MF112109

State Lease	*Control*	*Base File*	*County*
MF112109	07-111127	116836	REEVES

Survey	T & P RY CO	
Block	57	
Block Name		
Township	7-S	
Section/Tract	6	
Land Part		
Part Description		
Acres	718	
Depth Below	*Depth Above*	*Depth Other*
		See Lease
Name	LONE STAR OIL & GAS, INC.	
Lease Date	2/8/2011	
Primary Term	5 yrs	
Bonus ($)	$170,884.00	
Rental ($)	$0.00	
Lease Royalty	0.1250	

Leasing: ***Analyst:*** ***Maps:*** ***GIS:*** ***DocuShare:***

F1069032

M F 1 1 2 1 0 9

CONTENTS OF FILE NO. MF 112109

1. RAL Review Sheet	1/13/11
2. Lease	2/8/11
3. Cover Letter, Bonus, and Fees	1/26/11
4. Final Letter	2/24/12
(5) Assignment	5/9/11
Scanned SM 3/25/13	
6. Termination Letter	06/12/2014
7. Release	09/11/2014
8. Filing fee - Release	09/11/2014
Scanned PT 10-27-14	

RAL REVIEW SHEET

Transaction # 7083 **Geologist:** R. Widmayer

Lessor: Moore, III, Weldon L. and Judith S. Moore **Lease Date:** 1/1/2011 **UL** ☐

Lessee: Lone Star Oil & Gas, Inc. **Gross Acres:** 718

Net Acres: 718

LEASE DESCRIPTION

County	PIN#	Base File No	Part	Sec.	Block	Twp	Survey	Abst#
REEVES	07-111127	116836	ALL	6	57	07S	T & P RY CO	3530

TERMS OFFERED		TERMS RECOMMENDED	
Primary Term:	5 years	**Primary Term**	5 years
Bonus/Acre:	$125.00	**Bonus/Acre**	~~$400.00~~ $475.00
Rental/Acre:	$1.00	**Rental/Acre**	$1.00
Royalty:	1/5	**Royalty**	1/4

COMPARISONS

MF #	Lessee	Date	Term	Bonus/Ac.	Rental/Ac.	Royalty	Distance
MF104964	Range Production I, L.P.	3/23/2005	5 years	$100.00	$1.00	1/5	Last Lease

$475.00

Comments: 2nd and 3rd year rentals are paid up. 4th year rental will be ~~$400.00~~ per acre and will pay up the 5th year. No recent nearby comparisons.

Approved: TM 1/13/11

Thursday, January 13, 2011

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office — Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner
Larry Laine, Chief Clerk
Bill Warnick, General Counsel
Louis Renaud, Deputy Commissioner

DATE: 13-Jan-11

FROM: Robert Hatter, Director of Mineral Leasing
Tracey Throckmorton, Geoscience Manager

Applicant:	Lone Star Oil & Gas, Inc.	County:	REEVES
Prim. Term:	5 years	Bonus/Acre	$400.00
Royalty:	1/4	Rental/Acre	$1.00

Consideration

Recommended: TM Date: 1/13/11

Not Recommended: _____

Comments: 2nd and 3rd year rentals are paid up. 4th year rental will be $400.00 per acre and will pay up the 5th year. No recent nearby comparisons.

Lease Form

Recommended: RDH Date: 1/21/11

Not Recommended: _____

Comments:

Louis Renaud, Deputy Commissioner Date: 2-7-11

Recommended: CLR

Not Recommended: _____

Bill Warnick, General Counsel Date: 2-10-11

Recommended: WFW

Not Recommended: _____

Larry Laine, Chief Clerk Date: 2/14/4

Approved: _____

Not Approved: _____

Jerry Patterson, Commissioner Date: 02/16/2011

Approved: Jerry E. Patterson

Not Approved: _____

(1)

File No. 112109

RAL Review Sheet

Date Filed: 1/13/11

Jerry E. Patterson, Commissioner

By GH

BOOK 867 PAGE 414 MF 112109

FILE # 874

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas

Austin, Texas

Paid up 2nd + 3rd yr

OIL AND GAS LEASE

THIS AGREEMENT is made and entered into this 8th day of February, 2011, between the State of Texas, acting

by and through its agent, Weldon L. Moore III, and Judith S. Moore

of c/o 5909 Richmond Ave. Dallas, Texas 75206
(Give Permanent Address)

said agent herein referred to as the owner of the soil (whether one or more), and Lone Star Oil & Gas, Inc.

of P. O. Box 2696, Midland, Texas 79702 hereinafter called Lessee.
(Give Permanent Address)

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

All of Section 6, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas, containing 718 acres, more or less

Containing 718 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: One Hundred Seventy, Eight Hundred Eighty-Four Dollars and NO/100
Dollars ($170,884)

To the owner of the soil: One Hundred Seventy, Eight Hundred Eighty-Four Dollars and NO/100
Dollars ($170,884)

Total bonus consideration: Three Hundred Forty One, Seven Hundred Sixty Eight Dollars and NO/100
Dollars ($341,768)

The total bonus consideration paid represents a bonus of Four Hundred Seventy-Six Dollars
---------- Dollars ($476) per acre, on 718 net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of 5, years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.

3. DELAY RENTALS. If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the (SEE ADDENDUM ATTACHED)
Bank, at ,
or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil:
Dollars ($)

To the State of Texas:
Dollars ($)

Total Delay Rental:
Dollars ($)

True and Correct copy of Original filed in Reeves County Clerks Office

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil:

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/4th part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 1/4th part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 1/4th part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent *(50%)* or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 1/4th part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre.

6. ROYALTY IN KIND. Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil's or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. NO DEDUCTIONS. Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. PLANT FUEL AND RECYCLED GAS. No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. ROYALTY PAYMENTS AND REPORTS. All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

Payment of royalty on production of oil and gas shall be as provided in the rules set forth in the Texas Register. Rules currently provide that 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

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

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, then 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 to accrue 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.

10. (A) RESERVES, CONTRACTS AND OTHER RECORDS. Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) PERMITS, DRILLING RECORDS. Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) PENALTIES. Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

11. DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM. If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

not less than $1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar ($1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon.

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.

(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the deepest producing horizion (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government 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 with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

STATE OF TEXAS REEVES COUNTY
True and Correct copy of Original filed in Reeves County Clerks Office

19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the written consent of the owner of the soil.

25. POLLUTION. In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. REMOVAL OF EQUIPMENT. Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. (A) ASSIGNMENTS. Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee 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 assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

(1) a nominee of the owner of the soil;
(2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
(3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
(4) a principal stockholder or employee of the corporation which is the owner of the soil;
(5) a partner or employee in a partnership which is the owner of the soil;
(6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
(7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

STATE OF TEXAS * REEVES COUNTY *
True and Correct copy of Original filed in Reeves County Clerks Office

28. RELEASES. Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. FILING OF ASSIGNMENTS AND RELEASES. If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. DISCLOSURE CLAUSE. All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. FIDUCIARY DUTY. The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

32. FORFEITURE. If Lessee shall fail or refuse to make the payment of any sum within thirty 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, the School Land Board, or the Railroad Commission, or if Lessee should 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 Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the 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 under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder 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.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, 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 the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, 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 State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises 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 on the leased premises; those arising from Lessee's use of the surface 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 Agreement 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 Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents 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 AGREEMENT 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.**

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or

True and Correct copy of Original filed in Reeves County Clerks Office

subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. **LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.**

37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

LESSEE

BY: _____

Title: James E. Cauthen, President

Date: 2-16-11

STATE OF TEXAS

BY: _____

Weldon L. Moore, III

Individually and as agent for the State of Texas

Date: 2/7/11

STATE OF TEXAS

BY: Judith S. Moore

Judith S. Moore

Individually and as agent for the State of Texas

Date: 2/8/11

True and Correct copy of Original filed in Reeves County Clerks Office

(CORPORATION ACKNOWLEDGMENT)

STATE OF TEXAS
COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared James E. Cauthen known to me to be the person whose name is subscribed to the foregoing instruments as President of Lone Star Oil & Gas, Inc. and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 16th day of February, 2011.

MARY ANN CATHEY
MY COMMISSION EXPIRES
October 17, 2011

Mary Ann Cathey
Notary Public in and for State of Texas

INDIVIDUAL ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on February 7, 2011, by Weldon Walson L. Moore, III.

KELLY HESS
MY COMMISSION EXPIRES
March 3, 2013

My commission expires: 3/3/13

INDIVIDUAL ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on February 8, 2011, by Judith S. Moore.

KELLY HESS
MY COMMISSION EXPIRES
March 3, 2013

My commission expires: 3/3/13

True and Correct copy of Original filed in Reeves County Clerks Office

Addendum attached to Oil & Gas Lease by and between Weldon L. Moore III, et al Individually and as agent for the State of Texas and Lone Star Oil & Gas, Inc. dated February 8, 2011.

---

40. Delay Rentals

Notwithstanding anything contained herein to the contrary, this is a Paid-Up Oil & Gas Lease with no delay rentals due to continue this lease in full force and effect for the first three (3) years of its term. However, if no well is commenced on the leased premises on or before the end of the 3rd year, this lease shall terminate, unless on or before such anniversary date Lessee shall pay the owner of the soil its share of the sum of $475.00 per net acre covered by this lease with a like amount paid to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for two (2) years from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil:	One Hundred Seventy, Five Hundred Twenty Five Dollars and NO/100 ($170,525.00 Dollars)
To the State of Texas:	One Hundred Seventy, Five Hundred Twenty Five Dollars and NO/100 ($170,525.00 Dollars)
Total Delay Rental:	Three Hundred Forty-One, Fifty Dollars and NO/100 ($341,050.00 Dollars)

41. Continuous Development

Notwithstanding anything contained herein to the contrary, if, at the expiration of the primary term or extended term, this lease is being maintained in force under any provision of the lease, or within 180 days prior to the expiration of the primary term Lessee has completed a well as a dry hole or commenced a well on the leased premises or lands pooled therewith, or Lessee is then engaged in operations on the leased premises or lands pooled therewith, Lessee agrees to begin a continuous drilling program within 180 days after the end of the primary term or within 180 days after completion of such well or the cessation of such operations, whichever is the later date; and thereafter to carry on the continuous drilling program on the leased premises or lands pooled therewith until all proration units have been drilled, allowing not more than 180 days to elapse between the completion of one well and the commencement of the succeeding well. Should Lessee fail to begin the continuous drilling program or subsequently default in the performance thereof, then in either event, this lease shall terminate as to all lands covered hereby, save and except for the proration unit surrounding each well then producing, capable of producing or upon which operations are being conducted; LIMITED, respectively, to those depths from the surface of the ground to the stratigraphic equivalent of a depth of 100 feet below the deepest then producing formation. As used in this paragraph: i) the term "commission" means the Railroad Commission of the State of Texas or any successor agency, ii) the term "proration unit" means any acreage designated as a drilling unit or production unit in accordance with the rules of the commission (or any other governmental authority having jurisdiction) or any unit formed by pooling as provided in this lease or otherwise, iii) the terms "commenced" and "commencement" mean the date when a well is spudded, and iv) the terms "completed" and "completion" mean the date the initial potential test report is filed with the commission, if a productive well, or the date the plugging report is filed with the commission, if a dry hole. Notwithstanding the partial termination of this lease, Lessee shall continue to have the rights of ingress and egress across all of the leased premises to and from lands that remain subject to this lease, or lands pooled therewith, for the purposes described in paragraph 1 hereof, together with easements and rights of way for roads, pipelines, flowlines and other facilities on or across all of the leased premises for the exploration, development, production, gathering or transportation of oil, gas and other products from the lands still subject to this lease or lands pooled therewith. The sole liability or penalty for the failure of Lessee to drill any well or wells required or permitted by this lease shall be the termination or partial termination of Lessee's rights under the lease as provided above.

42. Surface Damages

Lessee shall pay surface owner for damages caused by its operations to all personal property, improvements, livestock, and growing crops on said land. Lessee further agrees that all facilities necessary to Lessee's operations on the premises will be constructed, installed, and operated in such a manner as will not interfere with, or affect, Lessor's other agricultural practices. When requested by surface owner, lessee shall bury its pipelines below deep plow depth. While Lessee is conducting operations hereunder, all areas of operations will be kept free of trash and all other debris, and within a reasonable time after operations are completed, the area will be finally cleaned and earthen pits and construction will be removed to the end that all objects and structures foreign to the natural condition of the land will be removed and eliminated. Lessee shall consult with surface owner relative to proposed roads to drill sites and other facilities.

43. Counterpart

This Lease may be executed in several counterparts, no one of which needs to be executed by all parties thereto. Each executed counterpart shall be binding upon the signing party or parties thereto. Lessee shall sign and properly acknowledge each executed counterpart instrument. Lessee agrees to promptly file this Lease of record in the lease records of the county where this property is located and to provide each Lessor with a true copy of such document.

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

FILE # 874

FILED FOR RECORD ON THE 22ND DAY OF FEBRUARY A.D. 2011 2:36 P M.

DULY RECORDED ON THE 25TH DAY OF FEBRUARY A.D. 2011 9:00 A M.

BY: _____, DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

STATE OF TEXAS REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

(2)

File No. 112109

Lease

Date Filed: 2/15/11

Jerry E. Patterson, Commissioner

By GH

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 867, PAGE 414, THRU 422. OFFICIAL PUBLIC RECORDS

I hereby certified on 3/07/2011

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY _____ DEPUTY

DALIA GALINDO

Lone Star Oil & Gas, Inc.
P.O. Box 2696 Midland, TX 79702 (432)686-9390

INVOICE #	DATE	VOUCHER	INVOICE AMOUNT	DISCOUNT TAKEN	NET AMOUNT
NA	01/27/2011	910208	170,984.00	0.00	170,984.00

Re: Consideration of Oil & Gas Lease
Sections 6, Block 57, Township 7, T&P RR Co. Survey
Reeves County, Texas, 718 acres, more or less

Processing Fee included

11705191

P

121

VENDOR:	TE905	CHECK NUMBER:	9065	DATE:	01/27/2011	AMOUNT:	$170,984.00

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

TEXAS COUNTY EXPLORATION CORP.
601 N. MARIENFELD, SUITE 310
MIDLAND, TEXAS 79701

PHONE: (432) 517-0466
FAX: (432) 897-4677
EMAIL: JDSMTIH@TEXASCOUNTYEXP.COM

January 27, 2011

General Land Office
Attn: Drew Reid
Mineral Leasing Division
1700 North Congress Avenue, Room 600
Austin, Texas 78701-1495

Re: Consideration of Oil & Gas Lease
Sections 6, Block 57, Township 7, T&P RR Co. Survey
Reeves County, Texas, 718 acres, more or less

Dear Mr. Reid

Enclosed is payment & the processing fee for the Moore lease in the above described lands, being $170,884.00 at $476 per acre. Lone Star Oil & Gas, Inc. is leasing 8/8ths interest in this tract being 718 net mineral acres. As per our discussions the GLO requires a 1/4th royalty and a 3rd year delay rental of $475. Further this lease shall call for a 5 year primary term.

I appreciate your time and consideration and if you have any questions or comments feel free to contact me.

Regards

J.D. Smith
Land Manager
Texas County Exploration Corp.

P.S. At your earliest convenience could you please confirm receipt of this payment via phone or email.

Drew Reid - FW: Address for State - instructions on approval of lease

From: Weldon Moore <wmoore@csmlaw.net>
To: "drew.reid@glo.state.tx.us" <drew.reid@glo.state.tx.us>, Judy Moore <judys_moore@sbcglobal.net>
Date: 1/27/2011 3:05 PM
Subject: FW: Address for State - instructions on approval of lease
Attachments: Wiring Instructions.pdf; ATT00001..htm

Drew:

FYI -----

Smart of him to make it for $476 instead of $475.

Should I tell him to email me a lease or should we wait until we see what tomorrow brings in way of payment?

From: J.D. Smith [mailto:JDSmith@TexasCountyExp.com]
Sent: Thursday, January 27, 2011 2:59 PM
To: Mary Ann
Cc: Judys_Moore@sbcglobal.net; Weldon Moore
Subject: Address for State - instructions on approval of lease

Mary Ann

Attached are the wiring instructions for the Moore Lease in Reeves County. The amount we need to wire is $170,884 being $476 per acre. This amount will have 2 1099's for it here is the tax id:

Judith S. Moore, 7351 Lane Park Drive, Dallas, Texas 75225 ss# 467-54-7704

Weldon L. Moore, III, 5909 Richmond Ave. Dallas, Texas 75206 ss# 461-21-5924

Drew Reid - Re: Money Received!

From: Drew Reid
To: Moore, Weldon
Subject: Re: Money Received!

No - but I will not get it until the afternoon - Drew

>>> Weldon Moore <wmoore@csmlaw.net> 1/28/2011 11:04 AM >>>

Drew:

I have received the money from JD. Have you got your fed-ex package yet?

Weldon L. Moore, III
Sussman & Moore, LLP
8333 Douglas Avenue, Suite 1525
Dallas, Texas 75225
214-378-8270 x205
214-378-8290 Facsimile

New

From: Weldon Moore <wmoore@csmlaw.net>
To: "miller.miller2010@yahoo.com" <miller.miller2010@yahoo.com>
CC: "drew.reid@glo.state.tx.us" <drew.reid@glo.state.tx.us>, Judy Moore <jud...
Date: 1/19/2011 3:14 PM
Subject: Reeves County Section 6, Block 57, Township 7 T&P RR Co. Survey
Attachments: ADMINISTRATOR_20110119_143931.pdf; ADMINISTRATOR_20110119_143954.pdf

Doug:

We are placing into overnight mail to you this day the originals of the two attached leases. Thank you very much for your time and attention to this matter.

Weldon L. Moore, III
Sussman & Moore, LLP
8333 Douglas Avenue, Suite 1525
Dallas, Texas 75225
214-378-8270 x205
214-378-8290 Facsimile

Drew Reid - Address for State - instructions on approval of lease

From: Weldon Moore <wmoore@csmlaw.net>
To: "drew.reid@glo.state.tx.us" <drew.reid@glo.state.tx.us>
Date: 1/24/2011 5:33 PM
Subject: Address for State - instructions on approval of lease
CC: Judy Moore <judys_moore@sbcglobal.net>
Attachments: Wiring Instructions.pdf

Gentlemen:

I understand from speaking to Drew Reid that the first one to pay both the State and me/my cousin will get his approval for the lease at $475 Bonus/25% Royalty/$475 delay after 3 years. In the unlikely event that all the payments arrive on the same day then you will be so advised and have the opportunity to have your funds returned or to supplement your bid. The "losing bidder" will have their funds returned. Payment to the State without payment to me or vice versa will not qualify the bid – payment to both will be required.

There was just now a bit of confusion between me and my cousin where she emailed you her wiring instructions. That is so I may distribute to her the proceeds belonging to her. Please disregard her wiring instructions and send both my payment and her payment to me. Attached is my trust fund wiring instructions. I will ask her to please confirm, via email, that she wants her payment to go to me.

To make payment to the State please overnight or mail asap to:

Texas General Land Office
Stephen F. Austin Office Building
1700 N. Congress Ave., Room 800
Austin, TX 78701
Direct Dial – (512) 475-1534

Thank you very much for your time and cooperation in this matter.

Weldon L. Moore, III
Sussman & Moore, LLP
8333 Douglas Avenue, Suite 1525
Dallas, Texas 75225
214-378-8270 x205
214-378-8290 Facsimile

Drew Reid - Section 6, Block 57, Twp 7

From: "J.D. Smith" <JDSmith@TexasCountyExp.com>
To: Drew Reid <Drew.Reid@GLO.STATE.TX.US>
Date: 1/24/2011 4:54 PM
Subject: Section 6, Block 57, Twp 7
CC: Weldon Moore <wmoore@csmlaw.net>

Mr. Reid

I would like to make a Bona Fide offer for this tract of $475 & 1/4 royalty w/ a delay rental for the 4th year for a like amount. If possible could you please confirm this amount and send me wiring instructions to finalize this lease.

Thanks

J.D. Smith
Land Manager
TEXAS COUNTY EXPLORATION CORP.
601 N. Marienfeld, Suite 310
Midland, TEXAS 79701
Phone: (432) 517-0466
Fax: (432) 897-4677

Drew Reid - Status of Reeves County Lease

From: Weldon Moore <wmoore@csmlaw.net>
To: "drew.reid@glo.state.tx.us" <drew.reid@glo.state.tx.us>
Date: 1/27/2011 3:01 PM
Subject: Status of Reeves County Lease
CC: Judy Moore <judys_moore@sbcglobal.net>

Drew:

I just spoke to JD. He's going to try to wire us my cousin's and my payment today although the 3 pm cut off is looming. I will let you know if the payment makes it here today. He says he's going to Fed Ex you the State's check for tomorrow delivery. Ponder what we will do if Miller pays us tomorrow. When I was speaking to him Monday, Doug Miller said we would get paid Friday if we didn't get paid Wednesday (we didn't get paid yesterday) so we may have the payment for both proposed leases showing up tomorrow on the same day.

NOTE: AS OF FRIDAY, JUNE 25, 2010, OUR NEW ADDRESS IS 8333 DOUGLAS AVENUE, SUITE 1525, DALLAS, TEXAS 75225. PHONE NUMBER AND FAX NUMBER REMAIN THE SAME.

Weldon L. Moore, III
Sussman & Moore, LLP
8333 Douglas Avenue, Suite 1525
Dallas, Texas 75225
214-378-8270 x205
214-378-8290 Facsimile

(3)

File No. 112109

Cover Letter & Bonus & Fees

Date Filed: 1/28/11

Jerry E. Patterson, Commissioner

By GH

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

February 24, 2012

Micah Strother
Petrohawk Properties
333 Texas, Suite 400
Shreveport, LA 71101

Re: **State Lease MF 112109**

RAL Lease dated February 8, 2011 recorded in Vol. 867, Pg. 414, covering 718 ac being Sec. 6, Blk. 57, T-7, T&P RR Co. Survey, Reeves Co., TX, Weldon L. Moore, III & Judith S. Moore, agents for State of TX, Lessors

Dear Mr. Strother:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-112109. Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

There are several contractual and statutory responsibilities for the Lessee which are material provisions of the lease as outlined in the agreement such as Section 10(B) which requires submission of written notice for all drilling, production and related activities. When forms are filed with the Texas Railroad Commission, they are required to be submitted to the General Land Office as well. Examples are W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Report; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; electric logs; directional surveys.

Chapter 52 of the Texas Natural Resources Codes specifies that the surface owner's right to receive a portion of the revenues generated by the lease shall be in lieu of all damages to the soil. Therefore, any payments made for surface use or damages other than the authorized damages set out in the lease form must be shared equally with the state.

Of the remittance by Lone Star Oil & Gas **$170,884.00** has been applied to the State's portion of the cash bonus, and **$100** has been applied to the processing fee. We have no record of having received the $25.00 filing fee which we request you send as soon as possible.

Sincerely yours,

Drew Reid
Mineral Leasing, Energy Resources
(512) 475-1534
drew.reid@glo.texas.gov

c: Zach Cauthen, Lone Star Oil & Gas, PO Box 2696, Midland, Texas 79702

(4)

File No. 112109

Final Letter

Date Filed: 2/24/12

Jerry E. Patterson, Commissioner

By GH

TEXAS GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 19, 2011

Paula Robertson
John L. Robertson
PO Box 1524
Carthage, TX 75633

RE: GLO Assignment ID # 7986

Dear Ms. Robertson,

The General Land Office received the following instrument(s) and has filed them in the appropriate files. Please see attached "Exhibit A" for reference.

> Partial Assignment of Oil, Gas and or Mineral Leases, executed March 31st, 2011, from Lone Star Oil & Gas, Inc., as Assignor to Petrohawk Properties, LP, as Assignee. Reeves Co. Vol. 883 P. 570.

Filing fees of $50.00 were received in connection with the above lease. If you have any questions, please feel free to call me at (800) 998-4GLO, or at my direct number at (512) 463-6521.

Sincerely,

Beverly Boyd

Beverly Boyd
Mineral Leasing
Energy Resources
512-463-6521

Exhibit "A"

GLO ID	*County*	*Lease*
7986		
7986	*Reeves*	MF112109 ✓
7986	*Reeves*	MF112191 x 4 ✓
7986	*Reeves*	MF112192
7986	*Reeves*	MF112193

JOHN L. ROBERTSON
P.O. BOX 1524, CARTHAGE, TEXAS 75633
P.O. BOX 1600, JASPER, TEXAS 75951
(903) 693-6262 CARTHAGE (409) 383-0817 JASPER

August 8, 2011

General Land Office
1700 N. Congress Ave.
Austin, Tx 78701

Attn: Ms. Beverly Boyd

Re: Assignment of Oil, Gas and Mineral Lease
Reeves County, Texas

Ms. Boyd:

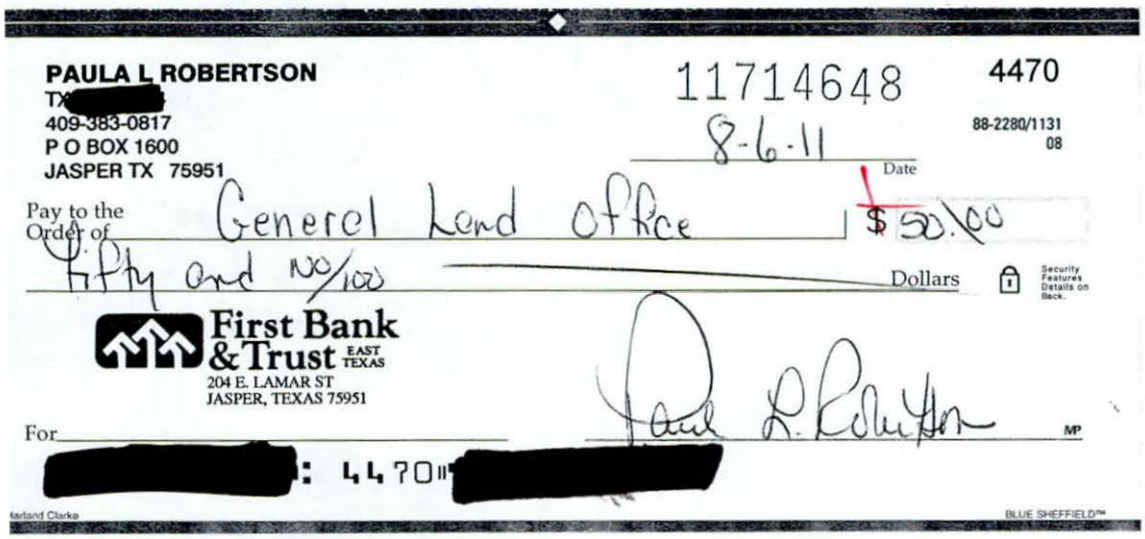
Enclosed please find Partial Assignment of Oil, Gas and Mineral Leases between Lone Star Oil & Gas, Inc. and Petrohawk Properties, LP covering seven (7) GLO Leases in Reeves County, Texas, a copy of each which is also attached. Also enclosed is our check in the amount of $50.00 to cover the cost of processing same.

Should you have any questions, please do not hesitate to contact me at the address above.

Sincerely,

JOHN L. ROBERTSON

Paula L. Robertson, cpl



PAULA L ROBERTSON
TX [redacted]
409-383-0817
P O BOX 1600
JASPER TX 75951

11714648

4470

88-2280/1131
08

8-6-11
Date

Pay to the Order of: Generel Land office

$ 50.00

Fifty and NO/100 Dollars

Security Features Details on Back.

First Bank & Trust EAST TEXAS
204 E. LAMAR ST
JASPER, TEXAS 75951

For

Paul L Robertson

MP

[redacted] : 4470 [redacted]

Harland Clarke

BLUE SHEFFIELD™

189

BOOK 883 PAGE 570

FILE# 3671

True and Correct copy of Original filed in Reeves County Clerks Office

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.

PARTIAL ASSIGNMENT OF OIL, GAS AND/OR MINERAL LEASES

THE STATE OF TEXAS §

COUNTY OF REEVES §

This Partial Assignment of Oil, Gas and/or Mineral Leases (this "***Assignment***") is made, entered into and effective this 31st day of March, 2011, by and between Lone Star Oil & Gas, Inc., a Texas corporation, whose address is P. O. Box 2696, Midland, Texas 79702 (hereinafter called "***Assignor***"), and Petrohawk Properties, LP, a Texas limited partnership ("***Assignee***"), whose address is 1000 Louisiana, Suite 5600, Houston, TX 77002.

NOW, THEREFORE, in consideration of the sum of One Hundred and No/100 ($100.00) Dollars, cash in hand paid, and of other good and valuable considerations, the receipt, adequacy and sufficiency of which are hereby acknowledged, Assignor does hereby convey, assign, transfer, sell, set-over and deliver to Assignee, an undivided eighty-five percent (85%) interest in and to the oil, gas and/or mineral leases ("***Leases***") described on Exhibit "A" (the "***Transferred Leases***"), subject to that specific Assignment of Overriding Royalty Interest by and between Lone Star Oil & Gas, Inc., and Sapphire Royalties, Inc., et al, dated March 30th, 2011, and filed in volume 97 page 45 of the Official Public Records of Reeves County, Texas.

TO HAVE AND TO HOLD the Transferred Leases, with all rights thereunder and incident thereto, unto Assignee, its successors and assigns, forever.

This Assignment is made and accepted with warranty of title by, through and under Assignor but not otherwise. Provided, further, that Assignee shall have full rights of substitution of the rights of Assignor and its predecessors-in-title, in and to all warranties and covenants heretofore given by others in respect to the Transferred Leases. The provisions of this Assignment shall be binding upon, and shall inure to the benefit of the heirs, successors and assigns of Assignor and Assignee.

The Transferred Leases are subject to the terms and conditions expressed in the Joint Development Agreement between Assignor and Assignee dated January 6th, 2011.

Assignee accepts Assignee's undivided interest in the Transferred Leases herein assigned and conveyed by Assignor expressly subject to the terms, conditions and provisions of the Transferred Leases and Assignee hereby agrees to bear Assignee's proportionate share of all duties, liabilities and obligations under each of the respective Transferred Leases.

This instrument may be executed in counterpart form and all parties executing the same authorize Assignee to combine all signature and acknowledgement pages into a single instrument for purposes of recordation.

Executed this 31st day of March, 2011.

ASSIGNOR:

LONE STAR OIL & GAS, INC.

By: _____

Name: James E. Cauthen
Title: President

True and Correct
copy of
Original filed in
Reeves County
Clerks Office

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 31st day of March, 2011, by James E. Cauthen, President of Lone Star Oil & Gas, Inc., on behalf of said corporation.

MARY ANN CATHEY
MY COMMISSION EXPIRES
October 17, 2011

Mary Ann Cathey
Notary Public, State of Texas

My Commission Expires: 10-17-11

ASSIGNEE:

PETROHAWK PROPERTIES, LP
By: P-H Energy, LLC, Its General Partner

By: _____

Name: D. R. Deffenbaugh
Title: Vice President - Land

STATE OF OKLAHOMA §

COUNTY OF TULSA §

This instrument was acknowledged before me on the 12th day of May, 2011, by D. R. Deffenbaugh, VP-Land of P-H Energy, LLC, General Partner of Petrohawk Properties, a Texas Limited Partnership, on behalf of said partnership.

RITA KAY WALKER
NOTARY
04007821
EXP. 08/27/12
PUBLIC
STATE OF OKLAHOMA

Rita Kay Walker
Notary Public, State of Oklahoma

My Commission Expires: _____

True and Correct copy of Original filed in Reeves County Clerks Office

EXHIBIT "A"

Attached to and made a part of that certain Partial Assignment of Oil, Gas and/or Mineral Leases by and between Lone Star Oil & Gas, Inc., as Assignor and Petrohawk Properties, LP, as Assignee, dated March 31st, 2011 but effective as of January 6th, 2011 covering lands in Reeves County, Texas.

Don Weinacht Lease #2 – 8,569.031 Gross Acres

Instrument: Recording Memorandum of Oil and Gas Lease
Date: January 3, 2011
Lessor: Don Weinacht, LP by D & E V Bar, LLC, its General Partner, c/o Don Weinacht, Manager
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 866, Page 504, Official Public Records of Reeves County, Texas
Description:

BBB&C RR Co. Survey

- A tract of 10.25 acres out of Section 258, being the W/2 of Tract 33, Swenson Land Co. Subdivision of Section 258, further described in Deed recorded Volume 69, Page 455, Deed Records Reeves County, Texas, containing 10.25 acres, more or less.
- The Southeast Half of Sub-Block 34 of Section 258, as described in Sheriff's Deed to L. A. Weinacht recorded in Volume 81, Page 397, Deed Records, of Reeves County, Texas, containing 10 acres, more or less

Block 13, H&GN RR Co. Survey

- All of Section 67, Save and Except 203.69 acres thereof described by metes and bounds in deed recorded Volume 320, Page 696, Deed Records, Reeves County, Texas, containing 436.31 acres, more or less
- SE/4SW/4 & SW/4SE/4 of Section 78, A-232, containing 80 acres, more or less.
- N/2 of Section 80, A-5766: Save & Except 52 acres thereof conveyed to Reeves County W I D No. 1 in Volume 320, Page 696, Deed Records of Reeves County, Texas, containing 268 acres, more or less
- All of Section 83, A-486, containing 640 acres, more or less
- All of Section 85, A-487, containing 640 acres, more or less
- All of Section 86, A-1795, containing 640 acres, more or less
- All of Section 89, A-489, containing 640 acres, more or less
- All of Section 90, A-1465, containing 640 acres, more or less
- North 1/3 of Section 121, A-503, containing 213.33 acres, more or less
- South 2/3 of Section 121, A-503, containing 426.66 acres, more or less
- All of Section 123, A-504, containing 640 acres, more or less
- All of Section 124, A-5676, containing 640 acres, more or less
- All of Section 125, A-273, All, Save & Except 144 acres in the North side of the NE/4 as described in the Deed Records of Reeves County in Volume 146 Page 1441, containing 496 acres, more or less
- The North 220 acres of the E/2 of Section 118, thereof described in Patent recorded in Volume 5, Page 443, Patent Records, Reeves County, Texas, containing 220 acres, more or less
- W/2NW/4, of Section 128, A-560, Save and Except a tract of 1.019 acres thereof described in Deed recorded in Volume 352, Page 67, Deed Records, Reeves County, Texas, containing 78.981 acres, more or less

Block C-10, Public School Land Survey

- The North part of Section 10, more further described by metes and bounds in a Deed to L.A. Weinacht, as Grantee, dated July 22, 1947, and recorded in Volume 144, Page 439, Deed Records, Reeves County, Texas, containing 280 acres, more or less

Block C-12, Public School Land Survey

- 160 acres out of the West Mid Part of Section 12, more further described in a Deed to L.A. Weinacht dated January 4, 1949, and recorded in Volume 130, Page 211, Deed Records, Reeves County, Texas, containing 160 acres, more or less
- 79.2 acres in West part of Section 12, more further described in a Deed to L.A. Weinacht dated January 4, 1949, and recorded in Volume 130, Page 211, Deed Records, Reeves County, Texas, containing 79.2 acres, more or less

Block C-15, Public School Land Survey

- All of Section 24, containing 640 acres, more or less
- The South 333 acres of Section 25, containing 333 acres, more or less
- All of Section 26, Save and Except the West 282.7 acres thereof conveyed to McCoy Land & Cattle Company, Volume 525, Page 645, OPR Reeves County, Texas, containing 357.3 acres, more or less

True and Correct copy of Original filed in Reeves County Clerks Office

Balmorhea Ranches Lease #1 – 1,720 Gross Acres

Instrument: Oil and Gas Lease
Date: February 1, 2011
Lessor: Balmorhea Ranches, Inc., a Texas Corporation
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 313, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- SE/4SE/4 of Section 77, containing 40 acres, more or less
- E/2SW/4 of Section 92, containing 80 acres, more or less
- SE/4SW/4 of Section 116, containing 40 acres, more or less
- E/2NE/4 & SE/4SW/4 of Section 117, containing 120 acres, more or less
- E/2 of Section 126, containing 320 acres, more or less
- All of Section 127, containing 640 acres, more or less
- S/2 & NE/4 of Section 164, containing 480 acres, more or less

*** The above described Tracts are more fully described by metes and bounds in the public records of Reeves County, Texas; in that certain Warranty Deed, by and between, James C. Wilson, Trustee to Balmorhea Ranches, Inc., and recorded in Volume 97, Page 102, and further described in that certain Warranty Deed, by and between, Balmorhea Ranches, Inc., to Spanish Trail Land and Cattle Company, in Volume 721, Page 209, also filed in the public records of Reeves County, Texas.

Balmorhea Ranches Lease #2 – 2,466.9 Gross Acres

Instrument: Oil and Gas Lease
Date: February 1, 2011
Lessor: Balmorhea Ranches, Inc., a Texas Corporation
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 324, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- All of Section 81, save and except 93.1 acre tract out of N/2, containing 546.9 acres, more or less
- All of Section 82, containing 640 acres, more or less
- All of Section 87, containing 640 acres, more or less
- All of Section 88, containing 640 acres, more or less

*** The above described Tracts are more fully described by metes and bounds in the public records of Reeves County, Texas; in that certain Warranty Deed, by and between, James C. Wilson, Trustee to Balmorhea Ranches, Inc., and recorded in Volume 97, Page 102, and further described in that certain Warranty Deed, by and between, Balmorhea Ranches, Inc., to Spanish Trail Land and Cattle Company, in Volume 721, Page 209, also filed in the public records of Reeves County, Texas.

Balmorhea Ranches Lease #3 – 3,693.55 Gross Acres

Instrument: Oil and Gas Lease
Date: February 1, 2011
Lessor: Balmorhea Ranches, Inc., a Texas Corporation
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 335, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- 14.9 acres North of the Hwy in Section 20, containing 14.9 acres, more or less
- Sub Blocks 36-47 in Section 26, containing 519.18 acres, more or less
- Sub Blocks 82-114 in Section 37, containing 229.88 acres, more or less
- Sub Blocks 81, 220 & 224 in Section 38, containing 87.56 acres, more or less

Block C-15, Public School Land Survey

- N/2 of Section 25, containing 326.5 acres, more or less

BBB&C RR Co. Survey

- 133.72 acres out of Section 257, 133.72 acres, more or less
- 85.73 acres out of Section 258, containing 85.73 acres more or less
- 270.44 acres out of Section 259, containing 270.44 acres more or less
- 256.1 acres out of Section 260, containing 265.1 acres, more or less

Daniel Murphy Survey

- 651.78 acres out of Section 625, containing 651.78 acres, more or less

Antonio Balle Survey

- 573.01 acres out of Section 256, containing 573.01 acres, more or less

G.B. Lyle Survey

- All of Section 46, containing 116.63 acres, more or less

J.H. Harbert Survey, A-1100

- All, containing 160 acres, more or less

True and Correct copy of Original filed in Reeves County Clerks Office

Jesus Aquirre

- 78.72 acres out of Jesus Aquirre Survey, containing 78.72 acres, more or less

C.W. Giffen Survey

- 189.4 acres out of C.W. Giffen Survey, containing, 189.4 acres, more or less

*** The above described Tracts are more fully described by metes and bounds in the public records of Reeves County, Texas; in that certain Warranty Deed, by and between, James C. Wilson, Trustee to Balmorhea Ranches, Inc., and recorded in Volume 97, Page 102, and further described in that certain Warranty Deed, by and between, Balmorhea Ranches, Inc., to Spanish Trail Land and Cattle Company, in Volume 721, Page 209, also filed in the public records of Reeves County, Texas.

Balmorhea Ranches Lease #4 – 2,560 Gross Acres

Instrument: Oil and Gas Lease
Date: February 1, 2011
Lessor: Balmorhea Ranches, Inc., a Texas Corporation
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 383, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- All of Section 102, containing 640 acres, more or less
- All of Section 103, containing 640 acres, more or less
- All of Section 104, containing 640 acres, more or less
- All of Section 122, containing 640 acres, more or less

***The above described Tracts are more fully described by metes and bounds in the public records of Reeves County, Texas; in that certain Warranty Deed, by and between, James C. Wilson, Trustee to Balmorhea Ranches, Inc., and recorded in Volume 97, Page 102, and further described in that certain Warranty Deed, by and between, Balmorhea Ranches, Inc., to Spanish Trail Land and Cattle Company, in Volume 721, Page 209, also filed in the public records of Reeves County, Texas.

Balmorhea Ranches Lease #5 – 2,612 Gross Acres

Instrument: Oil and Gas Lease
Date: February 1, 2011
Lessor: Balmorhea Ranches, Inc., a Texas Corporation
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 394, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- 638.2 acres out of Section 52, containing 638.2 acres, more or less
- E/2 of Section 53, containing 320 acres, more or less
- All of Section 54, save and except 69.5 acres, containing 570.5 acres, more or less
- S/2 & NE/4 of Section 122, save and except 183.3 acres, containing 296.7 acres, more or less
- 146.6 acres out of the S/2 of Section 80, containing 146.6 acres, more or less
- All of Section 84, containing 640 acres, more or less

***The above described Tracts are more fully described by metes and bounds in the public records of Reeves County, Texas; in that certain Warranty Deed, by and between, James C. Wilson, Trustee to Balmorhea Ranches, Inc., and recorded in Volume 97, Page 102, and further described in that certain Warranty Deed, by and between, Balmorhea Ranches, Inc., to Spanish Trail Land and Cattle Company, in Volume 721, Page 209, also filed in the public records of Reeves County, Texas.

Clifford P. Robertson, III Fee Lease – 599 Gross Acres

Instrument: Oil, Gas and Mineral Lease
Date: February 11, 2011
Lessor: Clifford P. Robertson, III, Individually and as Trustee of the Clifford P. Robertson, III Revocable Trust Dated November 10, 1986, as Amended
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 753, Official Public Records of Reeves County, Texas
Description: **Block 55, Township 7, T&P RR Co. Survey**

- S/2 & NW/4 of Section 6, containing 519 acres, more or less

Block C-8, Public School Land Survey

- West 80 Acres of Section 7, containing 80 acres, more or less

True and Correct copy of Original filed in Reeves County Clerks Office

Clifford P. Robertson, III Mineral Classified Lease – 352 Gross Acres

MF 112193

Instrument:	Relinquishment Act Lease Form
Date:	February 11, 2011
Lessor:	State of Texas acting by and through its agent, Clifford P. Robertson, III, Individually and as Trustee of the Clifford P. Robertson, III Revocable Trust Dated November 10, 1986, as Amended
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 867, Page 729, Official Public Records of Reeves County, Texas
Description:	**Block 55, Township 7, T&P RR Co. Survey**
	• N/2 of Section 8, containing 352 acres, more or less

Charles Hinkle Lease – 345 Gross Acres

Instrument:	Oil, Gas and Mineral Lease
Date:	January 26, 2011
Lessor:	Charles Hinkle
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 866, Page 498, Official Public Records of Reeves County, Texas
Description:	**Block 55, Township 7, T&P RR Co. Survey**
	• S/2 of Section 20, containing 345 acres, more or less

Janet Hinkle Lambert Lease – 345 Gross Acres

Instrument:	Oil, Gas and Mineral Lease
Date:	January 26, 2011
Lessor:	Janet Hinkle Lambert
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 866, Page 495, Official Public Records of Reeves County, Texas
Description:	**Block 55, Township 7, T&P RR Co. Survey**
	• S/2 of Section 20, containing 345 acres, more or less

Willard Bently Gwyn, III Mineral Classified Lease – 170.4 Gross Acres

MF 112192

Instrument:	Relinquishment Act Lease Form
Date:	February 9, 2011
Lessor:	State of Texas acting by and through its agent, Willard Bently Gwyn, III
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 867, Page 346, Official Public Records of Reeves County, Texas
Description:	**Block 55, Township 7, T&P RR Co. Survey**
	• SW/4 of Section 8, containing 170.4 acres, more or less

Kathleen Hartley & Betty Hamm Lease – 560 Gross Acres

Instrument:	Oil, Gas and Mineral Lease
Date:	January 1, 2011
Lessor:	Kathleen Wood Hartley and Betty Marie Hamm, Trustee of the Betty M. Hamm Trust dated March 2, 1998
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 863, Page 430, Official Public Records of Reeves County, Texas
Description:	**Block C-8, Public School Land Survey**
	• East 7/8ths of Section 7, A-3334, containing 560 acres, more or less

Dennis L. Forbess & Ella L. Forbess Lease – 640 Gross Acres

Instrument:	Oil, Gas and Mineral Lease
Date:	November 15, 2010
Lessor:	Dennis L. Forbess and wife, Ella L. Forbess
Lessee:	Colossal Energy, LLC
Recorded:	Volume 863, Page 414, Official Public Records of Reeves County, Texas
Description:	**Block 13, H&GN RR Co. Survey**
	• All of Section 113, containing 640 acres, more or less

True and Correct copy of Original filed in Reeves County Clerks Office

Richard E. Forbess & Carmella B. Forbess Lease – 640 Gross Acres

Instrument: Oil, Gas and Mineral Lease
Date: November 15, 2010
Lessor: Richard E. Forbess and wife, Carmella B. Forbess
Lessee: Colossal Energy, LLC
Recorded: Volume 863, Page 416, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- All of Section 113, containing 640 acres, more or less

Ronald A. Forbess & Patricia M. Forbess Lease – 640 Gross Acres

Instrument: Oil, Gas and Mineral Lease
Date: November 15, 2010
Lessor: Ronald A. Forbess and wife, Patricia M. Forbess, Individually and as Trustees of the Forbess Family Trust d/o/e 10/31/94
Lessee: Colossal Energy, LLC
Recorded: Volume 863, Page 412, Official Public Records of Reeves County, Texas
Description: **Block 13, H&GN RR Co. Survey**

- All of Section 113, containing 640 acres, more or less

Weldon L. Moore, III Mineral Classified Lease – 718 Gross Acres

Instrument: Relinquishment Act Lease Form
Date: February 8, 2011
Lessor: State of Texas acting by and through its agent, Weldon L. Moore III, and Judith S. Moore ✓
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 414, Official Public Records of Reeves County, Texas MF112109
Description: **Block 57, Township 7, T&P RR Co. Survey**

- All of Section 6, containing 718 acres, more or less

Jocelyn M. Greeman Mineral Classified Lease – 710.6 Gross Acres

Instrument: Relinquishment Act Lease Form
Date: February 8, 2011
Lessor: State of Texas acting by and through its agent, Jocelyn M. Greeman ✓ MF112191
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 356, Official Public Records of Reeves County, Texas
Description: **Block 57, Township 7, T&P RR Co. Survey**

- All of Section 14, containing 710.6 acres, more or less

Walter Charles Greeman Mineral Classified Lease – 710.6 Gross Acres

Instrument: Relinquishment Act Lease Form
Date: February 8, 2011
Lessor: State of Texas acting by and through its agent, Walter Charles Greeman ✓ MF112191
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 374, Official Public Records of Reeves County, Texas
Description: **Block 57, Township 7, T&P RR Co. Survey**

- All of Section 14, containing 710.6 acres, more or less

Adelia M. Burris Mineral Classified Lease – 710.6 Gross Acres

Instrument: Relinquishment Act Lease Form
Date: February 8, 2011
Lessor: State of Texas acting by and through its agent, Adelia M. Burris ✓ 112191
Lessee: Lone Star Oil & Gas, Inc.
Recorded: Volume 867, Page 365, Official Public Records of Reeves County, Texas
Description: **Block 57, Township 7, T&P RR Co. Survey**

- All of Section 14, containing 710.6 acres, more or less

True and Correct
copy of
Original filed in
Reeves County
Clerks Office

Tammy Jo Hays Mineral Classified Lease – 710.6 Gross Acres

Instrument:	Relinquishment Act Lease Form
Date:	February 8, 2011
Lessor:	State of Texas acting by and through its agent, Tammy Jo Hays ✓ 112191
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 867, Page 405, Official Public Records of Reeves County, Texas
Description:	**Block 57, Township 7, T&P RR Co. Survey**

- All of Section 14, containing 710.6 acres, more or less

Nancy Lethco Hayter, Trustee of Trust A Lease – 1,200 Gross Acres

Instrument:	Oil and Gas Lease Agreement
Date:	January 14, 2011
Lessor:	Nancy Lethco Hayter, Trustee of Trust A, f/b/o Barron Bishop Moore
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 867, Page 739, Official Public Records of Reeves County, Texas
Description:	**Block C-14, Public School Land Survey**

- All of Section 17, containing 640 acres, more or less
- S/400 Acres of Section 22, containing 400 acres, more or less

Block 13, H&GN RR Co. Survey

- S/2N/2 of Section 22, containing 160 acres, more or less

Hershel Case McDonald, Jr., et al Lease – 480.5 Gross Acres

Instrument:	Oil and Gas Lease Agreement
Date:	January 3, 2011
Lessor:	Hershel Case McDonald, Jr., et al
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 867, Page 708, Official Public Records of Reeves County, Texas
Description:	**Block C-14, Public School Land Survey**

- East Part of Section 24, A-1244, containing 480.5 acres, more or less

Gropp / Van Meter Lease – 714.9 Gross Acres

Instrument:	Oil, Gas and Mineral Lease
Date:	February 15, 2011
Lessor:	Leslie E. Van Meter II, et al
Lessee:	Lone Star Oil & Gas, Inc.
Recorded:	Volume 870, Page 06, Official Public Records of Reeves County, Texas
Description:	**Block 56, Township 7, T&P RR Co. Survey**

- All of Section 12, containing 714.9 acres, more or less

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

FILE# 3671

FILED FOR RECORD ON THE 6TH DAY OF JUNE A.D. 2011 2:50 P.M.

DULY RECORDED ON THE 14TH DAY OF JUNE A.D. 2011 9:00 A.M.

BY: _____ DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

(5)

File No. 112109

Assignment

Date Filed: 8/9/11

Jerry E. Patterson, Commissioner

By GH

CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF REEVES

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 883, PAGE 570, THRU 577 OFFICIAL PUBLIC RECORD

I hereby certified on 08/03/11

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Norma Chavez DEPUTY

NORMA CHAVEZ

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

Sent To

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

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

mportant Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. Fo valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof o delivery. To obtain Return Receipt service, please complete and attach a Retur Receipt (PS Form 3811) to the article and add applicable postage to cover th fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver fo a duplicate return receipt, a USPS® postmark on your Certified Mail receipt i required.
- For an additional fee, delivery may be restricted to the addressee o addressee's authorized agent. Advise the clerk or mark the mailpiece with th endorsement *"Restricted Delivery"*.
- If a postmark on the Certified Mail receipt is desired, please present the arti cle at the post office for postmarking. If a postmark on the Certified Ma receipt is not needed, detach and affix label with postage and mail.

MPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 *(Reverse)* PSN 7530-02-000-9047

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STEVE MAHANAY
SENIOR MANAGER LAND – PERMIAN PROD. UNIT
BHP BILLITON PETROLEUM (AMERICAS) INC
1360 POST OAK BOULEVARD SUITE 150
HOUSTON TEXAS 77056-3030

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) Enrique C. Date of Deliver

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandis
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number
(Transfer from service label) 7011 1150 0001 2416 4134

UNITED STATES POSTAL SERVICE

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

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

03111
MF 112109
LINDA PRICE, 845-E
TEXAS GENERAL LAND OFFICE
PO BOX 12873
AUSTIN, TX 78711-2873

TEXAS GENERAL LAND OFFICE
JERRY PATTERSON, COMMISSIONER

June 12, 2014

Steve Mahanay
Senior Manager Land – Permian Production Unit
BHP Billiton Petroleum (Americas) Inc.
1360 Post Oak Boulevard, Suite 150
Houston, Texas 77056-3030
(Via CMRR #: 7011 1150 0001 2416 4134)

RE: State Lease MF112109 RAL Lease dated February 8, 2011
718 acres, Section 6, Block 57, Township 7, T&P RR Co. Survey
Reeves County, Texas
Weldon L. Moore III, et al, agents for State of Texas

Dear Mr. Mahanay:

Our records indicate that the referenced lease has terminated due to failure to pay the fourth-year delay rentals due on or before February 8, 2014.

You have 30 days from the receipt of this letter in which to present evidence and convince the General Land Office that the termination has not occurred. If such evidence has not been presented at the expiration of the 30-day period, the mineral file shall be endorsed "terminated."

Upon termination and pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, along with a filing fee of $25.00, to be sent to my attention.

Please contact me if you have any questions.

Sincerely,

Linda Price, RL
Energy Resources, Mineral Leasing
512-463-5118
512-475-1543 (fax)
linda.price@glo.texas.gov

USPS Tracking™

Customer Service ›
Have questions? We're here to help.

Tracking Number: **70111150000124164134**

Product & Tracking Information

Postal Product:

Features:
Certified Mail™

DATE & TIME	STATUS OF ITEM	LOCATION
June 16, 2014 , 10:31 am	Delivered	**HOUSTON, TX 77056**
Your item was delivered at 10:31 am on June 16, 2014 in HOUSTON, TX 77056		
June 14, 2014 , 8:17 am	Out for Delivery	HOUSTON, TX 77057
June 14, 2014 , 8:07 am	Sorting Complete	HOUSTON, TX 77057
June 14, 2014 , 7:19 am	Arrival at Unit	HOUSTON, TX 77057
June 14, 2014 , 2:25 am	Depart USPS Sort Facility	HOUSTON, TX 77201
June 14, 2014 , 2:19 am	Processed through USPS Sort Facility	HOUSTON, TX 77201
June 13, 2014 , 3:57 pm	Processed through USPS Sort Facility	HOUSTON, TX 77201
June 13, 2014 , 2:44 am	Depart USPS Sort Facility	AUSTIN, TX 78710
June 12, 2014 , 9:27 pm	Processed through USPS Sort Facility	AUSTIN, TX 78710

Available Actions

Text Updates

Email Updates

Track Another Package

What's your tracking (or receipt) number?

Track It

USPS.COM Copyright© 2014 USPS. All Rights Reserved.

File No. MF112109 (6)
Termination Letter

Date Filed: 06/12/2014
Jerry E. Patterson, Commissioner
By

14-07418
FILED FOR RECORD
REEVES COUNTY, TEXAS
Aug 15, 2014 at 10:51:00 AM

Prepared by and after recording please return to:
BHP BILLITON PETROLEUM
1360 Post Oak Boulevard, Suite 150
Houston, TX 77056-3030
Attn: Griffin McDonald

RELEASE OF OIL AND GAS LEASE

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

WHEREAS, The State of Texas, acting by and through its agent, Weldon L. Moore III and Judith S. Moore, whose address is 5909 Richmond Ave., Dallas, TX 75206, herein called ("Lessor"), and Lone Star Oil & Gas, Inc., "Lessee", made and entered into that certain Oil and Gas Lease dated effective February 8, 2011, covering and affecting 718.00 acres, more or less, being All of Section 6, Block 57, Township 7, T&P RR Co. Survey, Reeves County, Texas, which Lease is recorded in Book 867, Page 414 as instrument no. 874 of the Official Public Records of Reeves County, Texas (the "Lease"); and

WHEREAS, BHP Billiton Petroleum Properties (N.A.), LP formerly known as PETROHAWK PROPERTIES, LP, whose current address is 1360 Post Oak Blvd., Suite #150, Houston, Texas, 77056-3030, succeeded to all rights, title and interest of Lessee under the Lease as evidenced by the following Partial Assignment of Oil, Gas and/or Mineral Leases:

- Lone Star Oil & Gas, Inc. to Petrohawk Properties, LP, dated effective March 31, 2011, recorded in Book 883, Page 570 as instrument no. 3671 of the Official Public Records of Reeves County, Texas; and,

WHEREAS, the Lease has expired by its own terms and BHP Billiton Petroleum Properties (N.A.), LP, desires to release the Lease of record.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, Lessee does hereby release, relinquish and surrender all right, title and interest in the Lease to Lessor, its successors and assigns.

STATE OF TEXAS REEVES COUNTY

True and Correct copy of Original filed in Reeves County Clerks Office

IN WITNESS WHEREOF, this instrument is executed on the date of acknowledgment, but is effective as of February 8, 2014.

BHP Billiton Petroleum Properties (N.A.), LP,
Formerly known as Petrohawk Properties, LP,
By: BHP Billiton Petroleum Properties (GP), LLC,
Its General Partner

By: _____
Stephen L. Mahanay
Attorney-In-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
§
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the 31st day of July, 2014, by **Stephen L. Mahanay**, as Attorney-in-Fact of **BHP Billiton Petroleum Properties (N.A.), LP**, formerly known as Petrohawk Properties, LP, **By: BHP Billiton Petroleum Properties (GP), LLC**, Its General Partner, a Texas limited liability company, on behalf of said limited partnership.

Witness my hand and official seal:

ESTELA NAVARRO
Notary Public, State of Texas
My Commission Expires
September 13, 2016

_____
Notary Public in and for the State of Texas

Printed Name: Estela Navarro

_____

(SEAL)

True and Correct copy of Original filed in Reeves County Clerks Office

Inst No. 14-07418
DIANNE O. FLOREZ
COUNTY CLERK
2014 Aug 15 at 10:51 AM
REEVES COUNTY, TEXAS
By: ER _____, DEPUTY

File No. MF12109 (7)

Release

Date Filed: 09/11/2014

Jerry E. Patterson, Commissioner

By

THE STATE OF TEXAS
COUNTY OF REEVES

I, Dianne O. Florez, Clerk of the County Court in and for said County and State do hereby certify that the foregoing is a true and correct copy of Release of Oil & Gas Lease dated 3-3-11, filed for record in my office this 22nd day of August at 10:51 AM, under Clerk's File No. 14-04113, to be recorded in the Official Public Records of Reeves County, Texas.

TO CERTIFY WHICH, Witness my hand and official seal at Pecos, Texas this 22nd day of August, 2014.

By Elizabeth Ruiz, Deputy.

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

PETROHAWK ENERGY CORPORATION

15205

MF 112109 #25.00 Filing Fee of Release

X 175.00

126

1570688

PETROHAWK ENERGY CORPORATION

15205

bhpbilliton
resourcing the future

PETROHAWK ENERGY CORPORATION
CONTROLLED DISBURSEMENT
P.O. BOX 22719
HOUSTON, TX 77227-9927

AMEGY BANK N.A.
P.O. BOX 27459
HOUSTON, TEXAS 77227-7459

[redacted]

15700688 15205

09/09/14

PAY TO THE ORDER OF COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE $ 175.00

One Hundred Seventy-five and 00 /100 DOLLARS

Details on Back. Security Features Included

VOID IF NOT CASHED WITHIN SIX MONTHS OF ISSUE
NON TRANSFERABLE
OWNER CALL CENTER 1-877-311-1443

MEMO LEASE FILING OBLIGATION - RELEASES

[redacted]

AUTHORIZED SIGNATURE

⑈015205⑈ [redacted]

PETROHAWK ENERGY CORPORATION 15205

SEP 11 2014

126 15700688

PETROHAWK ENERGY CORPORATION 15205

51N311/39287

bhpbilliton
resourcing the future

BHP Billiton Petroleum
Land Administration
P.O. Box 22719
Houston, TX 77227-9927
(877) 311- 1443
petroleumownerrelations
request@bhpbilliton.com

September 10, 2014

Commissioner of the Texas General Land Office
Attn: Linda Price
1700 N Congress Ave
Austin, TX 78701

RE: 7 releases with monetary filing requirement
Owner Name (No.): Commissioner of the Texas GLO (80104210)
County/State: Reeves County, TX

Dear Linda,

Enclosed you will find 3 certified copies of releases that have been filed and recorded in Reeves county. The releases cover a total of 7 leases and I have also included a check for $175.00 for the monetary requirement. The 7 leases are as follows; MF112109, MF113147A&B, MF113148A&B, and MF113149A&B.

If you have any questions, please do not hesitate to contact me at 713-966-8020 or griffin.mcdonald@bhpbilliton.com

Kindest regards,

Griffin McDonald
Associate Lease Analyst

File No. MF112109 (8)

Filing Fee- Release

Date Filed: 09/11/2014

Jerry E. Patterson, Commissioner

By