalty on oil shall be due and payable on or before the end of the first calendar month following the month of production, and royalty on gas shall be due and payable on or before the end of the second calendar month following the month of production. Each royalty payment shall be accompanied by a check stub, schedule, summary or remittance advice identifying the Lease and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas. A copy of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts shall at any time during normal business hours be subject to inspection and examination by Lessor. The books, accounts, and all other records pertaining to production, transportation, sale, and marketing of oil or gas from the leased premises shall at any time during normal business hours be subject to inspection and examination by Lessor. If payments to be made by Lessee to Lessor are not made when due for whatever reason, the unpaid portion shall bear interest at the lower of the prime rate at Federal Reserve at Dallas, Texas plus 2%, or the highest rate allowed by law. If Lessee is in default hereunder and this matter is turned over to an attorney for collection, or is collected by suit, Lessee agrees to pay all reasonable attorney fees incurred by Lessor. Payments may be remitted to Lessor annually for the aggregate of up to twelve months' accumulation of proceeds if the total amount owed is \$25.00 or less.

#### 17. SHUT-IN ROYALTY

If Lessee drills a well on the Leased Premises which is capable of producing oil or gas in paying quantities, but at or after the expiration of the Primary Term, such well is not being produced, and such well is shut in, and this Lease is not being maintained otherwise as provided herein as to the Proration Unit assigned to such shut-in well, this Lease shall not terminate as to such Proration Unit (unless released by Lessee) and it nevertheless shall be considered that oil or gas is being produced from such Proration Unit in paying quantities for a period of ninety (90) days from the date that such well is shut in. Before the expiration of such 90-day period, Lessee may pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well is producing, or deposit directly with Lessor at the address shown herein, a sum equal to Twenty-Five Dollars (\$25.00) annually for each net acre of the Proration Unit assigned to such shut-in well. Notwithstanding any other provision hereof, from and after the Primary Term, no well shall be shut-in for a period to exceed twenty-four (24) cumulative months.

18. **LAPSE OF THE LEASE**

At the time of the lapse of this Lease by any of its terms or provisions, Lessee agrees to promptly execute and deliver to Lessor, or file for record in the public land records office of the county and state where this property lies, a written release and surrender of this lease save and except that portion maintained by virtue of any provision of this Lease.

19. **SURFACE USE AND DAMAGES**

A. Lessee shall remove all its trash, drilling mud, and chemicals from the Leased Premises, and shall level all pits, ditches and pits or excavations dug by it in its operations hereunder and will restore the surface of the Leased Premises as nearly as possible to its original condition within ninety (90) days, weather permitting after termination of drilling operations for any well drilled hereunder, unless Lessee has provided Lessor with a multi well development plan which will require the continued use of said pits, and will construct and maintain fences surrounding all pits and excavations sufficient to turn livestock until such pits and excavations are leveled. Also, Lessee shall pay all reasonable damages done or caused to be done or arising out of the operations of Lessee to all livestock, water wells, buildings, fences, roads, ditches, pulverts, trees, turf, terraces and other improvements, including but not limited to cultivated land and growing crops thereon. Lessee agrees to build and maintain an adequate firebreak if operations on the Leased Premises create a fire hazard. After production is established, Lessee will fence all machinery and equipment on Lessee's drillsite. Additionally, Lessee shall be required to install and maintain reasonable landscaping along the fence line surrounding Lessee's well site, with suitable screening shrubs or other landscaping that compliment the character of the surrounding lands. Lessee shall use its best efforts to insure that such screening shrubs and landscaping shall be sufficient to screen from view the structures sought to be screened on Lessee's drillsite. Any vegetation or berms created around Lessee's drillsite shall be kept in an attractive state and in good condition at all times by Lessee.

B. In absence of applicable city ordinances regarding noise levels of oil and gas operations, no production or other operations conducted by Lessee after completion of a producing well or wells shall produce a sound level greater than 83dB(A) when measured at a distance of three hundred (300) feet from the production equipment in question. The noise level shall be the average of sound level meter readings taken consecutively at any given time from four (4) or more diametrically opposite positions, four (4) feet above ground level, when measured at a distance of three hundred (300) feet from the production equipment. All sound level measurements shall be made with a sound level meter conforming as a minimum, to the requirements of the American National Standards Institutes. Should applicable city ordinances exist within the city in which operations are being conducted, said ordinance shall supersede the above requirements. No permanent compressor is allowed to be placed on the Leased Premises at all by Lessee without written consent of Lessor, which consent shall not be unreasonably withheld.

20. **SURFACE DAMAGES**

Lessee agrees to tender and pay to Lessor as surface damages an amount equal to \$25,000.00 for each operations site constructed on the leased premises. Such well location damages shall include the tank battery, meter runs, flow lines, power lines, telephone lines, electric lines and such additional equipment as may be necessary for the normal production of oil and gas for the initial well drilled on the leased premises. Lessee shall pay Lessor \$10,000 for each additional well drilled from said operations site, and \$100 per rod for roads and pipelines. Lessee shall pay such surface damages at least ten days prior to commencing operations. Lessee shall pay additional surface damages for any extraordinary or unreasonable damages to the surface caused by Lessee's operations.

Before plugging and abandoning any well on the land, Lessee must advise Lessor and upon request by Lessor must set a plug at the base of the deepest freshwater structure and deliver the well to Lessor free of cost provided Lessor meets the conditions of and becomes the operator of such well under the regulations of the Texas Railroad Commission.

Lessee may not locate pipelines on the Leased Premises, or roads for the purposes of ingress or egress, which pipelines or roads relate to any other property which is not part of the Leased Premises (unless such other property is part of a pooled unit with some or all of the Leased Premises) without Lessor's written consent, which Lessor may withhold in Lessor's sole discretion.

21. **INSURANCE REQUIREMENT**

A. All policies shall be written on an occurrence basis except for Environmental Pollution Liability (Seepage and Pollution coverage) and excess or umbrella liability, which may be made on a claims made basis. Lessee shall be responsible for the deductibles on insurance policies maintained by Lessee. Lessee's insurance required herein must include premises, operations, blowout or explosion, products, completed operations, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractor's protective liability, and personal injury. This coverage shall be in a minimum combined single limit of \$1,000,000.00 per occurrence for bodily injury and property damage. Additionally Lessee must provide Lessor evidence of \$5,000,000.00 of excess or umbrella liability coverage.

B. Lessee's policy or policies should cover the cost of controlling a well that is out of control, re-drilling or restoration expenses, seepage and pollution damage as first party recovery for the

Lessee and related expenses, including, but not limited to, loss of equipment, experts and evacuation of residents, and shall provide the following limits:

\$5,000,000.00	Per occurrence/no aggregate, if reasonably available, otherwise an aggregate of five (5) million dollars.
\$500,000.00	Sub limit endorsement may be added for damage to property for which the Lessee has care, custody, and control.

22. **CERTIFICATES OF INSURANCE:** Lessee shall provide Lessor with Certificates of Insurance evidencing each of the above coverages, which Certificate of Insurance shall specifically set forth notice of cancellation, termination or change in coverage provisions. Lessee shall use reasonable efforts to ensure that all Certificates of Insurance provide for Lessor to receive thirty (30) days advance written notice of the cancellation or non-renewal of the policies identified therein, except when the policies are being cancelled for non-payment of premium, in which case ten (10) days advance written notice shall be sufficient.

23. **INDEMNITY**

Lessee agrees to hold Lessor harmless from all claims for damages caused to stock, crops, trapping or grazing lands, fences, buildings or other structures, and from any and all claims for injuries to (including the death of) persons or damage to property in connection with the drilling of any of its wells or other operations under this Lease, and to defend at Lessee's expense any suit brought against Lessor on account of such claims, including all claims involving environmental matters, as well as any alleged violation of any state, local, or federal rule or regulation, allegedly occasioned by, or allegedly arising out of, or allegedly resulting from, Lessee's operations on the Leased Premises, and to pay any judgment against Lessor or resulting from any such suit, excepting such damages and claims resulting from Lessor's actual or alleged negligence or willful misconduct. Lessee further agrees that it will use due care to avoid damage to, or destruction of, stock, crops, land, timber, fences, buildings and other structures belonging to Lessor or any surface tenant of Lessor and will use due care to avoid damage to the value of Lessor's lands as farming, grazing, or residential lands, and that Lessee will compensate Lessor for any damage suffered by Lessor or Lessor's surface tenant as the result of any such damage and/or destruction.

Lessee agrees to indemnify Lessor and hold it harmless from all claims, losses, judgments, and causes of action (and defend at Lessee's expense any suit against Lessor) resulting or arising from Lessee's actual or alleged conduct, or operations or negligence, if any, on the Leased Premises, or any part thereof.

Lessee assumes full responsibility and liability between the parties hereto for any pollution caused by Lessee's operations and agrees to promptly remedy and clean up any such pollution at Lessee's sole expense, and to hold Lessor harmless from all claims for damages caused by such pollution. Lessee agrees to defend, at Lessee's expense, any such suit brought against Lessor on account of such claims, and to pay any judgment against Lessor resulting from any such suit.

In all such events, Lessee shall also pay, and hold Lessor harmless from, all costs and expenses of litigation, including all reasonable attorneys' fees incurred by, or imposed on, Lessor.

24. **COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

Lessee, its successors and assigns, by its acceptance of this lease, hereby agrees to comply with all applicable laws, rules, and regulations and hereby assumes full responsibility for, and agrees to indemnify, defend, and hold harmless, Lessor from and against any loss, liability, claim, fine, expense cost (including attorneys fees and expenses), and cause of action caused by or arising out of the violation (or defense of the alleged violation) of any federal, state, or local laws, rules or regulations applicable to any waste material, drilling matter fluid, or any hazardous substances released or caused to be released by Lessee or Lessee's agents, or independent contractors from the land leased hereunder into the atmosphere or into or upon the land or any water course or body of water, including ground water. Additionally, upon receiving any notice regarding any environmental, pollution, or contamination problem or violation of any law, rule, or regulation, Lessee will forward a copy to Lessor by certified mail within thirty (30) days, or failing which, Lessor shall have the option to terminate this Lease upon thirty (30) days written notice to Lessee. This provision and its indemnities shall survive the termination of this Lease, and shall enure to the successors, heirs, and assigns of Lessor and Lessee.

25. **NO SALT WATER OR WASTE INJECTION WELLS**

If Lessor is also the owner of the surface, Lessee shall not be permitted to dispose of salt water or produced wastes or wastes of any kind into any formation or strata on this Lease.

26. **TIMELY PLUG AND ABANDON WELLS**

Without the prior written consent of the Lessor, Lessee shall not allow any well located on the leased premises to remain in a shut-in, temporarily abandoned or otherwise non-productive state for a period of more than six (6) months from the date of last production or the time permitted by the rules and regulations of the applicable regulatory authority, whichever is less, without beginning plugging and abandonment operations with respect to the well and restoring the location, and providing that these procedures must be completed within two (2) months of their initiation. The only exception to this shall be oil or gas wells.

capable of production which are shut-in pursuant to the provisions regarding shut-in royalties, and for which shut-in payments are being made in accordance with those same provisions. Violations of this provision will be considered a material breach and will serve to terminate this lease.

27. **USE OF WATER**

Lessee shall not have the use of water from existing tanks or water wells or streams, ponds, or other surface water without the consent of Lessor and agreed compensation therefore. Lessor's consent may be granted or withheld in Lessor's sole discretion. Additionally, should any of Lessee's operations, geophysical or otherwise, hereunder cause any damage to existing water wells, Lessee will repair or replace said well or wells. In the event Lessee drills a water well upon the Leased Premises for use in its operations, then upon cessation of such operations, and at Lessor's request, said water well and all pipe and connections constructed in connection therewith will be assigned to Lessor, who shall assume all rights, responsibilities, and liabilities for operation and maintenance of said water well. Lessee, with Lessor's consent, may dig one or more water ponds to hold surface water, at locations mutually agreed upon, and free of cost to Lessor. Lessee shall not have the right to establish or utilize facilities for the surface or subsurface disposal of saltwater on the Leased Premises.

Lessee agrees not to allow any waste oil or saltwater to flow onto the surface of the leased premises or allow same to drain down any draws, drains, creeks, or ravines on the premises. Lessee agrees to construct saltwater and waste disposal facilities and shall be required to adhere to the rules and regulations of the Railroad Commission of Texas, and dispose of all waste oil, saltwater, and other contaminating substances in compliance with such rules and regulations.

28. **NOTICE TO LESSOR OF COMMENCEMENT OF OPERATIONS**

Lessee agrees that, prior to the commencement of any operations on the leased premises, Lessee will give the surface owner written notice of the commencement of such operations, the approximate date of such commencement and the location of the same, such notice to be given within thirty (30) days prior to the commencement of such operations.

29. **HUNTING, FISHING, AND FIREARMS**

Hunting and fishing on the premises by Lessee or its representatives is strictly prohibited, and Lessee agrees that none of its employees or subcontractors shall hunt, fish, or carry firearms on the lands covered by this lease.

30. **OIL AND GAS ONLY**

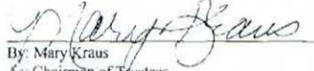
Notwithstanding any other provision hereof, this lease covers only oil, gas, and other associated hydrocarbons which can be produced out of and from the bore of a well. Solid minerals, such as iron, coal, sand, gravel, clay, sulphur, uranium, and lignite are excluded from this lease.

31. Lessee agrees to comply with any and all City of Fort Worth Ordinances in connection with any operations conducted on the leased premises, including, but not limited to any of the following which may be applicable under said ordinances:

- A. In accordance with the City of Fort Worth Gas Drilling Ordinances, Lessee shall be required to submit all required engineered platting documents by a licensed surveying firm, if any, to the City of Ft. Worth engineering department for the leased premises.
- B. In accordance with the City of Fort Worth Gas Drilling Ordinances, Lessee shall be required to submit all required civil engineered documents by a licensed civil engineering firm, if any, to the City of Ft. Worth engineering department for the leased premises.
- C. In accordance with the City of Fort Worth Gas Drilling Ordinances, Lessee shall be required to submit all required landscaping engineered documents by a licensed landscape architect firm, if any, to the City of Ft. Worth engineering department for church property.
- D. Lessee shall be solely responsible for paying any and all platting, surveying, civil engineering and landscape engineering fees that are required in order to comply with applicable City of Fort Worth ordinances.
- E. Lessee shall be responsible for any required City of Fort Worth drilling permits and any other required permit fees for construction on the leased premises.
- F. Lessee shall submit all surveying, platting, and engineering plans and specifications to Lessor for review and approval prior to any submittal to the City of Fort Worth.
- G. Lessee shall provide three final sets of approved City of Ft. Worth engineering documents, if any, to Lessor.
- H. Lessee shall be required to obtain required construction documents and pay for any permit fees for curb approach to be installed at church property from TXDOT, if any.

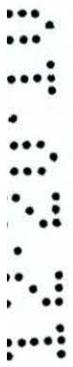
1. Lessee shall install concrete street leading to Lessee's pad site after all drilling activities have completed and heavy equipment will no longer be accessing the pad site.
2. Lessee shall landscape and maintain landscaping around operations site during lease term and shall install plants and trees per applicable City of Fort Worth Ordinances.

Iglesia Bautista El Buen Pastor of Fort Worth

  
By: Mary Kraus  
As: Chairman of Trustees

  
By: Victor Gonzalez  
As: Trustee

  
By: Andres Garcia  
As: Trustee



Unofficial Draft Document

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

Producers 88 (476) Revised Paid Up  
With 640 Acres Pooling Provision

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PEPPERTREE ACRES APARTMENTS, a Texas general partnership

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

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

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

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

By: Ronald C. Glover  
Ronald C. Glover,  
Executive Vice President

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 20<sup>th</sup> day of October, 2004, by Ronald C. Glover as Executive Vice President of HB GP, LLC, a Nevada limited liability company, as Managing General Partner of Hunt ELP, Ltd., a Texas limited partnership, as Member of Peppertree Acres, LLC, a Nevada limited liability company, as General Partner of Peppertree Acres Limited Partnership, a Texas limited partnership, as General Partner of Peppertree Acres Apartments, a Texas general partnership, on behalf of said general partnership.



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

EIN: 74-2234376

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 89(176) Revised Paid Up  
With 648 Acres Pooling Provision

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

THIS AGREEMENT made this 1 day of September, 2006, between Plaza Tierra Caliente Inc., Lessor (whether one or more), whose address is 6905 Hidden Acres Drive, Cleveland, Texas, 77328, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB9, Dallas, TX 75201, Lessee, WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

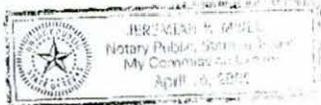
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

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

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 15<sup>th</sup> day of September, 2006,  
by Salvador Cornejo, as Director of the Plaza Tierra Caliente Inc., on behalf of said Corporation



*Bergen A. Muehl*  
\_\_\_\_\_  
Notary Public, State of  
Notary's name (printed):  
Notary's commission expires:

STATE OF  
COUNTY OF

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

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

DUPLICATE

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

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

**OIL, GAS AND MINERAL LEASE**

THIS AGREEMENT made this 10 day of July, 2006, between Texas Conference Association of Seventh-Day Adventists, Lessor (whether one or more), whose address is P.O. Box 800, Alvarado, Texas 76009, and Dale Resources, L.L.C., 2400 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Texas Conference Association of Seventh-Day Adventists

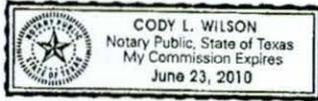
By: Roger Mekelburg  
As: Roger Mekelburg  
Association Treasurer

ACKNOWLEDGMENTS

STATE OF TEXAS

This instrument was acknowledged before me on the 12<sup>TH</sup> day of JULY, 2006

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



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

STATE OF

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

By \_\_\_\_\_

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

DUPLICATE

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

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

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

THIS AGREEMENT made this 18<sup>th</sup> day of August, 2006, between Trojacek Family Investment Company, LLC, a Texas Limited Liability Company, Lessor (whether one or more), whose address is 990 Ross Lane, Boyd, Texas 76023, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. However, this lease shall not be held by the sole reason of scarcity of or inability to obtain or to use equipment or material for a period in excess of 6 months.

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

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

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

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

Trojacek Family Investment Company, LLC

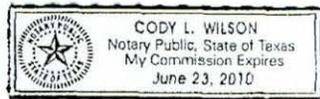
By: Darlene Trojacek Tucker  
As: Manager

By: Gary Trojacek  
As: Manager

ACKNOWLEDGMENTS

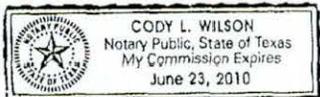
STATE OF TEXAS  
County of Tarrant  
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2006  
By DARLENE TROJACEK TUCKER as MANAGER  
on behalf of said company.

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



STATE OF TEXAS  
County of Tarrant  
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2006  
By GARY TROJACEK as MANAGER  
on behalf of said company.

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



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

EXHIBIT "A"

13. Lessor's royalty or payments to Lessor for Lessor's royalty shall never bear or be charged with, either directly or indirectly, any part of the costs or expenses of production, operation, separation, gathering, dehydration, compression, trucking, processing, treatment, storage or marketing of the oil or gas produced from the leased premises or lands pooled therewith nor any part of the costs of construction, operation or depreciation of any plant or other facilities or equipment used in the handling of oil or gas produced from the leased premises or lands pooled therewith. Lessor's royalty shall bear its proportionate part of all reasonable and necessary costs actually incurred by Lessee in transporting gas from the leased premises or lands pooled therewith to the purchaser of said gas.

14. If any portion of the leased premises is pooled or unitized under provision 4 hereof, then all, but not less than all, of the leased premises shall be included in the same pooled unit.

15. Accounting and payment of royalties to the Lessor for production of oil and gas shall commence no later than 90 days after the date of the first sale of gas or oil. Thereafter, payments should be made on or before the last day of the second calendar month following the calendar month the oil or gas is sold.



UNOFFICIAL Document

**EXHIBIT "B"**

1.231 acres of land, more or less, being the east 215 feet of Lot 1 and the west 60 feet Lot 2, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-19, Page 59, of the Plat Records of Tarrant County, Texas.

0.675 acres of land, more or less, being Tract A and the north 1/2 of Tract B, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-19, Page 59, of the Plat Records of Tarrant County, Texas, SAVE AND EXCEPT that portion vested in the State of Texas by Judgment in Cause No. 236-63590-80, recorded in Volume 7882, Page 1648 of the Official Public Records of Tarrant County, Texas.

1.309 acres of land, more or less, being Tract C, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated June 15, 2004, from Darlene Trojacek, as Independent Executrix of the Estate of Milton Trojacek, Deceased, as Grantor, to Trojacek Family Investment Company, LLC, a Texas Limited Liability Company, as Grantee, and recorded in Instrument D204190037 of the Official Public Records of Tarrant County, Texas.

Said land is hereby deemed to contain 3.213 acres, more or less.

## OIL AND GAS LEASE

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

### WITNESSETH:

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

**SEE ATTACHED EXHIBIT "A"**

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

For shut-in royalty payment purposes, the Premises shall be conclusively deemed to contain **31.56** acres.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(20) Lessee shall carry the following insurance:

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

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

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

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

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

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

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

UNION PACIFIC RAILROAD COMPANY (Lessor)

By: David Smith  
David Smith, VP  
Farmers National Company, Agent

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

By: James B. Dale  
Its: PRESIDENT

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

Producers 88 (4/76) Revised Paid Up  
With 6.48 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE  
(NO SURFACE USE)

THIS AGREEMENT made this 8<sup>th</sup> day of September, 2006, between Rodney A. Christensen, a married person, lessor (whether one or more), whose address is 4109 Rye Glen Drive, Arlington, Texas 76017, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee. WITNESSETH:

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

1.977 acres of land, more or less, being Lot 4R out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Cabinet B, Page 419, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

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

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within one hundred (100) feet of any residence or barn now on said land without Lessor's consent.

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

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

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

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

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

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

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

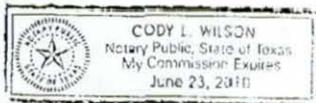
*R. A. Christensen*  
Rodney A. Christensen

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 8<sup>TH</sup> day of SEPTEMBER, 2006, by Rodney A. Christensen, a married person.



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

STATE OF

COUNTY OF

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

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

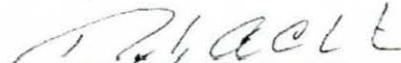
UNRECORDED INSTRUMENT

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 8<sup>th</sup> of SEPTEMBER, 2006, by and between Rodney A. Christensen, a married person, as Lessor, and Dale Resources, L.L.C., as Lessee ("Lease"), to wit:

13. Lessor's royalty or payments to Lessor for Lessor's royalty shall never bear or be charged with, either directly or indirectly, any part of the costs or expenses of production, operation, separation, gathering, dehydration, compression, trucking, processing, treatment, storage or marketing of the oil or gas produced from the leased premises or lands pooled therewith nor any part of the costs of construction, operation or depreciation of any plant or other facilities or equipment used in the handling of oil or gas produced from the leased premises or lands pooled therewith. Lessor's royalty shall bear its proportionate part of all reasonable and necessary costs actually incurred by Lessee in transporting gas from the leased premises or lands pooled therewith to the purchaser of said gas.

Signed for Identification

  
Rodney A. Christensen



CONFIDENTIAL DOCUMENT

3  
Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

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

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

THIS AGREEMENT made this 8th day of September, 2006, between Jefferson B. Cox, a married person, Lessor (whether one or more), whose address is 8013 Dusty Way, Fort Worth, Texas 76123, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870 JB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

1.977 acres of land, more or less, being Lot 48 out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Cabinet B, Page 419, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

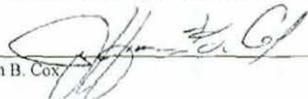
9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties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

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

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

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

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

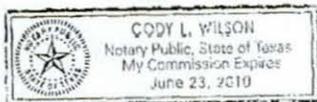
  
\_\_\_\_\_  
Jefferson B. Cox

**ACKNOWLEDGMENTS**

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 5<sup>TH</sup> day of SEPTEMBER, 2006, by Jefferson B. Cox, a married person.



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

STATE OF

COUNTY OF

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

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

UNRECORDED INSTRUMENT

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

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

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

THIS AGREEMENT made this 1<sup>st</sup> day of August, 2006, between First Pentecostal Church of Fort Worth, Inc., Lessor (whether one or more), whose address is 5001 South Freeway, Fort Worth, Texas 76133, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1830, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

4.7683 acres of land, more or less, out of the Louis Cohen Survey, Abstract 290, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated August 7, 1997, from Grace Evangelical Lutheran Church of Fort Worth, Texas, a Texas Corporation, as Grantor, to First Pentecostal Church of Fort Worth, Inc., as Grantee, recorded in Volume 12864, Page 409, of the Deed Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

First Pentecostal Church of Fort Worth, Inc.

*James D. Meredith*  
By: James D. Meredith  
As: President and Chairman of the Board of Trustees

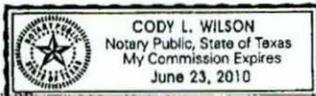
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 12<sup>th</sup> day of AUGUST, 2006,

by JAMES D. MEREDITH AS PRESIDENT AND CHAIRMAN OF THE BOARD OF TRUSTEES OF FIRST PENTECOSTAL CHURCH OF FORT WORTH, INC., A TEXAS CORPORATION, ON BEHALF OF SAID CORPORATION.



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

STATE OF

COUNTY OF

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

by \_\_\_\_\_

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

3  
Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

Producers 88 (476) Revised Paid Up  
With 640 Acres Pooling Provision

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

THIS AGREEMENT made this 8th day of September, 2006, between Randy L. Morris, a married person, Lessor (whether one or more), whose address is 4457 County Road 1219, Cleburne, Texas 76031, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, L.B-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

1.977 acres of land, more or less, being Lot 48 out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Cabinet B, Page 419, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Randy L. Morris*  
Randy L. Morris

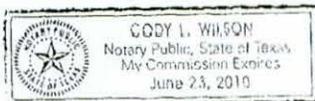
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the  
by Randy L. Morris, a married person.

5TH day of SEPTEMBER, 2006.



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

STATE OF

COUNTY OF

This instrument was acknowledged before me on the  
by

day of

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

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

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

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

M.A.  
BAKER

THIS LEASE AGREEMENT is made this 9th day of May, 2008, by and between Maxine Acola, Trustee of the Kathryn Ann Acola Trust, whose address is 2346 Goughy, Houston, Texas, 77005 as Lessor, and, DALE PROPERTY SERVICES, LLC, 2100 Ross Avenue, Suite 1870 Dallas, Texas 75201 as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

All of that certain land reserved for Park Drive, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, more particularly described in the certain Plat dated June 18, 1959, recorded in Volume 388-19, Page 59 of the Plat Records of Tarrant County, Texas.

in the County of TARRANT, State of TEXAS, containing 2.220 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas. For purposes of this lease, "oil and gas" means oil, gas and other liquid and gaseous hydrocarbons and their constituent elements produced through a well bore. "Oil" includes all condensate, distillate and other liquid and gaseous hydrocarbons produced through a well bore. "Gas" includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. Expressly excluded from this lease are lignite, coal, uranium, sulfur and other like minerals. In addition to the above-described leased premises, this lease also covers all accretions, slips and holes, streets, easements, highways and alleyways adjacent thereto, and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. In the event Lessor owns any additional acreage other than that for which bonus originally was paid, Lessee shall pay additional bonus at a rate per acre not less than that on which bonus was originally paid when this lease was acquired. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be TWENTY FIVE PERCENT (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be TWENTY FIVE PERCENT (25%) of the proceeds realized by Lessee from the sale thereof, computed at the point of sale, less only a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of twenty-five dollars (\$25.00) per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Notwithstanding anything to the contrary herein, a well that has been drilled but not fraced shall be deemed capable of producing in paying quantities as long as it is fraced within one (1) year of reaching total depth. Notwithstanding anything to the contrary herein, it is expressly understood and agreed that after the expiration of the primary term, Lessee shall not have the right to continue this lease in force by payment of shut-in royalty for more than two (2) consecutive years or three (3) years in the aggregate.

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

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances (a) to develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on land within 467 feet from any boundary of the leased premises, Lessee agrees within sixty (60) days from commencement of production from such well or wells to commence the actual drilling of an offset well or wells on the leased premises if such action would be taken by a reasonable prudent operator in similar circumstances. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

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

pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests. Notwithstanding anything to the contrary herein, if Lessee exercises its right to pool the leased premises with other lands, then one hundred percent (100%) of the leased premises shall be pooled in such unit.

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

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

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease of any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder. Upon the expiration of the primary term or any extension thereof, or after cessation of operations as provided herein, whichever occurs last, this lease shall terminate as to all rights lying below one hundred feet (100') below either (1) the deepest depth drilled in any well drilled on the leased premises or on lands pooled therewith or (2) the stratigraphic equivalent of the base of the deepest formation producing in any well drilled on the leased premises or on lands pooled therewith, whichever is the deepest; provided, however, that if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this lease shall remain in force and effect as to all depths so long as no more than ninety (90) days elapse between operations.

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

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

12. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least sixty (60) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. However, Lessor shall have the right, at all times without providing such notice, to apply to, and receive from, a court of competent jurisdiction equitable and injunctive relief from any act or omission of Lessee, or its agents, in order to halt or prevent any irreparable harm, damage or loss to Lessor, the leased premises, the minerals in, on or under the leased premises, or any other appropriate rights or interests. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so; provided, however, that in the event such a breach or default is found, Lessee shall be liable to Lessor for any actual damages awarded in a final judgment, as well as all attorneys' fees, expert witness fees, filing fees and other costs incurred by Lessor in connection with such litigation. If Lessee withholds any undisputed sums due to Lessor for a period of sixty (60) days after written demand for payment is made by Lessor, at the election of Lessor this lease may be terminated.

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

14. Lessor makes no warranty of any kind with respect to title to the surface or mineral estate in the leased premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited to Section 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the leased premises. Lessee assumes all risk of title failures.

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands.

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

18. Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, notwithstanding anything contained herein to the contrary, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are incurred in an arms-length transaction with a party that is not an affiliate of Lessee and are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee. As used herein, "affiliate" means (i) a corporation, joint venture, partnership or other entity that owns more than ten percent (10%) of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent (10%) of the outstanding voting interest; or (ii) a corporation, joint venture, partnership or other entity in which, together with Lessee, more than ten percent (10%) of the outstanding voting interest of both the Lessee and the other corporation, joint venture, partnership or other entity is owned or controlled by the same person or group of persons. It is the intent of the parties that the provisions of this Paragraph 18 are to be fully effective and enforceable and are not to be construed as surplusage under the principles set forth in *Heritage Resources v. NationsBank*, 939 S.W. 2d 118 (Tex. 1997).

19. Indemnity. Lessee hereby releases and discharges Lessor and the owner of the surface estate, along with their officers, employees, partners, agents, contractors, subcontractors, guests and invitees, and their respective heirs, successors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or at the drill site or operations site, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this lease, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all claims, liabilities, losses, damages, actions, property damage, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, statute or strict liability, including reasonable attorney fees and other legal expenses, including those related to environmental hazards on or under the leased premises or at the drill site or operations site or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities in, on or under the leased premises or at the drill site or operations site; those arising from Lessee's use of the surface or subsurface of the

leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this lease or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees and their respective successors and assigns. Each assignee of this lease, or of an interest herein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activities of Lessee, its officers, employees and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS LEASE SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE.

20. In the event Lessee paid or pays a bonus for any other lease that is included in a pooled unit along with the leased premises at a rate per acre higher than that or which bonus was originally paid to Lessor when this lease was acquired, then Lessee shall pay Lessor an additional sum per acre equal to the difference between said higher bonus amount and the bonus amount originally paid to Lessor. Similarly, in the event Lessee includes land in a pooled unit that is covered by a lease calling for a royalty percentage greater than the royalty percentage of twenty-five percent (25%) set forth herein, then Lessor's royalty percentage shall be increased to equal said larger royalty percentage. The foregoing applies to Lessee and Lessee's affiliates and/or successors and assigns.

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

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

LESSOR, WHETHER ONE OR MORE

*Kathryn Ann Acola Trust*  
*Maxine Acola*

Maxine Acola, as Trustee of the Kathryn Ann Acola Trust

*Baker*

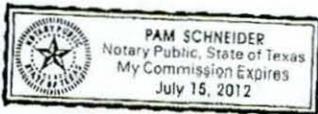
ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF *Harris*

This instrument was acknowledged before me on the *8th* day of *February*, 2012, by Maxine Acola, as Trustee of the Kathryn Ann Acola Trust, *Baker* on behalf of said Trust.

Notary's commission expires *7-15-2012*

*Pam*  
Notary Public, State of Texas  
Notary's name (printed): *PAM SCHNEIDER*



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

Producers 88 (4-89) - Paid Up  
With 630 Acres Pooling Provision  
STANDARD LEASE v.5

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

THIS LEASE AGREEMENT is made this 9th day of May, 2008, by and between E.L. Baker, Jr., Louella Baker Martin, and Maxine Acola, Trustee of the Kathryn Ann Acola Trust, whose address is c/o Chris Baker, 505 Pecan Street, Suite 101, Fort Worth, Texas, 76102 as Lessor, and DALE PROPERTY SERVICES, LLC, 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

All of that certain land reserved for Park Drive, out of the Southside Industrial Addition, an addition to the City of Fort Worth, Tarrant County, Texas, more particularly described in that certain Plat dated June 18, 1959, recorded in Volume 388-19, Page 59 of the Plat Records of Tarrant County, Texas,

in the County of TARRANT, State of TEXAS, containing 2,220 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas. For purposes of this lease, "oil and gas" means oil, gas and other liquid and gaseous hydrocarbons and their constituent elements produced through a well bore. "Oil" includes all condensate, distillate and other liquid and gaseous hydrocarbons produced through a well bore. "Gas" includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. Expressly excluded from this lease are lignite, coal, uranium, sulfur and other like minerals. In addition to the above-described leased premises, this lease also covers all accretions, strips and gores, streets, easements, highways and alleyways adjacent thereto, and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. In the event Lessor owns any additional acreage other than that for which bonus originally was paid, Lessee shall pay additional bonus at a rate per acre not less than that on which bonus was originally paid when this lease was acquired. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be TWENTY FIVE PERCENT (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be TWENTY FIVE PERCENT (25%) of the proceeds realized by Lessee from the sale thereof, computed at the point of sale, less only a proportionate part of ad valorem taxes and production, severance, or other excise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of twenty-five dollars (\$25.00) per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Notwithstanding anything to the contrary herein, a well that has been drilled but not fraced shall be deemed capable of producing in paying quantities as long as it is fraced within one (1) year of reaching total depth. Notwithstanding anything to the contrary herein, it is expressly understood and agreed that after the expiration of the primary term, Lessee shall not have the right to continue this lease in force by payment of shut-in royalty for more than two (2) consecutive years or three (3) years in the aggregate.

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

5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances (a) to develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. In the event a well or wells producing oil or gas in paying quantities should be brought in on land within 467 feet from any boundary of the leased premises, Lessee agrees within sixty (60) days from commencement of production from such well or wells to commence the actual drilling of an offset well or wells on the leased premises if such action would be taken by a reasonable prudent operator in similar circumstances. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

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

formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests. Notwithstanding anything to the contrary herein, if Lessee exercises its right to pool the leased premises with other lands, then one hundred percent (100%) of the leased premises shall be pooled in such unit.

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

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

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all of an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder. Upon the expiration of the primary term or any extension thereof, or after cessation of operations as provided herein, whichever occurs last, this lease shall terminate as to all rights lying below one hundred feet (100') below either (1) the deepest depth drilled in any well drilled on the leased premises or on lands pooled therewith or (2) the stratigraphic equivalent of the base of the deepest formation producing in any well drilled on the leased premises or on lands pooled therewith, whichever is the deepest, provided, however, that if Lessee is then engaged in operations on the leased premises or on lands pooled therewith, this lease shall remain in force and effect as to all depths so long as no more than ninety (90) days elapse between operations.

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

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

12. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least sixty (60) days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. However, Lessor shall have the right, at all times without providing such notice, to apply to, and receive from, a court of competent jurisdiction equitable and injunctive relief from any act or omission of Lessee, or its agents, in order to halt or prevent any irreparable harm, damage or loss to Lessor, the leased premises, the minerals in, on or under the leased premises, or any other appropriate rights or interests. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so; provided, however, that in the event such a breach or default is found, Lessee shall be liable to Lessor for any actual damages awarded in a final judgment, as well as all attorney's fees, expert witness fees, filing fees and other costs incurred by Lessor in connection with such litigation. If Lessee withholds any undisputed sums due to Lessor for a period of sixty (60) days after written demand for payment is made by Lessor, at the election of Lessor this lease may be terminated.

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

14. Lessor makes no warranty of any kind with respect to title to the surface or mineral estate, if the leased premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited to Section 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the leased premises. Lessee assumes all risk of title failures.

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands.

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

18. Notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, notwithstanding anything contained herein to the contrary, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are incurred in an arms-length transaction with a party that is not an affiliate of Lessee and are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee. As used herein, "affiliate" means (i) a corporation, joint venture, partnership or other entity that owns more than ten percent (10%) of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent (10%) of the outstanding voting interest; or (ii) a corporation, joint venture, partnership or other entity in which, together with Lessee, more than ten percent (10%) of the outstanding voting interest of both the Lessee and the other corporation, joint venture, partnership or other entity is owned or controlled by the same person or group of persons. It is the intent of the parties that the provisions of this Paragraph 18 are to be fully effective and enforceable and are not to be construed as surplusage under the principles set forth in *Heritage Resources v. NationsBank*, 939 S.W.2d 118, Tex. 1997.

19. Indemnity. Lessee hereby releases and discharges Lessor and the owner of the surface estate, along with their officers, employees, partners, agents, contractors, subcontractors, guests and invitees, and their respective heirs, successors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or at the drill site or operations site, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this lease, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all claims, liabilities, losses, damages, actions, property damage, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, statute or strict liability, including reasonable attorney fees and other legal expenses, including those related to environmental hazards on or under the leased premises or at the drill site or operations site or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's

activities in, on or under the leased premises or at the drill site or operations site; those arising from Lessee's use of the surface or subsurface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this lease or any other act of omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees and their respective successors and assigns. Each assignee of this lease, or of an interest herein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activities of Lessee, its officers, employees and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS LEASE SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE.

28. In the event Lessee paid or pays a bonus for any other lease that is included in a pooled unit along with the leased premises at a rate per acre higher than that on which bonus was originally paid to Lessor when this lease was acquired, then Lessee shall pay Lessor an additional sum per acre equal to the difference between said higher bonus amount and the bonus amount originally paid to Lessor. Similarly, in the event Lessee includes land in a pooled unit that is covered by a lease calling for a royalty percentage greater than the royalty percentage of twenty-five percent (25%) set forth herein, then Lessor's royalty percentage shall be increased to equal said larger royalty percentage. The foregoing applies to Lessee and Lessee's affiliates and/or successors and assigns.

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

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

LESSOR (WHETHER ONE OR MORE)

E L Baker Jr by CEB by POA  
E.L. Baker, Jr.

Louella Baker Martin  
Louella Baker Martin

Maxine Acola, as Trustee of the  
Kathryn Ann Acola Trust

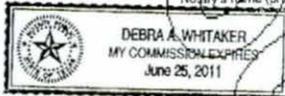
ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of September, 2008, by E.L. Baker Jr Christopher E Baker, on behalf of E.L. Baker, Jr.

Debra A Whitaker  
Notary Public, State of Texas  
Notary's name (printed)

Notary's commission expires:

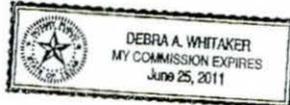


STATE OF Texas  
COUNTY OF Tarrant

This instrument was acknowledged before me on the 9th day of September, 2008, by Louella Baker Martin.

Debra A Whitaker  
Notary Public, State of Texas  
Notary's name (printed)

Notary's commission expires:



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

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Maxine Acola, as Trustee of the Kathryn Ann Acola Trust, on behalf of said Trust.

6.

File No. WF 112013  
Class  
Date Filed: 12/20/10  
Jerry E. Patterson, Commissioner  
By [Signature]

12.20.10

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 1st, 2011

Mr. David W. Guy  
RedSky Land, LLC  
Agent for Chesapeake Exploration, LLC  
835 SW Alsbury, Suite H  
Burleson, TX 76028

**Dear Mr. Guy,**

Re: State of Texas HROW Lease # MF 112013

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

**Please proof read the lease before filing of record and refer to this lease number with all correspondence.**

**Please have your client provide the GLO with a copy of the recorded Unit Designation for this lease.**

If you have any questions please feel free to contact my direct phone number, or email address listed below, or contact George Martin at his direct number (512) 475-1512.

Best regards,

Beverly Boyd  
Energy Resources  
Mineral Leasing  
512-463-6521  
beverly.boyd@glo.state.tx.us

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

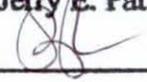
[www.glo.state.tx.us](http://www.glo.state.tx.us)

File No. MF112013

SW letter

Date Filed: 3/1/11

Jerry E. Patterson, Commissioner

By 

mf110332+  
 DIVISION ORDER mf112013 ✓

TO: CHESAPEAKE OPERATING, INC., PAYOR      PROPERTY NO: 0621564  
 P.O. BOX 18496      PREPARED BY: STUTER3  
 OKLAHOMA CITY, OK 73154      DATE PREPARED: April 14th, 2015

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

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

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

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

**DIVISION OF INTEREST**

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

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

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

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

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

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

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

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

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

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





TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

September 30, 2015

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

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

Dear Mr. Bindu:

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

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

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

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

Thank you,

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

File No. MF 112013

Division Order County

Date Filed: 9-30-15

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

# DO NOT DESTROY



## Texas General Land Office UNIT AGREEMENT MEMO

UPA170174

**Unit Number** 8796  
**Operator Name** TEP Barnett USA, LLC  
**Customer ID** C000089958  
**Unit Name** Bautista, Iglesia Unit  
**County 1** Tarrant **RRC District 1** 05  
**County 2** **RRC District 2**  
**County 3** **RRC District 3**  
**County 4** **RRC District 4**  
**Unit type** Permanent  
**State Net Revenue Interest Oil** 0.00655010  
**State Part in Unit** 0.02620040  
**Unit Depth** Allow All Depths **Well**  
**From Depth** **Formation**  
**To Depth** **Participation Basis** Surface Acreage  
**If Exclusions Apply:** See Remarks

**Effective Date** 07/30/2008  
**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
MF112013	18	2.677000	102.174000	0.02620040	O/G	0.25000000	0.00655010	No

**API Number**  
4243933404

**Remarks:**

[Redacted Remarks Box]

**Prepared By:** [Signature]  
**GLO Base Updated By:** [Signature]  
**RAM Approval By:** [Signature]  
**GIS By:** [Signature]  
**Well Inventory By:** [Signature]

**Prepared Date:** 10/27/17  
**GLO Base Date:** 10/27/17  
**RAM Approval Date:** 10.31.17  
**GIS Date:** [Signature]  
**WI Date:** 10/27/17

Unit 8796



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

OPERATOR INFORMATION

Contact Name Jerrod Rhodes Phone 405-935-1369  
Name of Pooled Unit Iglesia  
Operator of Pooled Unit Chesapeake County Tarrant  
Effective Date of Unit Declaration: 7/30/08

HROW LEASE(S) IN UNIT

HRWO State Lease No.	Lease Date	Term	HROW Royalty	Total Acreage in HROW Lease	HROW Lease Acreage in Unit
<del>112613</del> 112013	2/1/11	1 yr	25%	4.556	2.677

Total Unit Acreage 102.174 Ac.

Total HROW Acreage In Unit 2.677 Ac.

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

State's Royalty Revenue Interest in Unit: 0.00655010

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

Type of Mineral Pooled:  Oil  Gas  Oil & Gas

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

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

RRC Field Name(s): Newark East

UNIT WELL(S)

API # 42-439-33410 RRC ID# \_\_\_\_\_  
API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
API # \_\_\_\_\_ RRC ID# \_\_\_\_\_  
API # \_\_\_\_\_ RRC ID# \_\_\_\_\_



- Legend**
- Deeds\_Boundary**
- RECORDBOUNDARYTYPE**
- Parcel Line
  - Parcel Split Line
  - Private Road
  - ROW
  - Unknown
  - HistoricLot
  - School
  - City
  - Abstracts
  - County
  - Water\_District

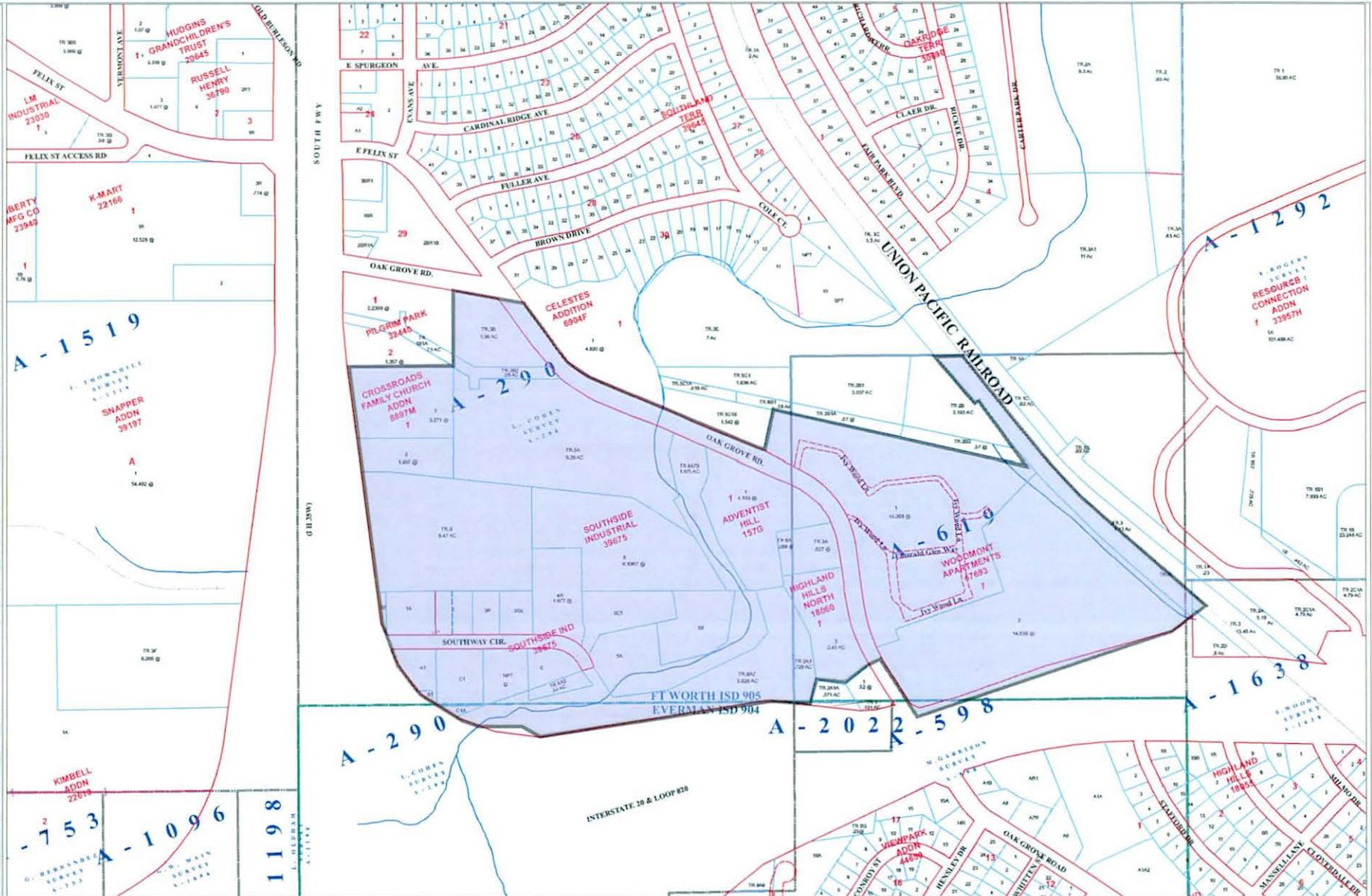


Map created on:  
4/13/2016

1 inch = 400 feet



\* map location



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

## Mary Barnstone

---

**From:** Kelley BUSBY <kelley.busby@total.com>  
**Sent:** Friday, October 27, 2017 12:55 PM  
**To:** Mary Barnstone  
**Cc:** Jeremiah JOHNSON  
**Subject:** Bautista, Iglesia Unit  
**Attachments:** 2009-08-18 Bautista Unit - plat 102.174 GLO tracts.pdf; t\_2054-364 - Bautista, Iglesia.pdf

Hi Mary,

After doing a thorough ownership scrub of the tracts and mapping out the surveyor's descriptions, I did a side-by-side comparison to TAD's records and CHK's surveyed plat. It appears that the surveyor inadvertently shifted the survey lines too far East in error, starting with the West lines of A-619, A-2022 and A-598.

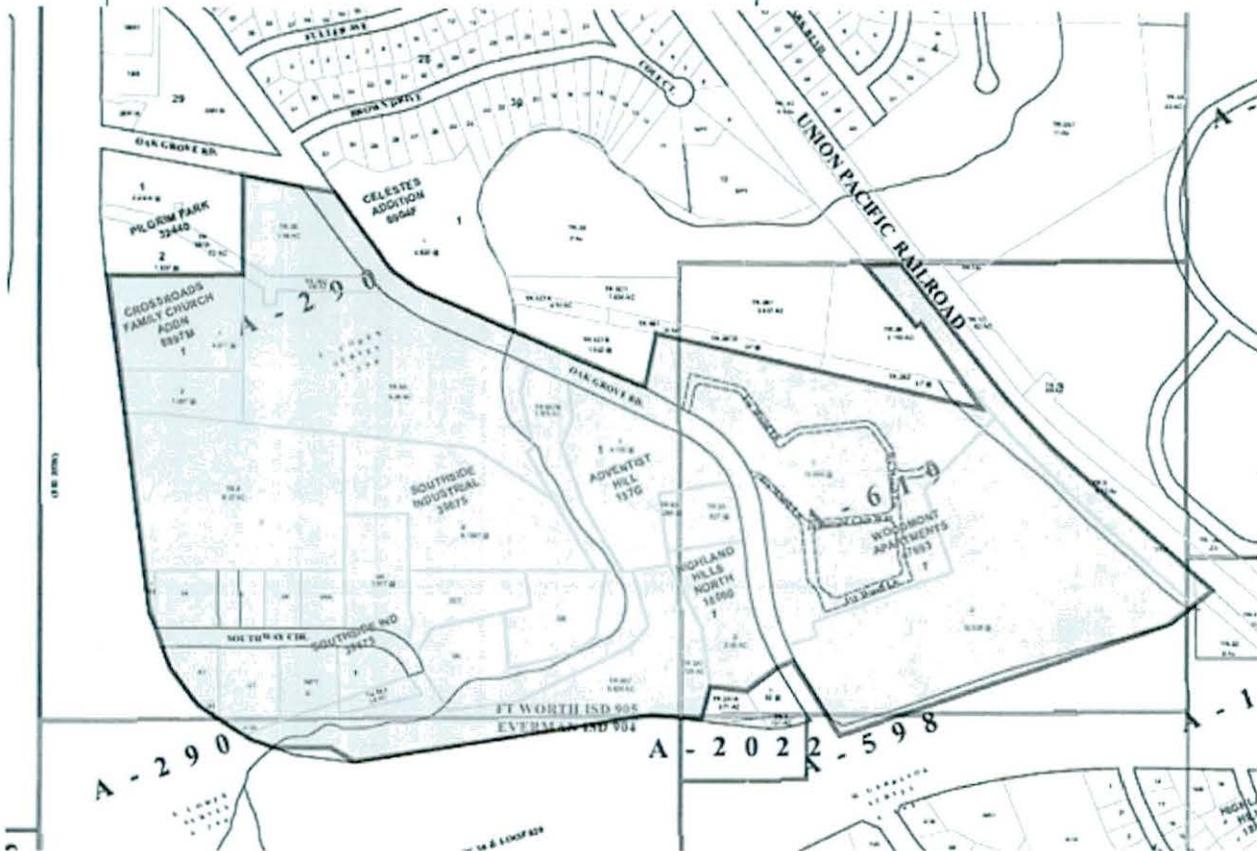
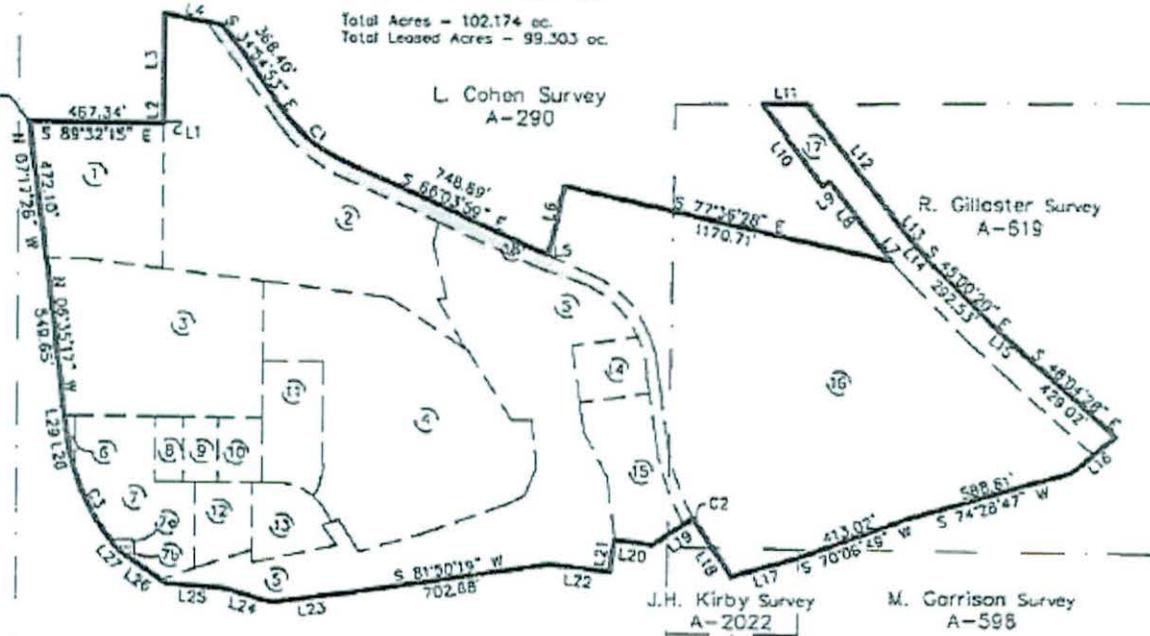
I drew a rough approximation of the unit boundaries on the attached TAD map to give a visual.

I conferred with the area landman (cc'd) and it is our conclusion that the GLO tract in question is not pooled inside of Bautista's unit boundaries. If you have any questions, please feel free to email or call me. I'll be out for the rest of today but will be back on Monday during normal business hours. Thank you!

- 12. Mobile Enterprises Inc - 1,202 ac.
- 13. Wanda Adams - 1,300 ac.
- 14. Land Rover - 1,121 ac.
- 15. PepperTree Acres - 2,570 ac.
- 16. Choice Capital - 28,935 ac.
- 17. Union Pacific Railroad Company - 3,933 ac.
- 18. State Of Texas - 2,677 ac.

Total Acres - 102,174 ac.  
Total Leased Acres - 99,303 ac.

point of  
ginning



Kelley Busby  
Land Technician

EXPLORATION & PRODUCTION  
Direct: (817) 720-1165  
Email: [kelley.busby@total.com](mailto:kelley.busby@total.com)



TEP Barnett USA, LLC  
777 Main Street, Ste. 3700

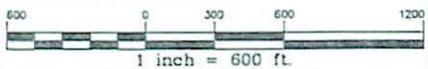
UNIT LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°18'08"E	4.99
L2	N00°13'13"E	58.53
L3	N00°13'36"E	318.86
L4	S79°58'11"E	205.82
L5	N19°48'58"E	53.40
L6	N12°19'58"E	189.25
L7	N39°09'01"W	80.83
L8	N38°01'18"W	266.38
L9	S53°22'28"W	30.00
L10	N36°37'32"W	352.80
L11	N89°36'28"E	153.28
L12	S38°01'18"E	525.24
L13	S39°09'01"E	78.32
L14	S40°54'18"E	100.72
L15	S47°48'06"E	159.05
L16	S50°51'13"W	200.85
L17	S74°19'41"W	239.64
L18	N33°02'42"W	213.47
L19	S56°59'18"W	170.19
L20	N82°59'42"W	131.99
L21	S09°43'52"W	113.32
L22	N83°04'58"W	213.90
L23	S82°46'53"W	283.96
L24	N73°28'21"W	174.28
L25	N86°13'56"W	193.09
L26	N55°55'48"W	192.28
L27	N41°30'50"W	26.72
L28	N10°15'03"W	94.89
L29	N06°50'47"W	54.50



J. Thornhill Survey  
A-1519

UNIT CURVE TABLE					
Curve	Delta	Radius	Length	Chord-Dir	Chord
C1	31°35'13"	552.61	304.65	S53°02'51"E	300.81
C2	2°20'47"	723.51	29.63	N31°15'20"W	29.63
C3	26°32'30"	743.94	344.62	N27°11'53"W	341.55

NAD27 Texas North Central Zone.  
Grid Scale Factor: 0.99986829254

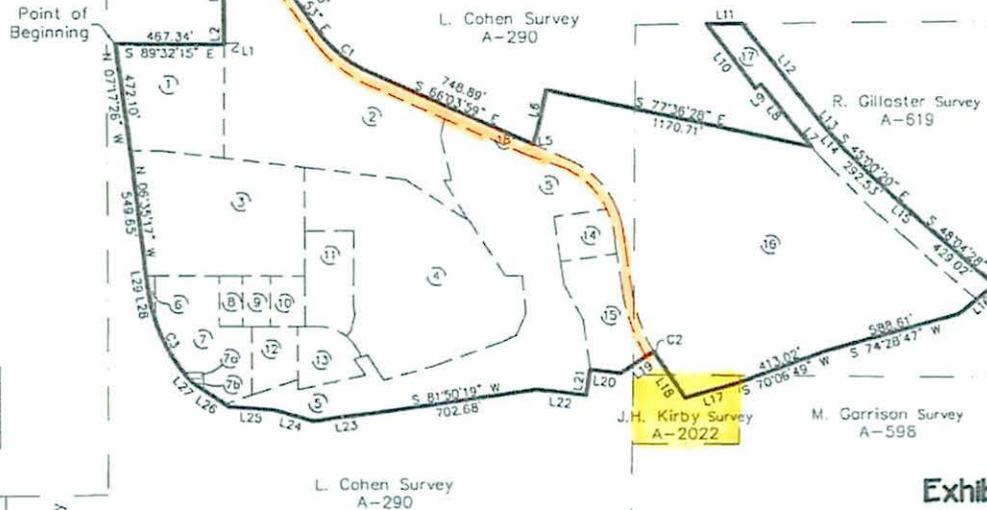


G. Main Survey  
A-1096

L. Oldham Survey  
A-1198

Iglesia Bautista Acreages

1. First Pentecostal Church of Fort Worth Inc - 4.775 ac.
  2. Plaza Tierra Caliente Inc - 12.333 ac.
  3. Iglesia Bautista El Buen Pastor of Fort Worth - 8.488 ac.
  4. Charles Crawford - 12.325 ac.
  5. Texas Conference Association of Seventh-Day Adventists - 13,600 ac.
  6. Unleased Tract - 0.109 ac.
  7. Trojacek Family Investment Company LLC - 3.610 ac.
  - 7a. Unleased Tract (E.L. Baker Jr., Ltd.) - 0.043 ac.
  - 7b. Unleased Tract (E.L. Baker Jr.) - 0.042 ac.
  8. Charles Bryant - 0.517 ac.
  9. Danny Duke - 0.621 ac.
  10. Wanda Adams - 0.774 ac.
  11. Jefferson Cox et al - 2.119 ac.
  12. Mobile Enterprises Inc - 1.202 ac.
  13. Wanda Adams - 1.380 ac.
  14. Land Rover - 1.121 ac.
  15. Peppertree Acres - 2.570 ac.
  16. Choice Capital - 29.935 ac.
  17. Union Pacific Railroad Company - 3.933 ac.
  18. State Of Texas - 2.677 ac.
- Total Acres - 102.174 ac.  
Total Leased Acres - 99.303 ac.



L. Cohen Survey  
A-290

J.H. Kirby Survey  
A-2022

M. Garrison Survey  
A-596

Exhibit C

**CHESAPEAKE OPERATING, INC.**  
102.174 Acre Iglesia Bautista Unit  
Fort Worth, Tarrant County, Texas

CHK-Bautista UNIT.dwg

REGISTERED PROFESSIONAL SURVEYORS

**HERBERT S. BEASLEY**

LAND SURVEYORS L.P.

- LAND
- TOPOGRAPHIC
- CONSTRUCTION SURVEYING

P. O. BOX 8873  
FORT WORTH, TEXAS 76124

METRO 817-429-0194  
FAX 817-446-5488

E. Rogers Survey  
A-1292

Prepared 30 July 2008  
Revised 16 August 2009

S. Woody Survey  
A-1638

9

DECLARATION OF POOLED UNIT  
IGLESIA BAUTISTA UNIT

STATE OF TEXAS            )  
                                  )  
COUNTY OF TARRANT    )     KNOW ALL PERSONS BY THESE PRESENTS:

This Declaration of Pooled Unit is executed to be effective as of July 30, 2008, by the undersigned parties, who are the owners of an interest in the leasehold estates created under those certain Oil, Gas and Mineral Leases (the "Leases") which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, or who are the owners of an interest in the mineral estate in the lands described in the Leases, who join in the execution hereof to evidence their consent to the pooling, unitization and combination of the leases and mineral estates herein described.

RECITALS

WHEREAS, each of the Leases authorizes the lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Declaration of Unit. In accordance with the provisions of the Leases, the undersigned do hereby declare, pool, unitize and combine the Leases, including all renewals, extensions, ratifications and amendments thereof, and the lands covered thereby and the mineral estates therein, to the extent necessary to form and create the Unit Area described below. Production from the Unit shall be allocated proportionately among all of the tracts within the Unit in the proportion which the number of surface acres in each of such tracts bears to the total number of surface acres in the Unit.
2. Description of Unit Area. The Unit Area (herein so called) shall consist of **102.174 acres**, more or less, being the lands more particularly described and depicted on Exhibit "B", which is attached hereto and incorporated herein by reference for all purposes, and the unit shall be limited to the interval and depths lying from the surface of the earth to the base of the Barnett Shale formation **INSOFAR AND ONLY INSOFAR** as to oil, gas, and associated and constituent hydrocarbons produced from a well or wells classified as an oil well or a gas well. This Declaration of Pooled Unit covers all production from the lands described on the attached Exhibit "B" which is produced from any well drilled to the unitized interval underlying the Unit Area.

UND 715-0037

3. Unit Name. The pooled unit created hereby shall be known as the "Iglesia Bautista Unit."
4. Additional Interest; Consent. In the event the undersigned own any leasehold interest or mineral interest other than those specifically described or referred to herein covering the lands inside the Unit Area, including any unleased mineral interest in lands inside the Unit Area, or any interest for which ratification of the pooled unit created hereby is necessary, such interest or interests are hereby pooled and combined into said pooled unit as hereby declared without the necessity of specifically enumerating such interests or the specific lands covered by such interests or in which they are held.
5. Right to Amend. The undersigned hereby expressly reserve the right, from time to time, to amend this Declaration of Pooled Unit, and the respective terms and provisions hereof, and to change the size and area of, and interests covered by the pooled unit described herein, including without limitation, the power (i) to change, reduce, enlarge or extend the size or configuration of the Unit Area; (ii) to include any other formation or formations and any other mineral or minerals therein, thereunder or produced therefrom, all in accordance with the terms and provisions of the Leases; (iii) to include in the pooled unit described herein or in any amendments hereto, oil, gas and mineral leases, or interests in the lands described therein, covering interests in the Unit Area, which are secured or obtained subsequent to the date hereof, or prior to the date hereof and not included and described herein, and (iv) to include in the pooled unit described herein or in any amendments hereto, full or undivided interests in the Unit Area which are not otherwise included herein by the respective owner of such full or undivided interests.
6. Dissolution of Unit. The pooled unit formed hereby may be dissolved by Chesapeake Exploration L.L.C., acting as the Operator of the pooled unit, at any time by an instrument filed for record in Tarrant County, Texas, after any failure to establish unit production or after cessation of operations upon the pooled unit.
7. Multiple Originals. This instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. Further, this instrument may not be ratified, consented to or approved by any party, individual, person or entity except upon the express written consent of all the undersigned parties hereto. This Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, and shall have the effect of pooling such party's undivided ownership interest in the leases covered hereby, without regard to whether any other party owning an interest in the Leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.
8. General Provisions. This instrument shall bind, inure to the benefit of, and be exercised by heirs, assigns, and successors in interest of all parties. When the context requires, singular nouns and pronouns include the plural.

EXECUTED by the undersigned parties on the respective dates of acknowledgment hereof, to be effective for all purposes as of the date first above written.

**Chesapeake Exploration, L.L.C.**, successor by merger to Chesapeake Exploration Limited Partnership

By: \_\_\_\_\_  
Henry J. Hood, Senior Vice President –  
Land and Legal & General Counsel

*BV*  
*QCB*

ACKNOWLEDGMENT

STATE OF OKLAHOMA            )  
  ) ss:  
COUNTY OF OKLAHOMA        )

BEFORE me, the undersigned, a Notary Public in and for said County and State, on this 20th day of July, 2008, personally appeared Henry J. Hood, Senior Vice President - Land and Legal of **Chesapeake Operating, Inc.**, acting as General Partner for **Chesapeake Exploration L.L.C.**, an Oklahoma limited partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

*Elizabeth Christenson*  
\_\_\_\_\_  
Notary Public



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

EXHIBIT "A"

Attached to and made a part of that certain  
Declaration of Pooled Unit  
Designating the Iglesia Bautista

TX2208784-000

LESSOR: First Pentecostal Church of Fort Worth, Inc.  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/1/2006  
RECORDED: D206281809, Official Records of Tarrant County, Texas  
DESCRIPTION: 4.7683 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2205245-000

LESSOR: Plaza Tierra Caliente, Inc.  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/1/2006  
RECORDED: D206329740, Official Records of Tarrant County, Texas  
DESCRIPTION: 11.60 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2203156-000

LESSOR: Iglesia Bautista El Buen Pastor of Fort Worth  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/9/2006  
RECORDED: D206320753 Records of Tarrant County, Texas  
DESCRIPTION: 8.478 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2202784-000

LESSOR: Charles Crawford  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/17/2006  
RECORDED: D206292615, Official Records of Tarrant County, Texas  
DESCRIPTION: 3.832 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2205445-000

LESSOR: Texas Conference Association of Seventh-Day Adventists  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/10/2006  
RECORDED: D206252269, Official Records of Tarrant County, Texas  
DESCRIPTION: 12.617 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2205485-000

LESSOR: Trojacek Family Investment Company, L.L.C.  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/18/2006  
RECORDED: D206329756, Official Records of Tarrant County, Texas  
DESCRIPTION: 3.213 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2202788-000  
LESSOR: Charles Bryant  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/11/2006  
RECORDED: D206281810, Official Records of Tarrant County, Texas  
DESCRIPTION: 0.4477 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2202857-000  
LESSOR: Danny Duke  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/5/2006  
RECORDED: D206252270, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 0.537 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2202589-000  
LESSOR: Wanda Adams  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/26/2006  
RECORDED: D206342228, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 1.368 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2208776-001  
LESSOR: Jefferson Cox  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/8/2006  
RECORDED: D206329736, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 1.977 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2204982-000  
LESSOR: Mobile Enterprises, Inc.  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/14/2006  
RECORDED: D206261333, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 1.066 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

NO CHK lease number yet  
LESSOR: Land Rover, Ltd.  
LESSEE: Dale Property Services, L.L.C.  
DATE: 6/6/2008  
RECORDED: D208233289, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 8.176 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2205239-000  
LESSOR: Peppertree Acres Apartments, A Texas General Partnership  
LESSEE: Dale Resources, L.L.C.  
DATE: 10/20/2006  
RECORDED: D206242147, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 2.606 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2202114-000

LESSOR: Choice Capital  
LESSEE: Dale Resources, L.L.C.  
DATE: 5/2/2006  
RECORDED: D207044804, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 28.64 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

TX2208639-000

LESSOR: Union Pacific Railroad Company  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/21/2006  
RECORDED: D206311775, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 31.56 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

EXHIBIT B

**Iglesia Bautista Unit**

Being 102.174 acres of land located in the L. Cohen Survey, Abstract No. 290, the M. Garrison Survey, Abstract No. 598, the R. Gillaster Survey, Abstract No. 619 and the J.H. Kirby Survey, Abstract No. 2022, Tarrant County, Texas, being the Oil, Gas and Mineral Leases to Dale Resources, LLC and to Dale Property Services, LLC, from First Pentecostal Church of Fort Worth Inc, recorded in CC#D206281809, from Plaza Tierra Caliente Inc, recorded in CC#D206329740, from Iglesia Bautista El Buen Pastor of Fort Worth, recorded in CC#D206329753, from Charles C. Crawford, recorded in CC#D206292615, from Texas Conference Association of Seventh-Day Adventists, recorded in CC#D206252269, from Trojacek Family Investment Company LLC, recorded in CC#D204190037, from Charles G. Bryant, recorded in CC#D206281810, from Danny Duke, recorded in CC#D206252270, from Wanda R. Adams, recorded in CC#D206342228, from Jefferson B. Cox, recorded in CC#D206329736, from Rodney A. Christensen, recorded in CC#D206329738, from Randy L. Morris, recorded in CC#D206329737, from Mobile Enterprises, Inc, recorded in CC#D206261333, from Land Rover Ltd., recorded in CC#D208233289, from Peppertree Acres Apartments, recorded in CC#D206343147, from Choice Capital Group, Inc., recorded in CC#D207044804 and from Union Pacific Railroad Company, recorded in CC#D206311775, , Deed Records, Tarrant County, Texas. Said 102.174 acres of land being more particularly described as follows:

BEGINNING at a 4" steel fence post at the northeast corner of said First Pentecostal Church tract, said fence post lying in the east right-of-way of Interstate Highway 35 (I-35);

THENCE S89°32'15"E, along the north line of said First Pentecostal Church tract, a distance of 467.34 feet to a 3" steel fence post, said 3" steel fence post lying in the west line of said Plaza Tierra Caliente tract;

THENCE along the west lines of said Plaza Tierra Caliente tract as follows:

1. N00°18'08"E, a distance of 4.99 feet to a point;
2. N00°13'13"E, a distance of 58.53 feet to a point;
3. N00°13'36"E, at 290.95 feet passing a rivet found at the northwest corner of said Plaza Tierra Caliente tract, in all a distance of 318.86 feet to a point lying in the apparent centerline of Oak Grove Road;

THENCE along said Oak Grove Road centerline as follows:

1. S79°58'11"E, a distance of 205.82 feet to a point;
2. S34°54'53"E, a distance of 368.40 feet to a point;
3. southeasterly, 304.65 feet along a non tangent curve to the left, having a radius of 552.61 feet, a central angle of 31°35'13" and a chord bearing S53°02'51"E, 300.81 feet to a point;
4. S66°03'59"E, a distance of 748.89 feet to a point;

THENCE N19°48'58"E, a distance of 53.40 feet to a 3/8" iron rod found at the most southerly northwest corner of said Choice Capital tract;

THENCE N12°19'58"E, along the west line of said Choice Capital tract, a distance of 189.25 feet to a 3/8" iron rod found at the northwest corner of said Choice Capital tract;

Iglesia Bautista Unit  
Exhibit B

THENCE S77°36'28"E, along the north line of said Choice Capital tract, a distance of 1,170.71 feet to a 3/8" iron rod found at the northeast corner of said Choice Capital tract, said iron rod lying in the west right-of-way line of said Union Pacific Railroad Company tract;

THENCE along said west right-of-way as follows:

1. N39°09'01"W, a distance of 80.83 feet to a point;
2. N38°01'18"W, a distance of 266.38 feet to a point;
3. S53°22'28"W, a distance of 30.00 feet to a point;
4. N36°37'32"W, a distance of 352.80 feet to a point;

THENCE N89°36'28"E, crossing said Union Pacific Railroad right-of-way, a distance of 153.28 feet to a point lying in the apparent east right-of-way of said Union Pacific Railroad Company tract;

THENCE along said east right-of-way as follows:

1. S38°01'18"E, a distance of 525.24 feet to a point;
2. S39°09'01"E, a distance of 78.32 feet to a point;
3. S40°54'18"E, a distance of 100.72 feet to a point;
4. S45°00'20"E, a distance of 292.53 feet to a point;
5. S47°48'06"E, a distance of 159.05 feet to a point;
6. S48°04'28"E, a distance of 429.02 feet to a point;

THENCE S50°51'13"W, at 101.23 feet passing a 3/4" iron rod found at the southeast corner of said Choice Capital tract, in all a distance of 200.85 feet to a 3/4" iron rod found at an exterior angle point of said Choice Capital tract;

THENCE along the south line of said Choice Capital tract as follows:

1. S74°28'47"W, a distance of 588.61 feet to a 3/4" iron rod found;
2. S70°06'49"W, a distance of 413.02 feet to a 3/4" iron rod found;
3. S74°19'41"W, at 174.49 feet passing a 3/8" iron rod found at the southwest corner of said Choice Capital tract, in all a distance of 239.64 feet to a point lying in said Oak Grove Road centerline;

THENCE N33°02'42"W, along said Oak Grove centerline, a distance of 213.47 feet to a point;

THENCE northwesterly and continuing along said Oak Grove centerline, 29.63 feet along a non tangent curve to the right, having a radius of 723.51 feet, a central angle of 02°20'47" and a chord bearing N31°35'20"W, 29.63 feet to a point;

THENCE S56°59'18"W, at 39.49 feet passing a 60d nail found at the southeast corner of said Peppertree Acres tract, in all a distance of 170.19 feet to an 1/2" iron rod stamped "Coombs" found at an exterior angle point of said Peppertree Acres tract;

THENCE N82°59'42"W, a distance of 131.99 feet to an 1/2" iron rod found at the southwest corner of said Peppertree Acres tract, said iron rod lying in the east line of said Seventh-Day Adventists tract;

THENCE along the east and south lines said Seventh-Day Adventists tract as follows:

1. S09°43'52"W, a distance of 113.32 feet to an 1/2" iron rod found;
2. N83°04'58"W, a distance of 213.90 feet to a Texas Highway Department monument found;
3. S81°50'19"W, a distance of 702.68 feet to a Texas Highway Department monument found;
4. S82°46'53"W, a distance of 283.96 feet to a 5/8" iron rod stamped "Mustang" found;
5. N73°28'21"W, a distance of 174.28 feet to a 5/8" iron rod stamped "Mustang" found;
6. N86°13'56"W, a distance of 193.09 feet to a 5/8" iron rod stamped "Mustang" found;

THENCE N55°55'48"W, at 24.38 feet passing an 1/2" iron rod stamped "Grant" found at the common corner of said Trojacek and Seventh-Day Adventists tract, in all a distance of 192.28 feet to a point;

THENCE N41°30'50"W, a distance of 26.72 feet to a Texas Highway Department monument found;

THENCE northwesterly, 344.62 feet along a non tangent curve to the right, having a radius of 743.94 feet, a central angle of 26°32'30" and a chord bearing N27°11'53"W, 341.55 feet to a Texas Highway Department monument found;

THENCE N10°15'03"W, a distance of 94.89 feet to a Texas Highway Department monument found;

THENCE N06°50'47"W, a distance of 54.50 feet to a Texas Highway Department monument found at the southwest corner of said Iglesia Bautista tract;

THENCE N06°35'17"W, a distance of 549.65 feet to a Texas Highway Department monument found at the common corner of said Iglesia Bautista and First Pentecostal Church tracts;

THENCE N07°17'26"W, a distance of 472.10 feet to the point of beginning, containing 102.174 acres of land.

The bearings recited hereon are oriented to NAD27 Texas North Central Zone.



LIZ CHRISTIANSON  
CHESAPEAKE ENERGY CORP  
P O BOX 18496  
OKLAHOMA CITY OK 73154  
Submitter: TERRY HARRIS

---

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

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

Filed For Registration: 08/01/2008 09:57 AM  
Instrument #: D208300161  
OPR 10 PGS \$48.00

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



D208300161

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

Printed by: CA

**Electronically Recorded**

Official Public Records

Tarrant County, Texas

2009 Apr 06 09:53 AM

Fee: \$ 40.00

Submitter: SIMPLIFILE

**D209090391**

7 Pages

*Suzanne Henderson*

Suzanne Henderson

**FIRST AMENDMENT TO  
DECLARATION OF POOLED UNIT  
IGLESIA BAUTISTA**

STATE OF TEXAS )  
                          )  
COUNTY OF TARRANT )

10221295

KNOW ALL PERSONS BY THESE PRESENTS:

Electronically Recorded  
Chesapeake Operating, Inc.

Reference is made to that Declaration of Pooled Unit for the Iglesia Bautista Unit, dated July 30, 2008, recorded D208300161, records of Tarrant County, Texas. Such Declaration is incorporated herein for all purposes.

Whereas, the undersigned desires to amend said Declaration by including additional leases to the existing Exhibit 'A', with said additions not to affect the Unit area consisting of **102.174 acres**.

**RECITALS**

WHEREAS, each of the Leases authorizes the undersigned Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

This Declaration of Pooled Unit – Iglesia Bautista, is hereby amended to include additional leases to the Exhibit "A".

Except as amended hereby, said Declaration remains in full force and effect.

EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of July 30, 2008.

**Chesapeake Exploration, L.L.C.,**  
an Oklahoma limited liability company

By:

*[Signature]*  
Henry J. Hood, Senior Vice President –  
Land and Legal & General Counsel

*[Handwritten initials]*

D209090391

FIRST AMENDMENT TO  
DECLARATION OF POOLED UNIT  
IGLESIA BAUTISTA

L0221295

STATE OF TEXAS            )  
                                  )  
COUNTY OF TARRANT    )

KNOW ALL PERSONS BY THESE PRESENTS:

Electronically Recorded  
Chesapeake Operating, Inc.

Reference is made to that Declaration of Pooled Unit for the Iglesia Bautista Unit, dated July 30, 2008, recorded D208300161, records of Tarrant County, Texas. Such Declaration is incorporated herein for all purposes.

Whereas, the undersigned desires to amend said Declaration by including additional leases to the existing Exhibit 'A', with said additions not to affect the Unit area consisting of 102.174 acres.

RECITALS

WHEREAS, each of the Leases authorizes the undersigned Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the Leases and mineral estates to the extent necessary to form the hereinafter described pooled unit are necessary and advisable in the judgment of the undersigned.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows.

This Declaration of Pooled Unit - Iglesia Bautista, is hereby amended to include additional leases to the Exhibit "A".

Except as amended hereby, said Declaration remains in full force and effect.

EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of July 30, 2008.

Chesapeake Exploration, L.L.C.,  
an Oklahoma limited liability company

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

Henry J. Hood, Senior Vice President -  
Land and Legal & General Counsel

*gjh*  
*JKW*

LND 715-0037

ACKNOWLEDGMENTS

Electronically Recorded  
Chesapeake Operating, Inc

STATE OF OKLAHOMA    )  
                                  )  
COUNTY OF OKLAHOMA    )     §

This instrument was acknowledged before me on this 30 day of March, 2009, by Henry J. Hood, as Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.

  
Notary Public

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



EXHIBIT "A"

Attached to and made a part of that certain  
Declaration of Pooled Unit  
Designating the Iglesia Bautista

LEASE NUMBER: TX2208784-000  
LESSOR: First Pentecostal Church of Fort Worth, Inc.  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/1/2006  
RECORDED: D206281809, Official Records of Tarrant County, Texas  
DESCRIPTION: 4.7683 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

Electronically Recorded  
Chesapeake Operating, Inc

LEASE NUMBER: TX2205245-000  
LESSOR: Plaza Tierra Caliente, Inc.  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/1/2006  
RECORDED: D206329740, Official Records of Tarrant County, Texas  
DESCRIPTION: 11.60 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2203156-000  
LESSOR: Iglesia Bautista El Buen Pastor of Fort Worth  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/9/2006  
RECORDED: D206329753 Records of Tarrant County, Texas  
DESCRIPTION: 8.478 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2202784-000  
LESSOR: Charles Crawford  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/17/2006  
RECORDED: D206292615, Official Records of Tarrant County, Texas  
DESCRIPTION: 3.832 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2205445-000  
LESSOR: Texas Conference Association of Seventh-Day Adventists  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/10/2006  
RECORDED: D206252269, Official Records of Tarrant County, Texas  
DESCRIPTION: 12.617 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2205485-000  
LESSOR: Trojacek Family Investment Company, L.L.C.  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/18/2006  
RECORDED: D206329756, Official Records of Tarrant County, Texas  
DESCRIPTION: 3.213 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2202788-000  
LESSOR: Charles Bryant  
LESSEE: Dale Resources, L.L.C.  
DATE: 8/11/2006  
RECORDED: D206281810, Official Records of Tarrant County, Texas  
DESCRIPTION: 0.4477 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

Electronically Recorded  
Chesapeake Operating, Inc.

LEASE NUMBER: TX2202857-000  
LESSOR: Danny Duke  
LESSEE: Dale Resources, L.L.C.  
DATE: 7/5/2006  
RECORDED: D206252270, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 0.537 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2202589-000  
LESSOR: Wanda Adams  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/26/2006  
RECORDED: D206342228, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 1.368 acres, more or less, being further described in the above mentioned oil and gas lease INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2208776-001  
LESSOR: Jefferson Cox  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/8/2006  
RECORDED: D206329736, Official Public Records of Tarrant County, Texas  
DESCRIPTION: 1.977 acres, more or less, Lot 4R, Southside Industrial Addition, City of Fort Worth, Tarrant County, Texas, as more fully described in said lease, INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit

LEASE NUMBER: TX2208773-001  
LESSOR: Rodney A. Christensen  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/8/2006  
RECORDED: D206329738  
DESCRIPTION: 1.977 acres, more or less, Lot 4R, Southside Industrial Addition, City of Fort Worth, Tarrant County, Texas, as more fully described in said lease, INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.

LEASE NUMBER: TX2208794-001  
LESSOR: Randy L. Morris  
LESSEE: Dale Resources, L.L.C.  
DATE: 9/8/2006  
RECORDED: D206329737  
DESCRIPTION: 1.977 acres, more or less, Lot 4R, Southside Industrial Addition, City of Fort Worth, Tarrant County, Texas, as more fully described in said lease, INSOFAR AND ONLY INSOFAR as said oil and gas lease covers land situated within the Unit.



EXHIBIT "B"

Attached to and made a part of that certain Declaration of Pooled Unit- Iglesia Bautista Unit, effective July 30, 2008

**Bautista Unit**

Being 102.174 acres of land located in the L. Cohen Survey, Abstract No. 290, the M. Garrison Survey, Abstract No. 598, the R. Gillaster Survey, Abstract No. 619 and the J.H. Kirby Survey, Abstract No. 2022, Tarrant County, Texas, being the Oil, Gas and Mineral Leases to Dale Resources, LLC and to Dale Property Services, LLC, from First Pentecostal Church of Fort Worth Inc, recorded in CC#D206281809, from Plaza Tierra Caliente Inc, recorded in CC#D206329740, from Iglesia Bautista El Buen Pastor of Fort Worth, recorded in CC#D206329753, from Charles C. Crawford, recorded in CC#D206292615, from Texas Conference Association of Seventh-Day Adventists, recorded in CC#D206252269, from Trojacek Family Investment Company LLC, recorded in CC#D204190037, from Charles G. Bryant, recorded in CC#D206281810, from Danny Duke, recorded in CC#D206252270, from Wanda R. Adams, recorded in CC#D206342228, from Jefferson B. Cox, recorded in CC#D206329736, from Rodney A. Christensen, recorded in CC#D206329738, from Randy L. Morris, recorded in CC#D206329737, from Mobile Enterprises, Inc, recorded in CC#D206261333, from Land Rover Ltd., recorded in CC#D208233289, from Peppertree Acres Apartments, recorded in CC#D206343147, from Choice Capital Group, Inc., recorded in CC#D207044804 and from Union Pacific Railroad Company, recorded in CC#D206311775, Deed Records, Tarrant County, Texas. Said 102.174 acres of land being more particularly described as follows:

**BEGINNING** at a 4" steel fence post at the northeast corner of said First Pentecostal Church tract, said fence post lying in the east right-of-way of Interstate Highway 35 (I-35).

**THENCE** S89°32'15"E, along the north line of said First Pentecostal Church tract, a distance of 467.34 feet to a 3" steel fence post, said 3" steel fence post lying in the west line of said Plaza Tierra Calliente tract;

**THENCE** along the west lines of said Plaza Tierra Calliente tract as follows

1. N00°18'08"E, a distance of 4.99 feet to a point;
2. N00°13'13"E, a distance of 58.53 feet to a point;
3. N00°13'36"E, at 290.95 feet passing a rivet found at the northwest corner of said Plaza Tierra Calliente tract, in all a distance of 318.86 feet to a point lying in the apparent centerline of Oak Grove Road;

**THENCE** along said Oak Grove Road centerline as follows:

1. S79°58'11"E, a distance of 205.82 feet to a point;
2. S34°54'53"E, a distance of 368.40 feet to a point;
3. southeasterly, 304.65 feet along a non tangent curve to the left, having a radius of 552.61 feet, a central angle of 31°35'13" and a chord bearing S53°02'51"E, 300.81 feet to a point;
4. S66°03'59"E, a distance of 748.89 feet to a point;

**THENCE** N19°48'58"E, a distance of 53.40 feet to a 3/8" iron rod found at the most southerly northwest corner of said Choice Capital tract;

**THENCE** N12°19'58"E, along the west line of said Choice Capital tract, a distance of 189.25 feet to a 3/8" iron rod found at the northwest corner of said Choice Capital tract;

**THENCE** S77°36'28"E, along the north line of said Choice Capital tract, a distance of 1,170.71 feet to a 3/8" iron rod found at the northeast corner of said Choice Capital tract, said iron rod lying in the west right-of-way line of said Union Pacific Railroad Company tract;

**THENCE** along said west right-of-way as follows:

1. N39°09'01"W, a distance of 80.83 feet to a point;
2. N38°01'18"W, a distance of 266.38 feet to a point;
3. S53°22'28"W, a distance of 30.00 feet to a point;
4. N36°37'32"W, a distance of 352.80 feet to a point;

**THENCE** N89°36'28"E, crossing said Union Pacific Railroad right-of-way, a distance of 153.28 feet to a point lying in the apparent east right-of-way of said Union Pacific Railroad Company tract;

THENCE along said east right-of-way as follows:

1. S38°01'18"E, a distance of 525.24 feet to a point;
2. S39°09'01"E, a distance of 78.32 feet to a point;
3. S40°54'18"E, a distance of 100.72 feet to a point;
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5. S47°48'06"E, a distance of 159.05 feet to a point;
6. S48°04'28"E, a distance of 429.02 feet to a point;

Electronically Recorded  
Chesapeake Operating, Inc.

THENCE S50°51'13"W, at 101.23 feet passing a 3/4" iron rod found at the southeast corner of said Choice Capital tract, in all a distance of 200.85 feet to a 3/4" iron rod found at an exterior angle point of said Choice Capital tract;

THENCE along the south line of said Choice Capital tract as follows:

1. S74°28'47"W, a distance of 588.61 feet to a 3/4" iron rod found;
2. S70°06'49"W, a distance of 413.02 feet to a 3/4" iron rod found;
3. S74°19'41"W, at 174.49 feet passing a 3/8" iron rod found at the southwest corner of said Choice Capital tract, in all a distance of 239.64 feet to a point lying in said Oak Grove Road centerline;

THENCE N33°02'42"W, along said Oak Grove centerline, a distance of 213.47 feet to a point;

THENCE northwesterly and continuing along said Oak Grove centerline, 29.63 feet along a non tangent curve to the right, having a radius of 723.51 feet, a central angle of 02°20'47" and a chord bearing N31°35'20"W, 29.63 feet to a point;

THENCE S56°59'18"W, at 39.49 feet passing a 60d nail found at the southeast corner of said Peppertree Acres tract, in all a distance of 170.19 feet to an 1/2" iron rod stamped "Coombs" found at an exterior angle point of said Peppertree Acres tract;

THENCE N82°59'42"W, a distance of 131.99 feet to an 1/2" iron rod found at the southwest corner of said Peppertree Acres tract, said iron rod lying in the east line of said Seventh-Day Adventists tract;

THENCE along the east and south lines said Seventh-Day Adventists tract as follows:

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2. N83°04'58"W, a distance of 213.90 feet to a Texas Highway Department monument found;
3. S81°50'19"W, a distance of 702.68 feet to a Texas Highway Department monument found;
4. S82°46'53"W, a distance of 283.96 feet to a 5/8" iron rod stamped "Mustang" found;
5. N73°28'21"W, a distance of 174.28 feet to a 5/8" iron rod stamped "Mustang" found;
6. N86°13'56"W, a distance of 193.09 feet to a 5/8" iron rod stamped "Mustang" found;

THENCE N55°55'48"W, at 24.38 feet passing an 1/2" iron rod stamped "Grant" found at the common corner of said Trojacek and Seventh-Day Adventists tract, in all a distance of 192.28 feet to a point;

THENCE N41°30'50"W, a distance of 26.72 feet to a Texas Highway Department monument found;

THENCE northwesterly, 344.62 feet along a non tangent curve to the right, having a radius of 743.94 feet, a central angle of 26°32'30" and a chord bearing N27°11'53"W, 341.55 feet to a Texas Highway Department monument found;

THENCE N10°15'03"W, a distance of 94.89 feet to a Texas Highway Department monument found;

THENCE N06°50'47"W, a distance of 54.50 feet to a Texas Highway Department monument found at the southwest corner of said Iglesia Bautista tract;

THENCE N06°35'17"W, a distance of 549.65 feet to a Texas Highway Department monument found at the common corner of said Iglesia Bautista and First Pentecostal Church tracts;

THENCE N07°17'26"W, a distance of 472.10 feet to the point of beginning, containing 102.174 acres of land;

The bearings recited hereon are oriented to NAD27 Texas North Central Zone.

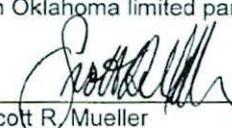


**Chesapeake Exploration, L.L.C.**  
an Oklahoma limited liability company

  
\_\_\_\_\_  
Henry J. Hood, Senior Vice President -  
Land and Legal

*Handwritten initials*  
CSA

**Arcadia Resources, L.P.**  
an Oklahoma limited partnership

  
\_\_\_\_\_  
Scott R. Mueller  
Chief Financial Officer

**TOTAL E&P USA, INC.**  
a Delaware corporation

\_\_\_\_\_  
Fabien Colmet Daage, Vice President  
Business Development and Strategy

**ACKNOWLEDGMENTS**

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on this 21 day of August, 2012, by Henry J. Hood, as Senior Vice President - Land and Legal of **Chesapeake Exploration, L.L.C.** on behalf of said limited liability company.



*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on this 7 day of September, 2012, by Scott R. Mueller, as Chief Financial Officer of **Arcadia Resources, L.P.**, on behalf of said limited partnership.



*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF TEXAS )  
 ) §  
COUNTY OF HARRIS )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by Fabien Colmet Daage as Vice President - Business Development and Strategy of **TOTAL E&P USA, INC.**, a Delaware corporation, as the act and deed and on behalf of such corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

Record & Return To:  
Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, OK 73154

**Electronically Recorded**

Official Public Records

*Mary Louise Garcia*

Mary Louise Garcia

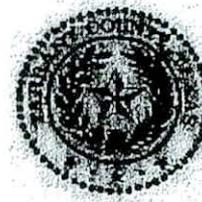
Tarrant County Texas

12/11/2012 2:06 PM

**D212302820**

PGS 4 \$28.00

Submitter: SIMPLIFILE



CHESAPEAKE ENERGY CORP.  
ATTN: RECORDING TEAM  
P.O. Box 18496  
Oklahoma City, OK 73154

Submitter: Chesapeake Operating, Inc.

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MARY LOUISE GARCIA  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

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

ELECTRONICALLY RECORDED  
BY SIMPLIFILE

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

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

REC'D by BUS DEV  
NOV 12 2012

Name Iglesia Bautista  
Property # 618082  
File Tab Declarations

Electronically Recorded  
Official Public Records

Tarrant County Texas  
9/19/2012 3:07 PM

D212230819

*Mary Louise Garcia*  
CORRECTED  
DECLARATION OF POOLED UNIT  
IGLESIA BAUTISTA UNIT  
SIMPLIFILE

Electronically Recorded  
Chesapeake Operating, Inc.

STATE OF TEXAS ) **10641250**  
 )  
COUNTY OF TARRANT ) KNOW ALL PERSONS BY THESE PRESENTS:

Reference is made to that certain Declaration of Pooled Unit for the Iglesia Bautista Unit, dated effective as of August 1, 2008, recorded as D208300161, Official Public Records of Tarrant County, Texas. Reference is also made to that certain First Amendment to Declaration of Pooled Unit for the Iglesia Bautista Unit, dated April 6, 2009, recorded as D209090391, Official Public Records of Tarrant County, Texas. Said Declaration and all amendments are incorporated herein for all purposes.

RECITALS

Whereas, the purpose and intent of this Corrected Declaration of Pooled Unit – Iglesia Bautista Unit is to add addition leases which were inadvertently left off the unit Exhibit "A" list of leases.

WHEREAS, each of the leases authorized the undersigned Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the leases and mineral estates to the extent necessary to form the pooled unit were necessary and advisable in the judgment of the undersigned.

WHEREAS, this instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. This Corrected Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual benefits to be derived by the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

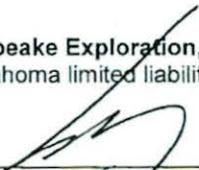
This Declaration of Pooled Unit – Iglesia Bautista Unit, is hereby corrected to add the following leases as reflected below.

CHK Lease Number: TX7158909-001  
Lessor: LUMINANT MINERAL DEVELOPMENT CO  
Lessee: CHESAPEAKE EXPLORATION, LLC  
Lease Date: 1/14/2009  
Entry: D209058720

Except as amended hereby, said Declaration and any amendments thereto remain in full force and effect.

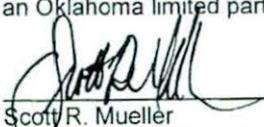
EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of April 6, 2009.

**Chesapeake Exploration, L.L.C.**  
an Oklahoma limited liability company

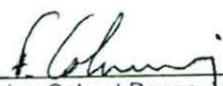
  
\_\_\_\_\_  
Henry J. Hood, Senior Vice President -  
Land and Legal



**Arcadia Resources, L.P.**  
an Oklahoma limited partnership

  
\_\_\_\_\_  
Scott R. Mueller  
Chief Financial Officer

**TOTAL E&P USA, INC.**  
a Delaware corporation

  
\_\_\_\_\_  
Fabien Colmet-Daage, Vice President  
Business Development and Strategy

**ACKNOWLEDGMENTS**

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on this 21 day of August, 2012, by Henry J. Hood, as Senior Vice President - Land and Legal of **Chesapeake Exploration, L.L.C.** on behalf of said limited liability company.



*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

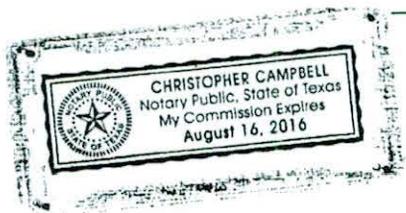
This instrument was acknowledged before me on this 7 day of September, 2012, by Scott R. Mueller, as Chief Financial Officer of **Arcadia Resources, L.P.**, on behalf of said limited partnership.



*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF TEXAS )  
 ) §  
COUNTY OF HARRIS )

This instrument was acknowledged before me on this 2 day of November, 2012, by Fabien Colmet Daage as Vice President - Business Development and Strategy of **TOTAL E&P USA, INC.**, a Delaware corporation, as the act and deed and on behalf of such corporation.



*Christy Campbell*  
\_\_\_\_\_  
Notary Public in and for the State of Texas

Record & Return To:  
Chesapeake Operating, Inc.  
P.O. Box 18496  
Oklahoma City, OK 73154

**Electronically Recorded**

Official Public Records

*Mary Louise Garcia*

Mary Louise Garcia

Tarrant County Texas

2/15/2013 12:54 PM

PGS 4 \$28.00

Submitter: SIMPLIFILE

**D213040341**



CHESAPEAKE OPERATING, INC  
ATTN: RECORDING TEAM  
P.O. BOX 18496  
OKLAHOMA CITY, OK 73154

Submitter: CHESAPEAKE OPERATING, INC

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**MARY LOUISE GARCIA  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401**

**DO NOT DESTROY**

**WARNING – THIS IS PART OF THE OFFICIAL RECORD**

ELECTRONICALLY RECORDED  
BY SIMPLIFILE

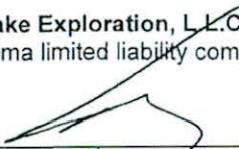
ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE  
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND  
UNENFORCEABLE UNDER FEDERAL LAW.



Except as amended hereby, said Declaration and any amendments thereto remain in full force and effect.

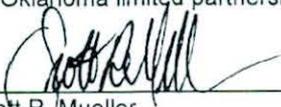
EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of September 19, 2012.

**Chesapeake Exploration, L.L.C.**  
an Oklahoma limited liability company

  
\_\_\_\_\_  
Henry J. Hood, Senior Vice President -  
Land

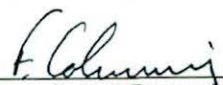
*Handwritten initials: HJH, Bm, Bm*

**Arcadia Resources, L.P.**  
an Oklahoma limited partnership

  
\_\_\_\_\_  
Scott R. Mueller  
Chief Financial Officer

*Handwritten initials: SRM*

**TOTAL E&P USA, INC.**  
a Delaware corporation

  
\_\_\_\_\_  
Fabien Colmet-Daage, Vice President  
Business Development and Strategy

**ACKNOWLEDGMENTS**

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on this 13 day of November, 2012, by Henry J. Hood, as Senior Vice President - Land of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.



*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF OKLAHOMA )  
 ) §  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on this 4 day of January, 2013, by Scott R. Mueller, as Chief Financial Officer of Arcadia Resources, L.P., on behalf of said limited partnership.



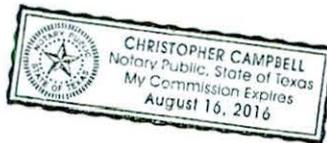
*Leslie Ann Bullington*  
\_\_\_\_\_  
Notary Public in and for the State of Oklahoma

STATE OF TEXAS )  
 ) §  
COUNTY OF HARRIS )

This instrument was acknowledged before me on this 8 day of February, 2012, by Fabien Colmet Daage as Vice President - Business Development and Strategy of TOTAL E&P USA, INC., a Delaware corporation, as the act and deed and on behalf of such corporation.

**Record & Return To:**  
**Chesapeake Operating, Inc.**  
P.O. Box 18496  
Oklahoma City, OK 73154

*Christopher Campbell*  
\_\_\_\_\_  
Notary Public in and for the State of Texas



9.

File No. MF112013

\_\_\_\_\_ County

HRDW Unit 8796

Date Filed: 11-30-17

George P. Bush, Commissioner

By V.H.