

MF112895

State Lease Control Base File County
MF112895 65-902205 TARRANT

Survey TARRANT COUNTY ROADS
Block
Block Name
Township
Section/Tract
Land Part
Part Description
Acres 3.5038
Depth Below Depth Above Depth Other
Name CHESAPEAKE EXPLORATION, LLC
Lease Date 7/19/2011
Primary Term 3 yrs
Bonus (\$) \$52,557.00
Rental (\$) \$0.00
Lease Royalty 0.2500

Leasing: N
Analyst: GDW
Maps: _____
GIS: ZG
DocuShare: _____



CONTENTS OF FILE NO. MF- 113895

- | | |
|--|-------------------|
| 1. Lease | 6/24/11 |
| 2. Letter, bonus, & fee | 6/24/11 |
| 3. GLO checklist | 6/24/11 |
| 4. Plat | 6/24/11 |
| 5. Deed | 6/24/11 |
| 6. Mineral owners | 6/24/11 |
| 7. Affidavit | 6/24/11 |
| 8. Leases | 6/24/11 |
| 9. GLO letter | 7/19/11 |
| <u>10. Unit 6001 WATSON SOUTH 10-31-12</u> | |
| <u>Scanned SM 3/12/13</u> | |
| 11. Division Order | 4/8/19 |
| <u>scanned</u> | <u>A 5-3-2019</u> |

The State of Texas

HROW Lease
Revised 8/06



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 112895)
GENERAL LAND OFFICE
AUSTIN, TEXAS

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

1. Lessor, in consideration of **Fifty Two Thousand Five Hundred Seventy Seven and 00/100 (\$ 52,557.00)** receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Tarrant** State of Texas, and is described as follows:

3.5038 of land, more or less, known as, situated in said **Tarrant** County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof together with a plat, attached hereto as Exhibit "B", depicting said right-of-way and surrounding area for purposes of illustration only.

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **3.5038** acres, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **three years, from July 19th, 2011** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

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

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

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

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

(e) If at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check of lessee, as royalty, the sum of **\$ 1,200.00 per well**. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

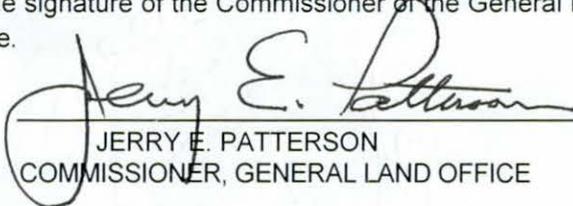
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

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

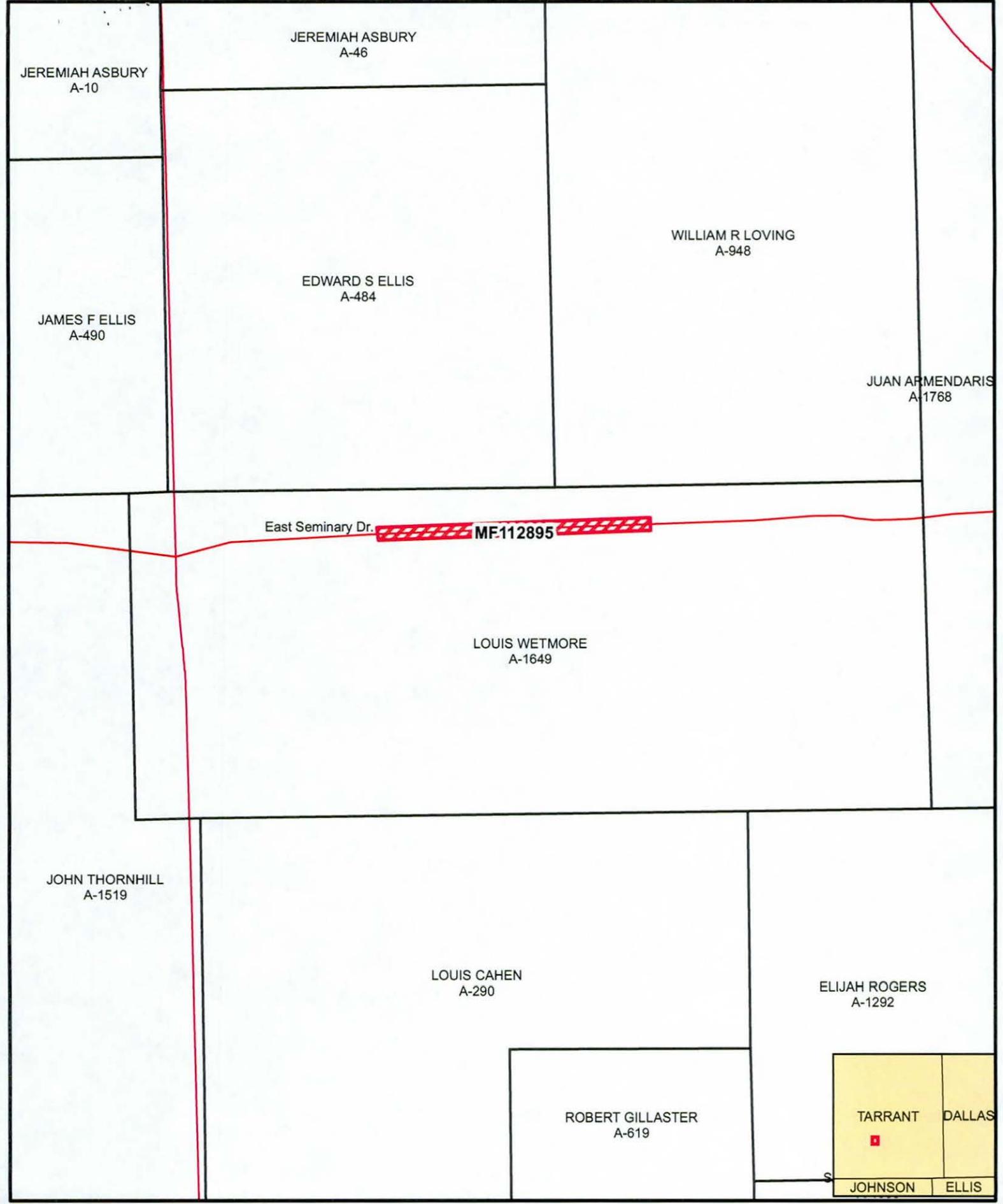
causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall be no less than an amount equal to **double the shut-in royalty**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

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

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


JERRY E. PATTERSON
COMMISSIONER, GENERAL LAND OFFICE

Approved:
ML: 
DC: 
CC: 



Map Showing a Buffer of
 East Seminary Dr.
 3.05038 acres
 Tarrant County



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

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated _____ day of _____, by and between Chesapeake Exploration, L.L.C., as Lessee, and STATE OF TEXAS, c/o General Land Office, as Lessor.

EXHIBIT "A"

3.5038 acres, more or less, situated in the Louis Wetmore Survey, Abstract No. 1649, Tarrant County, Texas, as described in that certain Warranty Deed dated September 25, 1935, from SOUTHWESTERN PORTLAND CEMENT COMPANY to TARRANT COUNTY, recorded in Volume 1267, Page 524, Official Public Records, Tarrant County, Texas.

SIGNED FOR IDENTIFICATION ONLY:

1.
File No. MF113895

Lease

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]



RedSky Land, LLC

An independent contractor authorized to buy oil and gas leases on behalf of Chesapeake Energy Corp. and its subsidiaries.
North Texas Office: 835 SW Alsbury Blvd, Suite H, Burleson, TX 76028-4088 — 817-295-9779 — 817-295-9783 Fax

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

June 15, 2011

Mr. Robert Hatter:

Enclosed in this package is a proposal for a lease of the Minerals under East Seminary Drive-Eastside RR to unit line that is included in Chesapeake Operating, Inc.'s Watson South Unit in Tarrant County. An ownership report is attached as a part of this proposal.

- This lease is for the specific purpose of drilling a horizontal well.
- There is a \$100.00 processing fee check enclosed.
- Payment for consideration in the form of a check from Chesapeake Operating, Inc. in the amount of \$52,620.00 is enclosed.
- There is a \$788.30 sales tax fee check enclosed.
- Surrounding acreage has been previously leased by Chesapeake Energy or they are the successors in interest to the previous lessee. A recorded copy of each lease is enclosed, as well as all related assignments.
- An affidavit stating knowledge of lease bonus payments is also included for leases abutting the highway.
- Maps of the area are included for reference.
- Copies of the deeds wherein the State of Texas acquired its mineral interest are enclosed.

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

Thank you for your attention to this matter,

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

71429

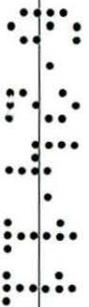
Chesapeake Operating, Inc.

11712349

203321 STATE OF TX

No. 1546644

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
133817	06/15/11	061511A	BARNETT CORE PR LSE BNS 3.5038	52557.00
Total for check				\$52,557.00



121

Chesapeake Operating, Inc.

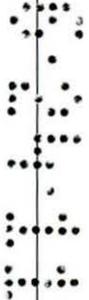
11712351

No. 1536603

203321 STATE OF TX

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
668759	06/07/11	060711	BARNETT CORE PR PROCESSING FEE	100.00
Total for check				\$100.00

121



11490

2,

File No. MF 112895

Letter, bonus, & fee

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]

JJAJ5327

XX



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE
Revised May 2011

LESSEE Chesapeake Exploration, L.L.C.

ADDRESS P.O. Box 18496, Oklahoma City, OK 73154-0496
[Lessee name and address must be written as they will appear on the Lease.]

HIGHEST ADJACENT BONUS PER ACRE PAID \$ 15,000.00

TOTAL CONSIDERATION TO COMMISSIONER OF GENERAL LAND OFFICE

3.508 ^{3.5038} [net acres] \$ 52,620.00 Paid 6/24/11 [date]

owe 1200

TERM 3 yrs (the time remaining on terms of adjoining leases – use longest term remaining not to exceed 3 yrs)

HIGHEST ADJACENT LEASE ROYALTY RATE 25%

HIGHEST ADJACENT LEASE SHUT-IN ROYALTY 1,200/well
[Note: Shut-in royalty will be highest in adjacent leases with a minimum of \$1200/well.]

TOTAL GROSS ACRES IN LEASE 3.508 TOTAL NET ACRES IN LEASE 3.508 ^{3.5038}
3.5038 COUNTY Tarrant

ALL NAMES OF ROAD/HIGHWAY/STREET BEING LEASED:
East Seminary Dr. - Eastside RR to unit line

Do you control all minerals or leasehold adjacent to the highway/roadway? Yes ___ No

Is the highway/roadway on Relinquishment Act Lands? Yes ___ No

The second page of this Application is a Checklist that **must be filled out and all items furnished** before a Highway Right of Way Lease will be prepared.

For questions:
George Martin
Texas General Land Office
1700 N Congress
Austin TX 78701
512-475-1512
george.martin@glo.texas.gov

*Louis Wetmore Survey,
A-1649*



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE

Revised May 2011

CHECKLIST

1. Cover letter
2. Application for Highway Right of Way (HROW) Lease
3. Plat showing boundaries and dimensions of right of way tract with highway/roadway labeled. [This will be used to prepare an exhibit to the lease.]
4. Processing fee – check attached
5. Executed Waivers of Preferential Right to Lease, if necessary.
6. Executed Affidavit of Consideration
7. Copies of all highway deeds, clipped together
8. Copies of adjacent leases, clipped together.
Put tabs on the leases with the highest bonus per acre, highest royalty, highest shut-in royalty and highlight those items on the tabbed page.
9. Exhibit "A" to be attached to the lease describing the area being leased (see Guidelines 8.)
10. Check to Commissioner of General Land Office for total consideration.
11. Check to Commissioner of General Land Office for 1-1/2% sales fee.

Include all the above information in one package and mail or deliver to:

George Martin
Texas General Land Office
1700 N Congress, Suite 840
Austin TX 78701

If you are pooling or unitizing at any time after the State lease has been issued, the following must be provided to the GLO:

1. Filled out Information for Highway Right-of-Way Unit Declaration
2. Copy of recorded unit designation
3. Copy of unit plat

For questions about pooling:

Beverly Boyd
Texas General Land Office
512-463-6521
beverly.boyd@glo.texas.gov

3.

File No. MF112895

old checklist

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]

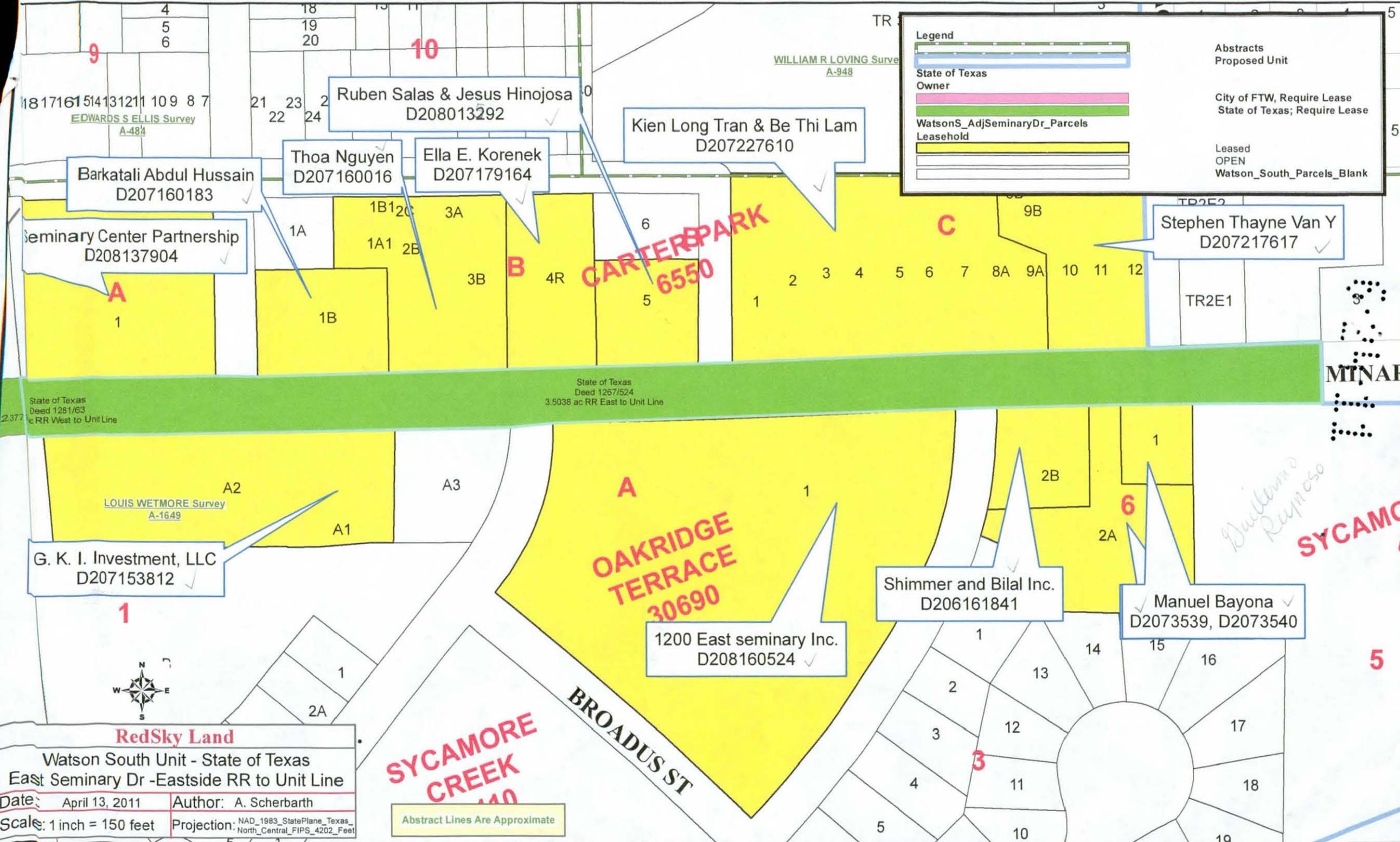
2011

Legend

- State of Texas Owner
- WatsonS_AdjSeminaryDr_Parcel Leasehold

Abstracts Proposed Unit

- City of FTW, Require Lease State of Texas; Require Lease
- Leased
- OPEN
- Watson_South_Parcel_Blank



Abstract Lines Are Approximate

FILED FOR RECORD OCT. 15, 1935 at 10:28 A.M.
 RECORDED FOR RECORD OCT. 16, 1935 at 11:30 A.M.

J. W. (HAPPY) SHELTON
 COUNTY CLERK, TARRANT COUNTY,
 TEXAS.

BY *J. Herman Bugz* DEPUTY

#16143

SOUTHWESTERN PORTLAND CEMENT CO. |
 TO: KELLIS STREET EXT. | STATE OF TEXAS | KNOW ALL MEN BY THESE PRESENTS:
 TARRANT COUNTY | COUNTY OF TARRANT |

That, SOUTHWESTERN PORTLAND CEMENT COMPANY, a corporation organized under the laws of the State of West Virginia, acting herein by its President thereunto duly authorized by a resolution passed by its Board of Directors, for and in consideration of the sum of One Dollar (\$1.00) to it in hand paid by Tarrant County, in cash, the receipt of which is hereby acknowledged, have granted, sold and conveyed, and by these presents do grant, sell and convey unto Tarrant County, State of Texas, all that certain strip or parcel of land, over and across a tract of land, out of the L. Wetmore, J. Armendaris and J. Collett Survey in Tarrant County, Texas, heretofore conveyed to Southwestern Portland Cement Company by John A. Jackson, by deed dated May 19, 1923, and recorded in Vol. 786, page 270, Deed Records of Tarrant County, Texas, and over and across a tract of land out of the J. Armendaris Survey in Tarrant County, Texas, heretofore conveyed to the Southwestern Portland Cement Company by Charles Leithner, by deed dated June 4, 1923, and recorded in Volume 788, Page 47, Deed Records of Tarrant County, Texas, and over and across a tract of land out of the J. Collett Survey in Tarrant County, Texas, heretofore conveyed to Southwestern Portland Cement Company by A.D. Dickinson, by deed dated July 21, 1933, and recorded in Vol. 788, Page 594, Deed Records of Tarrant County, Texas, and over and across a tract of land out of the William Hicks Survey in Tarrant County, Texas, heretofore conveyed to Southwestern Portland Cement Company by G. V. Matthews, by deed dated July 19, 1923, and recorded in Vol. 786, Page 274, Deed Records of Tarrant County, Texas, and over and across a tract of land out of the William Hicks and J. Collett Surveys in Tarrant County, Texas, heretofore conveyed to Southwestern portland Cement Company by W. A. Hyde, by deed dated May 19, 1923, and recorded in Vol. 786, Page 276, Deed Records of Tarrant County, Texas, said strip or parcel of land being more particularly described as follows:

Beginning at a point in the East right of way line of the International and Great Northern Railway, said point being 275-3/10 feet South and 2020-1/10 feet East of the Northwest corner of the L. Wetmore Survey;

THENCE North 88° - 44' East, 1760.9 feet;

THENCE North 83° - 01' East, 100.4 feet;

THENCE North 88° - 44' East, crossing the West line of the J. Armendaris Survey at 1799-8/10 feet, in all 2500 feet to a point;

THENCE South 85° - 33' East, 100-4/10 feet;

THENCE North 88° - 44' East, crossing the West line of the William Hicks Survey, 47-7/10 feet North of its Southwest corner at 812 feet, in all 2277-1/2 feet, to the beginning of a curve to the left having a radius of 5689-65/100 feet;

THENCE along said curve 243-3/10 feet;

THENCE North 86° - 17' East 694-7/10 feet to the Southwesterly right of way line of the Houston and Texas Central Railway;

THENCE South 65° - 51' East along said right of way line, 205-7/10 feet;

THENCE South 86° - 17' West 884-3/10 feet to the beginning of a curve to the right having a radius of 5769.65 feet;

THENCE along said curve 246-7/10 feet;

THENCE South 88° - 44' West 2277- $\frac{1}{2}$ feet;

THENCE South 83° - 01' West crossing the West line of the J. Collett Survey, 46-3/10 feet; South of its Northwest Corner at 45-4/10 feet, in all 100-4/10 feet;

THENCE South 88° - 44' West crossing the East line of the L. Wetmore Survey at 700-2/10 feet, 301- $\frac{1}{2}$ feet South of the Northeast corner of said Survey, in all 2500 feet;

THENCE North 85° - 35' West 100-4/10 feet;

THENCE South 88° - 44' West 1755-1/10 feet to a point in the East right of way line of the International and Great Northern Railway;

THENCE North 5° - 25' West 80-2/10 feet to the place of beginning and containing in all 15.464 acres of land, of which 2.75 acres are embraced in a public road, leaving a net acreage of 12.714 acres.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Tarrant County, and its successors and assigns for Highway purposes forever; and Southwestern Portland Cement Company does hereby bind itself, its successors and assigns, to Warrant and Forever Defend, all and singular, the said premises unto the said Tarrant County, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under it.

It is understood that Tarrant County contemplates the construction of a public road on the land herein described, ~~and the consideration herein described~~, and the consideration hereinabove mentioned includes any damages that might be sustained by the construction of said road to the abutting property owned by grantor, subject to the provisions hereinafter contained.

In further consideration for the lands herein conveyed, the County of Tarrant agrees as follows, to-wit:

1. That if the grantor herein or its assigns shall, in the future, construct upon the land now owned by it and to be traversed or crossed by the highway for which this right of way is given, a plant for the manufacture of Portland Cement, or for any other manufacturing purpose, then the County of Tarrant will, upon request and notification from Southwestern Portland Cement Company or its assigns so to do, construct one underpass under the highway now to be constructed for vehicular traffic, to the end that said Southwestern Portland Cement Company or its assigns may not be denied safe communication between its lands on both sides of said highway; said underpass to be constructed at a point convenient to such manufacturing plant, and to be constructed wholly at the expense of said County of Tarrant; and said Southwestern Portland Cement Company shall not be at any expense in the construction thereof, but will furnish, free of cost to said County, a right of way for the necessary approaches or entrances to said underpass.

2. At the time of the construction of said highway, the said County will construct its drains under said highway, large enough and at such height as to afford passage for stock, and said highway shall be fenced by said County with a standard type of fence, at least as good as

DEED RECORD VOLUME 1267

the fences along the highway now in use.

IN TESTIMONY WHEREOF, witness the hand and seal of the Southwestern Portland Cement Company, this 25th day of September, A. D., 1935.

SEAL SOUTHWESTERN PORTLAND CEMENT COMPANY
ATTEST: BY F. H. POWELL, President.
M.A. HOFFMAN, Secretary

THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

BEFORE ME, the undersigned authority in and for said State and County, on this day personally appeared F. H. Powell known to me to be the person whose name is subscribed to the foregoing instrument as President of Southwestern Portland Cement Company, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation, he being thereunto duly and legally authorized.

Given under my hand and seal of office this 4 day of October, A. D., 1935.

(LS) FLORA B. FORMAN, Notary Public in and for County of Los Angeles, State of California.
My Commission Expires May 24, 1936

FILED FOR RECORD OCT. 15, 1935 at 10:41 A.M.
RECORDED FOR RECORD OCT. 16, 1935 at 2:00 P.M.

J. W. (HAPPY) SHELTON
COUNTY CLERK, TARRANT COUNTY, TEXAS.

BY [Signature] DEPUTY

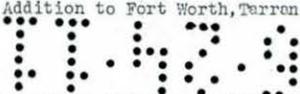
#16145

41P-

THE CITIZENS SAVING & LOAN ASS'N. | STATE OF TEXAS |
TO: W. D. | TARRANT COUNTY | KNOW ALL MEN BY THESE PRESENTS:
F. O. SHELTON, TRUSTEE |

That The Citizens Saving & Loan Association, a corporation, for and in consideration of the sum of \$10.00 and other good and valuable consideration to it in hand paid by F. O. Shelton, Trustee, the receipt of all of which is hereby acknowledged, Grantee assumes taxes from January 1, 1936, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey, unto the said F. O. Shelton, Trustee all that certain lot, tract or parcel of land situated in Tarrant County, Texas, described as follows, to-wit:-

Lot 14, Block 2, of McCall-Hightower Addition to Fort Worth, Tarrant County, Texas.



5,

File No. MF 112895

Deed

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]

5
2
1

Mineral Ownership Report

Cursory

Prospect: BARNETT_RED_AV
Tract: *

Dated: 04/08/2011

Printed: 04/19/2011

PLAN#: 2509.CRW

Description:

A-1649, Louis Wetmore Survey: Seminary Rd. ROW
3.5038 acres, more or less, situated in the Louis Wetmore Survey, Abstract No. 1649, Tarrant County, Texas, as described in that certain Warranty Deed dated September 25, 1935, from SOUTHWESTERN PORTLAND CEMENT COMPANY to TARRANT COUNTY, recorded in Volume 1267, Page 524, Official Public Records, Tarrant County, Texas.

Mineral Owner Name	Interest	NetAcres	Leasehold
State of Texas 1700 N. Congress Ave. Austin, Texas 78701	1.00000000	3.5038	OPEN
	1.00000000	3.5038	

Title Notes:

Watson South Unit

NMR.

Acreage covers eastern portion of seminary rd. in Watson South Unit.

Leasehold Summary:

1.00000000 OPEN

1.00000000



6.

File No. MF113895

Mineral Owners

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]

6
2
4
1
1

**AFFIDAVIT OF HIGHEST CONSIDERATION PAID
HIGHWAY RIGHT OF WAY LEASES**

STATE OF TEXAS

COUNTY OF Tarrant

BEFORE ME, the undersigned authority, on this day personally appeared

David Guy (Affiant), known to me to be a credible person and of lawful age, who being by me first duly sworn, deposes and says:

That his/her name is David Guy. And that, Affiant is personally familiar with and knowledgeable of the terms and conditions of the oil and gas lease(s) which adjoin(s) East Seminary Drive - Eastside RR to unit line.
[common name(s) of highway/roadway]

situated in Tarrant County, Texas, said highway/roadway being described on Exhibit "A" attached hereto and made a part hereof. And that the highest and best terms for any lease adjoining lands described in Exhibit "A" are as follows:

Bonus Consideration Paid (Per Acre): \$ 15,000.00

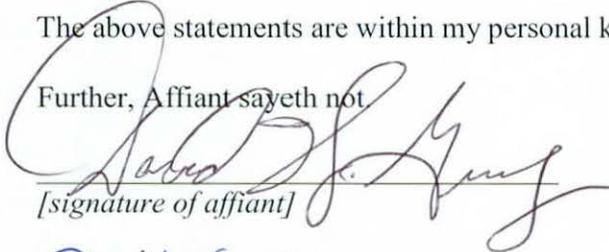
Primary Term: 3

Royalty Rate: 25%

Delay Rentals: \$ NA

The above statements are within my personal knowledge and are true and correct.

Further, Affiant sayeth not.

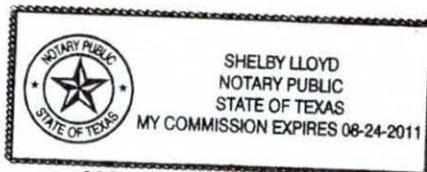

[signature of affiant]

David Guy
[printed or typed name of affiant]

State of Texas
County of Johnson

Sworn to and subscribed before me on the 15 day of June, 20 11, by David Guy (name of Affiant).


Notary Public's Signature



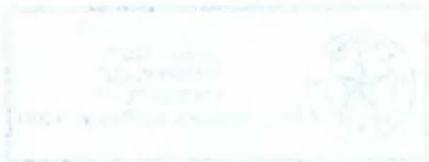
7.

File No. MF12895

Pfeider

Date Filed: 6/24/11
Jerry E. Patterson, Commissioner

By [Signature]



0511

Leases
abutting
highway

11429

TX0067906_000 Seminary Center Partnership \$1546
TX0072520_000 Ella E. Korenek \$3000
TX0108631_000 Ruben Sales & Jesus Hinojosa \$4000
TX0076374_000 Kien Long Tran & Be Thi Lam \$3000
TX0070027_000 G.K.I. Investments, LLC \$3000
TX0118666_000 1200 East Seminary Inc. \$15000
TX0071154_000 Shimmer and Bilal Inc \$2000
TX0062440_000 Manuel Bayona \$3000
TX0062442_000 Manuel Bayona \$3000
TX0076003_000 Stephen Thayne Van Y \$1903
TX0070987_000 Barkatali Abdul Hussain \$3500
TX0070867_000 Thao Nguyen \$3000

11439

Electronically Recorded

Tarrant County Texas

Official Public Records

5/10/2011 3:40 PM

D211110533

Mary Louise Garcia

PGS 2 \$20.00

Submitter: SIMPLIFILE

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.

AMENDMENT AND EXTENSION OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

WHEREAS, 1200 EAST SEMINARY, INC. A TEXAS CORPORATION, whose address is 13883 Heston Place, San Diego, California 92130 ("Lessor") executed that certain Oil, Gas and Mineral Lease dated 11th day of March, 2008, unto Dale Resources, L.L.C., of 2100 Ross Avenue, Suite 1670, Dallas, Texas 75201, recorded as County Clerk's Instrument Number D208160524 of the Official Records of Tarrant County, Texas, covering lands more specifically described therein (the "Lease"); and,

WHEREAS, Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 16496, Oklahoma City, Oklahoma 73154, and Total E&P USA, Inc., whose address is 1201 Louisiana Street, Suite 1800, Houston, Texas, 77002, which acquired an undivided 25% of Chesapeake's working interest in the aforementioned Lease (hereinafter "Lessee", whether one or more), are successors in interest to Dale Resources, L.L.C.; and

WHEREAS, Lessor and Lessee now desire to amend the Lease and extend the primary term of the Lease by an additional one (1) year as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration in hand paid to Lessor by Lessee, the receipt and sufficiency of which is hereby acknowledged, Lessor does hereby amend the Lease to read as follows:

"The primary term shall extend to March 11, 2012, and for as long thereafter as oil, gas or other minerals covered hereby are producing in paying quantities from the leased premises, or from land pooled therewith, or the Lease is otherwise maintained in effect pursuant to the provisions hereof."

It is understood and agreed by the parties hereto that the provisions hereof shall supersede any provisions to the contrary in the Lease. For adequate consideration, Lessor does hereby adopt, ratify, confirm and renew and revive the Lease, as amended hereby, and does hereby stipulate that the Lease remains in full force and effect notwithstanding its possible termination. Insofar as is necessary, Lessor does hereby lease, let, and demise to Lessee the lands covered by the Lease, pursuant to the terms and provisions of the Lease, as of the Effective Date set forth herein.

The terms and provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, personal representatives, successors and assigns.

IN WITNESS WHEREOF, this Instrument is hereby made effective as of the 11th day of March, 2008, regardless of the actual date of execution and acknowledgment by any or all of the parties constituting the Lessor herein.

LESSOR:
1200 East Seminary Inc., a Texas corporation

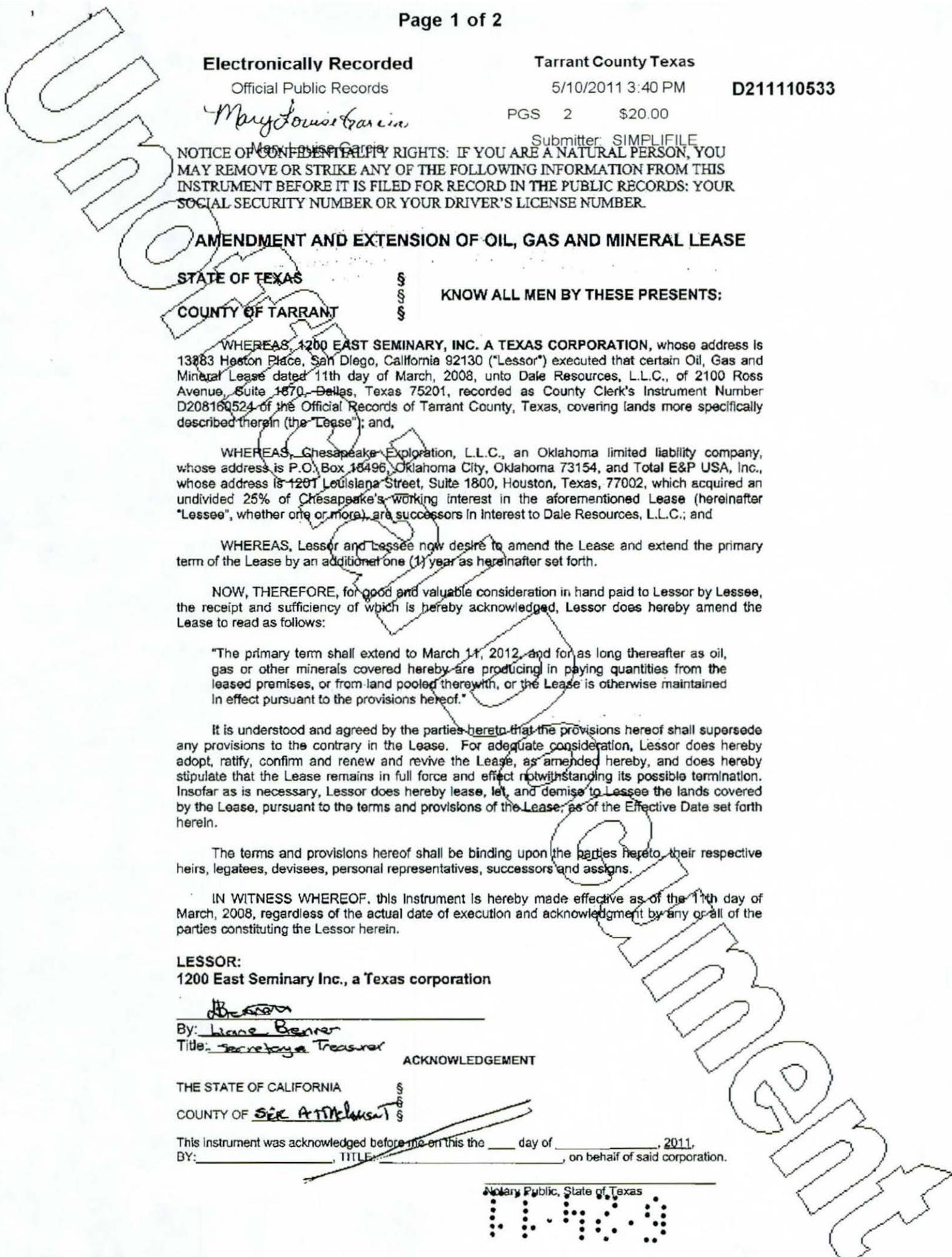
Liane Benner
By: Liane Benner
Title: Secretary & Treasurer

ACKNOWLEDGEMENT

THE STATE OF CALIFORNIA §
COUNTY OF SAN ANTONIO §

This instrument was acknowledged before me on this the _____ day of _____, 2011.
BY: _____, TITLE: _____, on behalf of said corporation.

Notary Public, State of Texas





All-purpose Acknowledgment California only

State of California

County of San Diego

On 5-6-14 before me, Helene J Chaput Notary Public (here insert name and title of the officer),

personally appeared Glenn Brewer

who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by his/~~her~~/~~their~~ signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

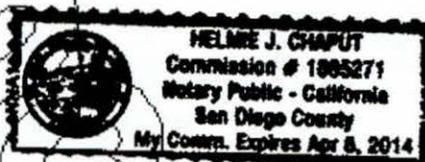
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Notary Seal

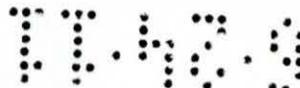


Scanner Enabled Scans should scan this form
Manual Submission Route to Deposit Operations

DS65350 CA (12-07 113424)



FO01-000DSG5350CA-01



Document

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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 11th day of March, 2008, between 1200 East Seminary Inc., a Texas corporation, Lessor (whether one or more), whose address is 13383 Heston Place, San Diego, California 92130, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

5.674 acres of land, more or less, being all of Lots 1 and 2, Block A, out of the Oakridge Terrace Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-32, Page 78, of the Plat Records of Tarrant County, Texas.

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

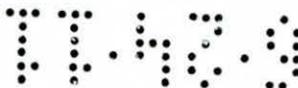
2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

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

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

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

Revised on 12/27/2006



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

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

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

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

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

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

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

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

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

1200 East Seminary Inc., a Texas corporation

Addendum 13-20 Attached

[Signature]

Liane Brenner
As: Secretary & Treasurer

ACKNOWLEDGMENTS

STATE OF California

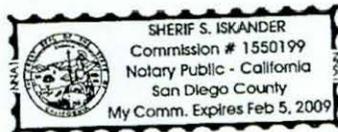
COUNTY OF San Diego

This instrument was acknowledged before me on the 14th day of March, 2008.

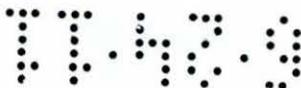
by Liane Brenner as Secretary of 1200 East Seminary Inc., a Texas corporation on behalf of said corporation

[Signature]

Notary Public, State of California
Notary's name (printed): Sheriff S. ISKANDER
Notary's commission expires: February 5th, 2009



Revised on 12/27/2006



ADDENDUM

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING FORM OIL AND GAS LEASE, THIS ADDENDUM SHALL CONTROL IN THE EVENT OF CONFLICT BETWEEN THE TERMS OF THE PRINTED FORM LEASE AND THIS ADDENDUM AND IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

Attached hereto and made a part of that certain oil and gas lease dated March 11th, 2008, between ^{1200 East Seminary Inc.} ~~LANE BRENNER~~, as Lessor and DALE PROPERTY SERVICES, LLC, as Lessee covering 5.674 acres of land, more or less.

- 13. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease this lease has not been, or it is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$15,000.00 multiplied by the net mineral acres subject to this lease. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is five (5) years.
- 14. Notwithstanding anything contained herein to the contrary in printed portion of this lease to the contrary, in the event Lessee, its heirs and assigns exercise the right to pool or unitized this lease and the land covered hereby for gas with other land and/or leases provided in the lease agreement. All and not part of lease shall be unitized with any gas unit so formed. In other words should this lease be included in any pooled gas unit said pool provisions should be effective unless all of the land covered by this lease is included in any gas unit so formed.
- 15. In the event that the bonus money, payable by cashier's check or money order, is not delivered to the Lessee within Sixty ~~60~~ days then this lease shall terminate and shall be of no further force and effect.
- 16. Lessee agrees to indemnify, protect and hold Lessor (and surface owner, if different from Lessor) harmless of and from any and all claims, demands, losses and causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of any property improvements caused by operations conducted hereunder by Lessee, its agents, employees, servants, contractors or any person acting under its direction or contract. Further, neither Lessor nor surface owner shall ever be liable for any claims, demands, costs, expenses, damages, losses and causes of action or suits for damages because of injury to persons or property arising out of acts or omissions of Lessee, its agents, employees, servants, contractors, or any person acting under its direction and control in the conduct of operations hereunder on said lands.
- 17. No surface operations will be conducted on the "Leased Premises" however, Lessee may produce oil, gas and other minerals from the leased premises by directional drilling from a surface location on other lands or by exercising the rights set forth in Paragraph 6 above, but, notwithstanding any other provisions of this lease, Lessee agrees that the subsurface easement shall commence at and continue below the depth of one hundred feet (100'). Notwithstanding anything to the contrary contained herein there shall be no surface operations, there shall be no pipelines or flow lines laid across the surface of the lease premises. Lessee shall have the right to conduct non-invasive seismic operations, but only by virtue of the vibroseis method.
- 18. Lessee may at any time from time to time deliver to Lessor or file of record a written release of this lease as to a full and undivided interest in all or any portion of the area covered by this lease and any depths or zones thereunder and shall thereupon be relieved of all obligations thereafter arising with respect to the interest in the lease and so long as (1) the leased premises are not in a pooled unit (2) there is no production of producing oil and gas from the leased premises or the leased property is adjacent to any producing oil and gas well or pooled unit. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 19. Shut-in Royalty. While there is a gas well on this Lease or acreage pooled therewith capable of producing gas in paying quantities, but gas is not being sold, Lessee shall pay or tender in advance an annual shut-in royalty of \$25 per acre for each well from which gas is not being sold. Payment with respect to a well will be due within 90 days after the well is shut-in. While shut-in royalty payments are timely and properly paid, this Lease will be held as a producing lease. The right of Lessee to maintain this Lease in force by payment of shut-in gas royalty is limited to the period of two years that follow the expiration of the Primary Term. The obligation of Lessee to pay shut-in royalty is a condition and not a covenant. The payment or tender of royalty under this paragraph may be made by the check of Lessee mailed or delivered to the parties entitled thereto on or before the due date.
- 20. Continuous Development.
 - (a) If, at the expiration of the Primary Term, oil or gas is not being produced from the Land or on acreage pooled therewith, but Lessee has commenced the drilling of a well in a unit including the Land, the Lease will not terminate but will remain in effect for so long thereafter as operations are carried out with due diligence with no cessation of more than 120 days, and if the operations result in the production of oil or gas, the Lease shall remain in force as otherwise provided herein. For the purposes of this Lease, the term "operations" means operations for any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back, or repairing of a well in search for or in the endeavor to obtain production of oil or gas.
 - (b) After the Primary Term, or upon completion of any well being drilled at the end of the Primary Term, whichever is later, this Lease will terminate to all depths below the stratigraphic equivalent of the base of the deepest producing formation. After production is established, if the production ceases from any cause, this Lease will terminate unless Lessee commences operations for reworking on the well or drilling a replacement well within 120 days after the cessation of production, in which case the Lease will continue in force as long as the operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in production, so long thereafter as there is production.

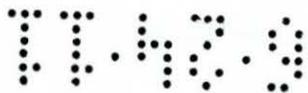
1200 East Seminary Inc.
LANE BRENNER

Liane Brenner
Liane Brenner - Secretary + Treasurer

DALE PROPERTY SERVICES, LLC

[Signature]

Revised on 12/27/2006





DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/02/2008 08:19 AM
Instrument #: D208160524
LSE 4 PGS \$24.00

By: _____



D208160524

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

Printed by: WD

T1430

3

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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 17th day of April, 2007, between G. K. I. Investment, LLC, a Limited Liability Company, Lessor (whether one or more), whose address is 202 West Lemon Avenue, Arcadia, California 91007, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

1.98 acres of land, more or less, being all of Lot A2, Block 1, out of the Sycamore Creek Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

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

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

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

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

Revised on 12/27/2006



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

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

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

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

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

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

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

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

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

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

G. K. I. Investment, LLC, a Limited Liability Company

Glenn Kwan

Glenn Kwan
As: Manager

ACKNOWLEDGMENTS

STATE OF *California*
COUNTY OF *Los Angeles*

This instrument was acknowledged before me on the *19th* day of *April*, 2007.

by Glenn Kwan as Manager of G. K. I Investment LLC, a Limited Liability Company, on behalf of said Company.



Laichi Tsang Chu

Notary Public, State of *California*
Notary's name (printed): *Laichi Tsang Chu*
Notary's commission expires: *May 7, 2010*

Revised on 12/27/2006



EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 17th day of April, 2007, between G. K. I Investment, LLC, a Limited Liability Company, Lessor, and Dale Property Services, LLC, Lessee to wit:

13. Notwithstanding anything herein contained to the contrary, if at the expiration of the primary term of this lease this lease has not been, or it is not being extended pursuant to any of its provisions, then Lessee, its successors or assigns shall have the option to extend the primary term of this lease, as to all or any portion of the lands covered hereby, for an additional two (2) year(s) by paying or tendering to Lessor by check the sum of \$3000.00 multiplied by the net mineral acres subject to this lease. Said payment or tender shall be made on or before the expiration date of the initial primary term and shall be considered to include the prepaid delay rental. If Lessee extends this lease as herein provided, it shall be considered that the primary term is five (5) years.

A handwritten signature, possibly "GKI", is enclosed within a hand-drawn circle.

11439



DALE RESOURCES LLC
2100 ROSS AVE
STE 1870 LB-9
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/04/2007 07:26 AM
Instrument #: D207153812
LSE 4 PGS \$24.00

By: _____



D207153812

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

11.42.9

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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 24 day of February, 2007, between Manuel Bayona, whose marital status has not changed since acquiring this property, Lessor (whether one or more), whose address is 1340 East Seminary Drive, Fort Worth, Texas 76115, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

1.52 acres of land, more or less, being all of Lot 24, Block 6, of the Sycamore Creek Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, according to that certain Plat recorded in Volume 388-54, Page 40, of the Plat Records of Tarrant County, Texas.

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

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

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

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

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted without cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted.

Revised on 12/27/2006

020787354X

THE STATE OF TEXAS

with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

Jesus Manuel Bayona
Manuel Bayona

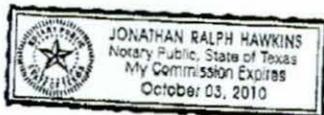
ACKNOWLEDGMENTS

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on the 24 day of February, 2007

by Manuel Bayona, whose marital status has not changed since acquiring this property



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

STATE OF

COUNTY OF

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

by _____

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





DALE RESOURCES LLC
2100 ROSS AVE # 1870 LB 9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 03/01/2007 03:20 PM
Instrument #: D207073540
LSE 3 PGS \$29.00

By: _____



D207073540

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

11.47.9

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

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

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

THIS AGREEMENT made this 5th day of April, 2007, between Shimmer and Bilal Inc., a Texas Corporation, Lessor (whether one or more), whose address is 219 Nutmeg Lane, Euless, Texas 76039, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

.428 acres of land, more or less, being a portion of Lot 2, Block 6, out of the Sycamore Creek Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain Deed dated May 3, 2006, by and between Nazar Zehari and Asia M. Zehari d/b/a K&N Food Store as Grantors and Shimmer & Bilal, Inc., a Texas Corporation as Grantee, recorded in Document number D206142656, in the Deed Records of Tarrant County, Texas.

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

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

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

Bank at its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

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

Revised on 12/27/2006



with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

Shimmer and Bilal Inc., a Texas Corporation

Nooruddin Virani

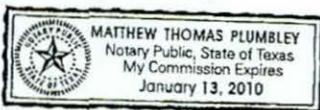
Nooruddin Virani
As: President

ACKNOWLEDGMENTS

STATE OF Texas
COUNTY OF Tarrant

This instrument was acknowledged before me on the 10th day of April, 2007.

by Nooruddin Virani as President of Shimmer and Bilal Inc., a Texas Corporation, on behalf of said corporation



[Signature]

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

Revised on 12/27/2006





DALE RESOURCES
2100 ROSS AVE # 1870 LB 9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/10/2007 09:11 AM
Instrument #: D207161841
LSE 3 PGS \$20.00

By: _____



D207161841

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

71479

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Official Public Records

Tarrant County Texas

2008 Apr 16 03:35 PM

Fee: \$ 56.00

D208137904

Submitter: SIMPLIFILE

11 Pages

Market: DEW
Cell Site Name: Seminary FW

Suzanne Henderson

Suzanne Henderson

LEASE AGREEMENT

THIS LEASE AGREEMENT ("**Agreement**"), dated as of the latter of the signature dates below ("**Effective Date**"), is entered into by Seminary Center Partnership having a mailing address of 100 E Mason St Fort Worth, Texas 76110 (hereinafter referred to as "**Landlord**") and XT Management, LLC (hereinafter referred to as "**Tenant**").

BACKGROUND

Landlord owns that certain plot, parcel or tract of land, together with all rights and privileges arising in connection therewith, located at 1101 East Seminary Drive, Fort Worth in the County of Tarrant, State of Texas (collectively, the "**Property**"). Tenant desires to use a portion of the Property for the operation of a communications facility. Landlord desires to grant to Tenant the right to use a portion of the Property in accordance with this Agreement.

The parties agree as follows:

1. **LEASE OF PREMISES.** Landlord leases to Tenant a certain portion of the Property containing approximately 2,500 square feet around and including the air space above such ground space as described on attached **Exhibit 1**, together with unrestricted access for Tenant's uses from the nearest public right-of-way along the Property to the Premises and utility easement as described on the attached **Exhibit 1** (collectively, the "**Premises**").

2. **PERMITTED USE.** Tenant may use the Premises for the transmission and reception of communications signals and the installation, construction, maintenance, operation, repair, replacement and upgrade of its communications fixtures and related equipment, cables, accessories and improvements, which may include a suitable support structure, associated antennas, I beams, equipment shelters or cabinets, communications tower and fencing and any other items necessary to the successful and secure use of the Premises (collectively, the "**Communication Facility**"), as well as the right to test, survey and review title on the Property; Tenant further has the right but not the obligation to add, modify and/or replace equipment in order to be in compliance with any current or future federal, state or local mandated application, including, but not limited to, emergency 911 communication services, at no additional cost to Tenant or Landlord (collectively, the "**Permitted Use**"). Landlord and Tenant agree that any portion of the Communication Facility that may be conceptually described on **Exhibit 1** will not be deemed to limit Tenant's Permitted Use. If **Exhibit 1** includes drawings of the initial installation of the Communication Facility, Landlord's execution of this Agreement will signify Landlord's approval of **Exhibit 1**. Tenant has the right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from the main entry point to the equipment shelter or cabinet, and to make Property improvements, alterations, upgrades or additions appropriate for Tenant's use ("**Tenant Changes**"). Tenant Changes include the right to construct a fence around the Premises and undertake any other appropriate means to secure the Premises. Tenant agrees to comply with all applicable governmental laws, rules, statutes and regulations, relating to its use of the Communication Facility on the Property. Tenant has the right to modify, supplement, replace, upgrade, expand the equipment, increase the number of antennas or relocate the Communication Facility within the Premises at any time during the term of this Agreement. Tenant will be allowed to make such alterations to the Property in order to accomplish Tenant's Changes or to insure that Tenant's Communication Facility complies with all applicable federal, state or local laws, rules or regulations. In the event Tenant desires to modify or upgrade the Communication Facility, and Tenant requires an additional portion of the Property (the "**Additional Premises**") for such modification or upgrade, Landlord agrees to lease to Tenant the Additional Premises, upon the same terms and conditions set forth herein.

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Land Ledger

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except that the Rent shall increase, in conjunction with the lease of the Additional Premises, by a reasonable amount consistent with rental rates then charged for comparable portions of real property being in the same area. Landlord agrees to take such actions and enter into and deliver to Tenant such documents as Tenant reasonably requests in order to effect and memorialize the lease of the Additional Premises to Tenant.

3. TERM.

(a) The initial lease term will be five (5) years ("**Initial Term**"), commencing on the Rent Commencement Date. The Initial Term will terminate on the fifth (5th) annual anniversary of the Rent Commencement Date.

(b) This Agreement will automatically renew for six (6) additional five (5) year term(s) (each five (5) year term shall be defined as the "**Extension Term**"), upon the same terms and conditions unless the Tenant notifies the Landlord in writing of Tenant's intention not to renew this Agreement at least sixty (60) days prior to the expiration of the existing Term.

(c) If, at least sixty (60) days prior to the end of the sixth (6th) extended term, either Landlord or Tenant has not given the other written notice of its desire that the term of this Agreement end at the expiration of the sixth (6th) extended term, then upon the expiration of the sixth (6th) extended term this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of one (1) year, and for annual terms thereafter until terminated by either party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such annual term. Monthly rental during such annual terms shall be equal to the rent paid for the last month of the sixth (6th) extended term. If Tenant remains in possession of the Premises after the termination of this Agreement then Tenant will be deemed to be occupying the Premises on a month to month basis (the "**Holdover Term**"), subject to the terms and conditions of this Agreement.

(d) The Initial Term, the Extension Term and the Holdover Term are collectively referred to as the Term ("**Term**").

4. RENT.

Commencing on the first day of the month following the date that Tenant commences construction (the "Rent Commencement Date"), Tenant will pay the Landlord an annual payment of Five Thousand Four Hundred and No/100 Dollars (\$5,400.00) ("Rent"), at the address set forth above, on or before the fifteenth (15th) day of each year.

5. APPROVALS.

(a) Landlord agrees that Tenant's ability to use the Premises is contingent upon the suitability of the Premises for Tenant's Permitted Use and Tenant's ability to obtain and maintain all governmental licenses, permits, approvals or other relief required of or deemed necessary or appropriate by Tenant for its use of the Premises, including without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively, the "**Government Approvals**"). Landlord authorizes Tenant to prepare, execute and file all required applications to obtain Governmental Approvals for Tenant's Permitted Use under this Agreement and agrees to reasonably assist Tenant with such applications and with obtaining and maintaining the Government Approvals. In addition, Tenant shall have the right to initiate the ordering and/or scheduling of necessary utilities.

(b) Tenant has the right to obtain a title report or commitment for a leasehold title policy from a title insurance company of its choice and to have the Property surveyed by a surveyor of Tenant's choice. In the event Tenant determines, in its sole discretion, due to the title report results or survey results, that the condition of the Premises is unsatisfactory, Tenant will have the right to terminate this Agreement upon notice to Landlord.

(c) Tenant may also perform and obtain, at Tenant's sole cost and expense, soil borings, percolation tests, engineering procedures, environmental investigation or other tests or reports on, over, and under the Property, necessary to determine if the Tenant's use of the Premises will be compatible with Tenant's engineering specifications, system, design, operations or Governmental Approvals.

6. TERMINATION. This Agreement may be terminated, without penalty or further liability, as follows:

- (a) by either party on thirty (30) days prior written notice, if the other party remains in default under Paragraph 5 Default and Right to Cure of this Agreement after the applicable cure periods;
- (b) by Tenant upon written notice to Landlord, if Tenant is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Communication Facility as now or hereafter intended by Tenant; or if Tenant determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable;
- (c) by Tenant upon written notice to Landlord for any reason, at any time prior to commencement of construction by Tenant; or
- (d) by Tenant upon sixty (60) days prior written notice to Landlord for any reason, so long as Tenant pays Landlord a termination fee equal to three (3) months Rent, at the then current rate, provided, however, that no such termination fee will be payable on account of the termination of this Agreement by Tenant under any one or more of Paragraphs 5(b) Approvals, 6(a) Termination, 6(b) Termination, 6(c) Termination, 8 Interference, 11(d) Environmental, 18 Severability, 19 Condemnation or 20 Casualty of this Agreement.

7. INSURANCE.

- (a) Tenant will carry during the Term, at its own cost and expense, the following insurance: (i) "All Risk" property insurance for its property's replacement cost; (ii) commercial general liability insurance with a minimum limit of liability of \$100,000 combined single limit for bodily injury or death/property damage arising out of any one occurrence; and (iii) Workers' Compensation Insurance as required by law. The coverage afforded by Tenant's commercial general liability insurance shall apply to Landlord as an additional insured, but only with respect to Landlord's liability arising out of its interest in the Property.
- (b) Tenant shall have the right to self-insure with respect to any of the above insurance requirements.

8. INTERFERENCE.

- (a) Where there are existing radio frequency user(s) on the Property, the Landlord will provide Tenant with a list of all existing radio frequency user(s) on the Property to allow Tenant to evaluate the potential for interference. Tenant warrants that its use of the Premises will not interfere with existing radio frequency user(s) on the Property so disclosed by Landlord, as long as the existing radio frequency user(s) operate and continue to operate within their respective frequencies and in accordance with all applicable laws and regulations.
- (b) Landlord will not grant, after the date of this Agreement, a lease, license or any other right to any third party for the use of the Property, if such use may in any way adversely affect or interfere with the Communication Facility, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will notify Tenant in writing prior to granting any third party the right to install and operate communications equipment on the Property.
- (c) Landlord will not use, nor will Landlord permit its employees, tenants, licensees, invitees or agents to use, any portion of the Property in any way which interferes with the Communication Facility, the operations of Tenant or the rights of Tenant under this Agreement. Landlord will cause such interference to cease within twenty-four (24) hours after receipt of notice of interference from Tenant. In the event any such interference does not cease within the aforementioned cure period then the parties acknowledge that Tenant will suffer irreparable injury, and therefore, Tenant will have the right, in addition to any other rights that it may have at law or in equity, for Landlord's breach of this Agreement, to elect to enjoin such interference or to terminate this Agreement upon notice to Landlord.

9. INDEMNIFICATION.

- (a) Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs but excluding real property or personal property taxes) arising directly from the installation, use, maintenance, repair or removal of the Communication Facility or Tenant's breach of any provision

of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Landlord, its employees, agents or independent contractors.

(b) Landlord agrees to indemnify, defend and hold Tenant harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs but excluding real property or personal property taxes) arising directly from the actions or failure to act of Landlord or its employees or agents, or Landlord's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Tenant, its employees, agents or independent contractors.

(c) Notwithstanding anything to the contrary in this Agreement, Tenant and Landlord each waives any claims that each may have against the other with respect to consequential, incidental or special damages.

10. WARRANTIES

(a) Tenant and Landlord each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

(b) Landlord represents and warrants that: (i) Landlord solely owns the Property as a legal lot in fee simple, or controls the Property by lease or license; (ii) the Property is not encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Tenant's Permitted Use and enjoyment of the Premises under this Agreement; (iii) as long as Tenant is not in default then Landlord grants to Tenant sole, actual, quiet and peaceful use, enjoyment and possession of the Premises; (iv) Landlord's execution and performance of this Agreement will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on the Landlord; and (v) if the Property is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Landlord will use best efforts to provide promptly to Tenant a mutually agreeable Subordination, Non-Disturbance and Attornment Agreement.

11. ENVIRONMENTAL

(a) Landlord represents and warrants that the Property is free of hazardous substances as of the date of this Agreement, and, to the best of Landlord's knowledge, the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Landlord and Tenant agree that each will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect, that are now or were related to that party's activity conducted in or on the Property.

(b) Landlord and Tenant agree to hold harmless and indemnify the other from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of the indemnifying party for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is related to (i) the indemnifying party's failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or matters as may now or hereafter be in effect, or (ii) any environmental or industrial hygiene conditions that arise out of or are in any way related to the condition of the Property and activities conducted by the party thereon, unless the environmental conditions are caused by the other party.

(c) The indemnifications of this Paragraph 11 Environmental specifically include reasonable costs, expenses and fees incurred in connection with any investigation of Property conditions or any clean-up, remediation, removal or restoration work required by any governmental authority. The provisions of this Paragraph 11 Environmental will survive the expiration or termination of this Agreement.

(d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental or industrial hygiene condition or matter relating to the Property that, in Tenant's sole determination, renders the condition of the Premises or Property unsuitable for Tenant's use, or if Tenant believes that the leasing or continued leasing of the Premises would expose Tenant to undue risks of government action, intervention or third-party liability, Tenant will have the right, in addition to any other rights it may have at law or in equity, to terminate the Agreement upon notice to Landlord.

12. ACCESS. At all times throughout the Term of this Agreement, and at no additional charge to Tenant, Tenant and its employees, agents, subcontractors, and subtenants, will have twenty-four (24) hour per day, seven (7) day per week pedestrian and vehicular access to and over the Property, from an open and improved public road to the Premises, for the installation, maintenance and operation of the Communication Facility and any utilities serving the Premises. Landlord grants to Tenant an easement for such access and Landlord agrees to provide to Tenant such codes, keys and other instruments necessary for such access at no additional cost to Tenant. Upon Tenant's request, Landlord will execute a separate recordable easement evidencing this right. In the event any public utility is unable to use the access or easement provided to Tenant then the Landlord agrees to grant additional access or an easement either to Tenant or to the public utility, for the benefit of Tenant, at no cost to Tenant.

13. REMOVAL/RESTORATION. All portions of the Communication Facility brought onto the Property by Tenant will be and remain Tenant's personal property and, at Tenant's option, may be removed by Tenant at any time during the Term. Landlord covenants and agrees that no part of the Communication Facility constructed, erected or placed on the Premises by Tenant will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of the Landlord that all improvements of every kind and nature constructed, erected or placed by Tenant on the Premises will be and remain the property of the Tenant and may be removed by Tenant at any time during the Term. Within one hundred twenty (120) days of the termination of this Agreement, Tenant will remove all of Tenant's above-ground improvements and Tenant will, to the extent reasonable, restore the Premises to its condition at the commencement of the Agreement, reasonable wear and tear and loss by casualty or other causes beyond Tenant's control excepted. Notwithstanding the foregoing, Tenant will not be responsible for the replacement of any trees, shrubs or other vegetation, nor will Tenant be required to remove from the Premises or the Property any foundations or underground utilities.

14. MAINTENANCE/UTILITIES.

(a) Tenant will keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements excepted. Landlord will maintain and repair the Property and access thereto, in good and tenable condition, subject to reasonable wear and tear and damage from the elements.

(b) Tenant will be responsible for paying its own charges for electricity, telephone service or any other utility used or consumed by Tenant on the Premises. Landlord will not be responsible for interference with, interruption of or failure, beyond the reasonable control of Landlord, of such services to be furnished or supplied by Landlord.

15. DEFAULT AND RIGHT TO CURE.

(a) The following will be deemed a default by Tenant and a breach of this Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after receipt of written notice from Landlord of such failure to pay; or (ii) Tenant's failure to perform any other term or condition under this Agreement within forty-five (45) days after receipt of written notice from Landlord specifying the failure. No such failure, however, will be deemed to exist if Tenant has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Tenant. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to exercise any and all rights and remedies available to it under law and equity.

(b) The following will be deemed a default by Landlord and a breach of this Agreement: Landlord's failure to perform any term, condition or breach of any warranty or covenant under this Agreement within forty-

five (45) days after receipt of written notice from Tenant specifying the failure. No such failure, however, will be deemed to exist if Landlord has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Landlord. If Landlord remains in default beyond any applicable cure period, Tenant will have the right to exercise any and all rights available to it under law and equity, including the right to cure Landlord's default and to deduct the costs of such cure from any monies due to Landlord from Tenant.

16. **ASSIGNMENT/SUBLEASE.** Tenant will have the right to assign or sell this Agreement or sublease the Premises and its rights herein, in whole or in part, without Landlord's consent. Upon notification to Landlord of such assignment or sale, Tenant will be relieved of all future performance, liabilities and obligations under this Agreement.

17. **NOTICES.** All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices will be addressed to the parties as follows:

If to Tenant: XT Management LLC
Attn: James Key
Re: Cell Site Name: Seminary FW
777 Main Street, Suite 3600
Fort Worth, Texas 76102

If to Landlord: Seminary Center Partnership
100 East Mason
Fort Worth, TX 76110

Either party hereto may change the place for the giving of notice to it by thirty (30) days prior written notice to the other as provided herein.

18. **SEVERABILITY.** If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein. However, if the invalid, illegal or unenforceable provision materially affects this Agreement then the Agreement may be terminated by either party on ten (10) business days prior written notice to the other party hereto.

19. **CONDEMNATION.** In the event Landlord receives notification of any condemnation proceedings affecting the Property, Landlord will provide notice of the proceeding to Tenant within forty-eight (48) hours. If a condemning authority takes all of the Property, or a portion sufficient, in Tenant's sole determination, to render the Premises unsuitable for Tenant, this Agreement will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Tenant will include, where applicable, the value of its Communication Facility, moving expenses, prepaid Rent, and business dislocation expenses, provided that any award to Tenant will not diminish Landlord's recovery. Tenant will be entitled to reimbursement for any prepaid Rent on a prorata basis.

20. **CASUALTY.** Landlord will provide notice to Tenant of any casualty affecting the Property within forty-eight (48) hours of the casualty. If any part of the Communication Facility or Property is damaged by fire or other casualty so as to render the Premises unsuitable, in Tenant's sole determination, then Tenant may terminate this Agreement by providing written notice to the Landlord, which termination will be effective as of the date of such damage or destruction. Upon such termination, Tenant will be entitled to collect all insurance proceeds payable to



Tenant on account thereof and to be reimbursed for any prepaid Rent on a prorata basis. If notice of termination is given, or if Landlord or Tenant undertake to rebuild the Communications Facility, Landlord agrees to use its reasonable efforts to permit Tenant to place temporary transmission and reception facilities on the Property at no additional Rent until such time as Tenant is able to secure a replacement transmission location or the reconstruction of the Communication Facility is completed.

21. **WAIVER OF LANDLORD'S LIENS.** Landlord waives any and all lien rights it may have, statutory or otherwise, concerning the Communication Facility or any portion thereof. The Communication Facility shall be deemed personal property for purposes of this Agreement, regardless of whether any portion is deemed real or personal property under applicable law, and Landlord consents to Tenant's right to remove all or any portion of the Communication Facility from time to time in Tenant's sole discretion and without Landlord's consent.

22. **Taxes.** Landlord shall be responsible for payment of all ad valorem taxes levied upon the lands, improvements and other property of Landlord. Tenant shall be responsible for all taxes levied upon Tenant's leasehold improvements (including Tenant's equipment building and tower) on the Leased Property. Landlord shall provide Tenant with copies of all assessment notices on or including the Leased Property immediately upon receipt, but in no event less than three (3) business days after receipt by Landlord. If Landlord fails to provide such notice within such time frame, Landlord shall be responsible for all increases in taxes for the year covered by the assessment. Tenant shall have the right to contest, in good faith, the validity or the amount of any tax or assessment levied against the Leased Property by such appellate or other proceedings as may be appropriate in the jurisdiction, and may defer payment of such obligations, pay same under protest, or take such other steps as Tenant may deem appropriate. This right shall include the ability to institute any legal, regulatory or informal action in the name of Landlord, Tenant, or both, with respect to the valuation of the Leased Property. Landlord shall cooperate in the institution and prosecution of any such proceedings and will execute any documents required therefore. The expense of any such proceedings shall be borne by Tenant and any refunds or rebates secured as a result of Tenant's action shall belong to Tenant.

23. **SALE OF PROPERTY.** If Landlord, at any time during the Term of this Agreement, decides to sell, subdivide or rezone any of the Premises, all or any part of the Property or Surrounding Property, to a purchaser other than Tenant, Landlord shall promptly notify Tenant in writing, and such sale, subdivision or rezoning shall be subject to this Agreement and Tenant's rights hereunder. Landlord agrees not to sell, lease or use any areas of the Property or Surrounding Property for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Tenant's Permitted Use or communications equipment as determined by radio propagation tests performed by Tenant in its sole discretion, any such testing to be at the expense of Landlord or Landlord's prospective purchaser, and not Tenant. If the radio frequency propagation tests demonstrate levels of interference unacceptable to Tenant, Landlord shall be prohibited from selling, leasing or using any areas of the Property or the Surrounding Property for purposes of any installation, operation or maintenance of any other wireless communications facility or equipment. Landlord shall not be prohibited from the selling, leasing or use of any of the Property or the Surrounding Property for non-wireless communication use. In the event the Property is transferred, the new landlord shall have a duty at the time of such transfer to provide Tenant with a completed IRS Form W-9, or its equivalent, and other related paper work to effect a transfer in Rent to the new landlord. The provisions of this Paragraph 23 shall in no way limit or impair the obligations of Landlord under Paragraph 8 above.

24. **MISCELLANEOUS.**

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the Landlord and an authorized agent of the Tenant. No provision may be waived except in a writing signed by both parties.

(b) **Memorandum/Short Form Lease.** Either party will, at any time upon fifteen (15) business days prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum or

Short Form of Lease. Either party may record this Memorandum or Short Form of Lease at any time, in its absolute discretion.

(c) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

(d) **Entire Agreement.** This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

(e) **Governing Law.** This Agreement will be governed by the laws of the state in which the Premises are located, without regard to conflicts of law.

(f) **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a party's consent is required under this Agreement, except as otherwise stated in the Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv) exhibits are an integral part of the Agreement and are incorporated by reference into this Agreement; (v) use of the terms "termination" or "expiration" are interchangeable; and (vi) reference to a default will take into consideration any applicable notice, grace and cure periods.

(g) **Estoppel.** Either party will, at any time upon twenty (20) business days prior written notice from the other, execute, acknowledge and deliver to the other a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying this Agreement, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to such party's knowledge, any uncured defaults on the part of the other party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises. The requested party's failure to deliver such a statement within such time will be conclusively relied upon by the requesting party that (i) this Agreement is in full force and effect, without modification except as may be properly represented by the requesting party, (ii) there are no uncured defaults in either party's performance, and (iii) no more than one month's Rent has been paid in advance.

(h) **W-9.** Landlord agrees to provide Tenant with a completed IRS Form W-9, or its equivalent, upon execution of this Agreement and at such other times as may be reasonably requested by Tenant.

(i) **No Electronic Signature/No Option.** The submission of this Agreement to any party for examination or consideration does not constitute an offer, reservation of or option for the Premises based on the terms set forth herein. This Agreement will become effective as a binding Agreement only upon the handwritten legal execution, acknowledgment and delivery hereof by Landlord and Tenant.

[SIGNATURES APPEAR ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the last date written below.

WITNESSES:

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

Seminary Center Partnership

By: [Signature]
Print Name: Jim Austin
Its: _____
Date: 6/5/07

XT Management, LLC

By: [Signature]
Print Name: MARK R. ILY
Its: MANAGER
Date: 6/22/07

[ACKNOWLEDGMENTS APPEAR ON THE NEXT PAGE]

TENANT ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Tarrant) ss:

On the 22nd day of June, 2007, before me personally appeared James E. Key, and acknowledged under oath that he is the Manager of XT Management, LLC, the Tenant named in the attached instrument, and as such was authorized to execute this instrument on behalf of the Tenant.



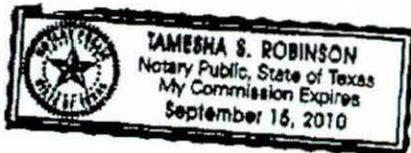
David Draper
Notary Public: David Draper
My Commission Expires: 10/12/2008

LANDLORD ACKNOWLEDGMENT

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Tarrant) ss:

BE IT REMEMBERED, that on this 4 day of June, 2007 before me, the subscriber, a person authorized to take oaths in the State of Texas, personally appeared James N. Austin who, being duly sworn on his/her/their oath, deposed and made proof to my satisfaction that he/she/they is/are the person(s) named in the within instrument; and I, having first made known to him/her/them the contents thereof, he/she/they did acknowledge that he/she/they signed, sealed and delivered the same as his/her/their voluntary act and deed for the purposes therein contained.



Jamesha Robinson
Notary Public: Jamesha Robinson
My Commission Expires: Sept. 15, 2010

EXHIBIT 1

DESCRIPTION OF PREMISES

Page 1 of 1

to the Agreement dated June 22, 2007, by and between Seminary Center Partnership, a partnership, as Landlord, and XT Management, a limited liability company, as Tenant.

The Premises are described and/or depicted as follows:

Carter Park Addition

Blk A Lot 1

Foot North, ~~TACOMA~~ Courts, TEXAS

THIS EXHIBIT SHALL BE ACCOMPANIED BY CONSTRUCTION DRAWINGS ONCE THEY ARE AVAILABLE.

Notes:

1. This Exhibit may be replaced by a land survey and/or construction drawings of the Premises once received by Tenant.
2. Any setback of the Premises from the Property's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers and mounting positions may vary from what is shown above.

11439

Rev. 2004
Lead Line

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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 30th day of April, 2007, between Thoa Nguyen, whose marital status has not changed since acquiring this interest, Lessor (whether one or more), whose address is 1157 East Seminary Drive, Fort Worth, Texas 76115, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, L.B-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

1.088 acres of land, more or less, being a portion of Lots 1, 2, and all of Lot 3, Block B, out of the Carter Park Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-17, Page 65, of the Plat Records of Tarrant County, Texas, being more particularly described by metes and bounds in that certain Deed dated January 29, 2007, by and between Tran Son as Grantors and Thoa Nguyen as Grantee, recorded in Document number D207031262, in the Deed Records of Tarrant County, Texas.

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

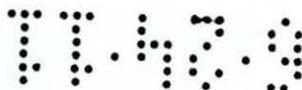
2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

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

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

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

Revised on 12/27/2006



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

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

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

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

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

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

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

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

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

Thoa Nguyen
Thoa Nguyen

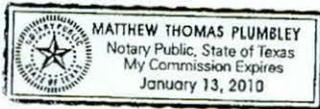
ACKNOWLEDGMENTS

STATE OF Texas

COUNTY OF Tarrant

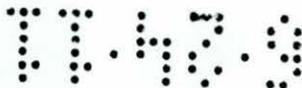
This instrument was acknowledged before me on the 30th day of April, 2007.

by Thoa Nguyen, whose marital status has not changed since acquiring this interest



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

Revised on 12/27/2006





DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/09/2007 09:00 AM
Instrument #: D207160016
LSE 3 PGS \$20.00

By: _____



D207160016

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

11429

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

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

OIL, GAS AND MINERAL LEASE
(NO SURFACE USE)

THIS AGREEMENT made this 10th day of April, 2007, between Barkatali Abdul Hussain, a married person, Lessor (whether one or more), whose address is 1151 East Seminary Drive, Fort Worth, Texas 76115, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

2.92 acres of land, more or less, being all of Lot 1B, Block B, of the Carter Park Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, according to that certain Plat recorded in Volume 388-104, Page 909, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

Revised on 12/27/2006



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

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

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

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

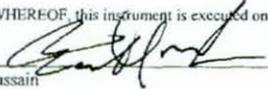
9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties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

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

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

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

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


Barkatali Abdul Hussain

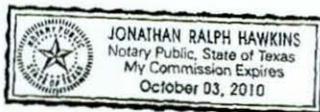
ACKNOWLEDGMENTS

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on the 10th day of April, 2007.

by Barkatali Abdul Hussain, a married person




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

STATE OF

COUNTY OF

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

by _____

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

Revised on 12/27/2006





DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/09/2007 10:07 AM
Instrument #: D207160183
LSE 3 PGS \$20.00

By: _____



D207160183

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



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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 9th day of May, 2007, between Ella E. Korenek, a widow, Lessor (whether one or more), whose address is 4717 Washburn Avenue, Fort Worth, Texas 76107, and Dale Property Services, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

.697 acres of land, more or less, being all of Lot 4R, Block B, out of the Carter Park Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-149, Page 16, of the Plat records of Tarrant County, Texas.
This lease also covers and includes all land owned or claimed by Lessor adjacent and contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

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

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

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

Revised on 12/27/2006



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

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

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

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

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

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

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

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

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

Ella E. Korenek
Ella E. Korenek

ACKNOWLEDGMENTS

STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on the 15 day of May, 2007.

by Ella E. Korenek, a widow

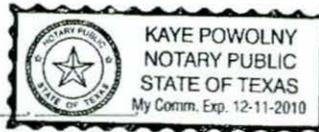
Kaye Powolny
Notary Public, State of
Notary's name (printed): Kaye Powolny
Notary's commission expires: 12-11-10

STATE OF

COUNTY OF

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

by _____



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

Revised on 12/27/2006





DALE RESOURCES LLC
2100 ROSS AVE # 1870

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 05/24/2007 08:58 AM
Instrument #: D207179164
LSE 3 PGS \$20.00

By: _____



D207179164

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

11479

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

Producers 88 (4-89) — Paid Up
With 640 Acres Pooling Provision
PRIMARY LEASE

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

THIS LEASE AGREEMENT is made this 1st day of February, 2008, by and between

Ruben Sales, a married person and Jesus Hinojosa, a married person both herein not joined by spouse
as Lessor (whether one or more), whose address is

3061 Deer Road, Fort Worth, Texas 76106

and DALE PROPERTY SERVICES L.L.C. 2100 Ross Ave Suite 1870 Dallas, Texas, 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

516 acres of land, more or less, being all of Lot(s) 5, Block B, of the Coker Park Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 368-17, Page 65, of the Plat Records of Tarrant County, Texas.

in the county of Tarrant, State of TEXAS, containing 516 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be Twenty-five percent (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be Twenty-five percent (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

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

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

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

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

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, ~~successors and assigns~~. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been

furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

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

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

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

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

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

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

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

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

LESSOR (WHETHER ONE OR MORE)

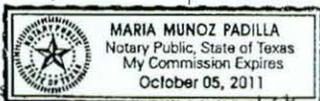
Signature: Ruben Salas
 Printed Name: Ruben Salas

Signature: [Signature]
 Printed Name: Jesus Hinojosa

ACKNOWLEDGMENT

STATE OF TEXAS
 COUNTY OF TARRANT
 This instrument was acknowledged before me on the 1st day of February, 2008, by

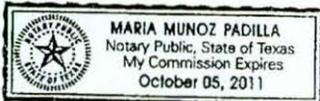
Ruben Salas, a married person herein not joined by spouse.



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

STATE OF TEXAS
 COUNTY OF TARRANT
 This instrument was acknowledged before me on the 1st day of February, 2008, by

Jesus Hinojosa, a married person herein not joined by spouse.



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

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS
 COUNTY OF _____
 This instrument was acknowledged before me on the _____ day of _____, 20____, by _____ of _____ a _____ corporation, on behalf of said corporation.

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



DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 02/07/2008 08:22 AM
Instrument #: D208043592
LSE 3 PGS \$20.00

By: _____



D208043592

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

Printed by: CN



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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 25th day of May, 2007, between Kien Long Tran and spouse, Be Thi Lam, Lessor (whether one or more), whose address is 1110 Hardisty Drive, Arlington, Texas 76001, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

2.589 acres of land, more or less, being all of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, Block C, out of the Carter Park Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to that Plat recorded in Volume 388-15, Page 455, Deed records of Tarrant County Texas, Save and Except that portion of lots 8 and 9 conveyed to Gaylord T. Van by deed recorded in Volume 5372, Page 370, Deed Records of Tarrant County, Texas.

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

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

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

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

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

Revised on 12/27/2006



drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

Kien Long Tran 

Be Thi Lam 

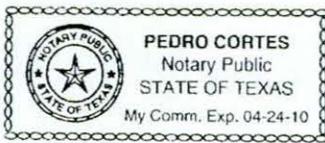
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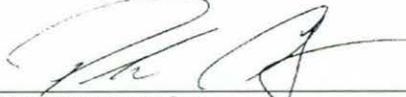
STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on the 4 day of June 2007.

by Kien Long Tran and spouse, Be Thi Lam




Notary Public, State of Texas
Notary's name (printed): Pedro Cortes
Notary's commission expires: 4/24/10





DALE RESOURCES LLC
2100 ROSS AVE
1870 LB-9
DALLAS TX 75201

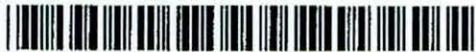
Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 06/29/2007 11:52 AM
Instrument #: D207227610
LSE 3 PGS \$20.00

By: _____



D207227610

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



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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 29th day of May, 2007, between Stephen Thayne Van Y, herein dealing in his sole and separate property, Lessor (whether one or more), whose address is 1225 East Seminary Drive, Fort Worth, Texas 76115, and Dale Property Services, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to-wit: 1.052 acres of land, more or less, being all of lots 8B, 9B, 10, 11, and 12, Block C, out of the Carter Park Addition, an addition to the City of Fort Worth, Tarrant County, Texas, being more particularly described by metes and bounds in that certain Deed dated July 1, 1986, by and between Rashti Construction Company, Inc. as Grantors, and Gaylord T Van Y as Grantee, recorded in Volume 8632, Page 2300, in the Deed Records of Tarrant County, Texas.

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

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

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

or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

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

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

Revised on 12/27/2006



with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

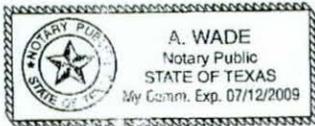
By: Stephen Thayne Van Y

ACKNOWLEDGMENTS

STATE OF Texas
COUNTY OF Tarrant

This instrument was acknowledged before me on the 4 day of June, 2007.

by Stephen Thayne Van Y, herein dealing in his sole and separate property.



A. Wade
Notary Public, State of Texas
Notary's name (printed): A. WADE
Notary's commission expires: 7/12/09





DALE RESOURCES LLC
2100 ROSS AVE
STE 1870 LB-9
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 06/21/2007 02:40 PM
Instrument #: D207217617
LSE 3 PGS \$20.00

By: _____



D207217617

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

11429

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

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

OIL, GAS AND MINERAL LEASE (NO SURFACE USE)

THIS AGREEMENT made this 24 day of February, 2007, between Manuel Bayona, whose marital status has not changed since acquiring this property, Lessor (whether one or more), whose address is 1340 East Seminary Drive, Fort Worth, Texas 76115, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

23 acres of land, more or less, being all of Lot 1, Block 6, of the Sycamore Creek Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, according to that certain Plat recorded in Volume 388-54, Page 40, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

Revised on 12/27/2006



with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

Jesus Manuel Bayona
Manuel Bayona

ACKNOWLEDGMENTS

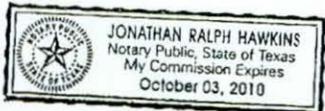
STATE OF Texas

COUNTY OF Tarrant

This instrument was acknowledged before me on the 24 day of February, 2007.

by Manuel Bayona, whose marital status has not changed since acquiring this property

[Signature]



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

STATE OF

COUNTY OF

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

by _____

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

Revised on 12/27/2006





DALE RESOURCES LLC
2100 ROSS AVE # 1870 LB 9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 03/01/2007 03:20 PM
Instrument #: D207073539
LSE 3 PGS \$20.00

By: _____



D207073539

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

11439

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

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

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

THIS AGREEMENT made this 11th day of January, 2008, between Guillermo Reynoso, a married man not joined by his spouse, Lessor (whether one or more), whose address is 22319 Roan Forest, San Antonio, Texas 78259, and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

*Stanley -
getting
new lease
4/13/11*

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

4.956 acres of land, more or less, being all of Lot 5, out of the Sycamore Creek Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-51, Page 95, of the Plat Records of Tarrant County, Texas.

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

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

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

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

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

Revised on 12/27/2006



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

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

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

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

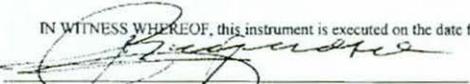
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10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability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

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

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

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

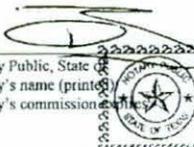

Guillermo Reynoso

ACKNOWLEDGMENTS

STATE OF Texas
COUNTY OF Bexar

This instrument was acknowledged before me on the 17 day of January, 2008

by Guillermo Reynoso, a married man not joined by his spouse


Notary Public, State of Texas
Notary's name (printed) DAVID H. ZAMARRIPA
Notary Public
State of Texas
Comm. Exp. 04-29-2011





DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

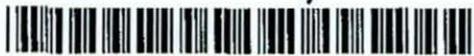
Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 01/23/2008 02:10 PM
Instrument #: D208023941
LSE 3 PGS \$20.00

By: _____ 



D208023941

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

Printed by: WD

11409

8.

File No. MF 112895

leases

Date Filed: 6/24/11

Jerry E. Patterson, Commissioner

By [Signature]

0 2 1 1

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

July 19th, 2011

Mr. David Guy
RedSky Land, LLC
Agent for Chesapeake Exploration, LLC
835 SW Alsbury Blvd., Suite H
Burleson, TX 76028-4088

Dear Mr. Guy,

Re: State of Texas HROW Lease # MF 112895

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

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

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

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

Best regards,

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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. MF112895

30 letter

Date Filed: 7/19/11

Jerry E. Patterson, Commissioner

By [Signature]

DO NOT DESTROY



Texas General Land Office
UNIT AGREEMENT MEMO

PA12-528

Unit Number 6001
Operator Name CHESAPEAKE OPERATING INC *Effective Date* 8/11/2011
Customer ID C000025243 *Unitized For* Oil & Gas
Unit Name Watson South *Unit Term* 0 Months
County 1 Tarrant
County 2 *Old Unit Number* *Inactive Status Date*
County 3 0
RRC District: 05 0
Unit Type: Permanent 0
State Royalty Interest: 0.0023261851 0
State Part in Unit: 0.0093047402
Unit Depth All *Well:* Unit
Below Depth 0 *Formation:* Barnett Shale
Above Depth 0 *Participation Basis:* Surface Acreage
[If Exclusions Apply: See Remarks]

MF Number MF112895 *Tract Number* 1
Lease Acres 3.495 / *Total Unit Acres* 375.615 =
Tract Participation: 0.0093047 X
Lease Royalty 0.25 = *Manual Tract Participation:* [] 0
Tract Royalty Participation 0.0023262 *Manual Tract Royalty:* [] 0

Tract Royalty Reduction No
Tract Royalty Rate 0
Tract On-Line Date:

See Remarks

API Number

RRC Number

424393579600

0

424393579700

0

Remarks:

HROW Unit - Barnett Shale

Prepared By:

B Baugh

Prepared Date:

10-31-12

GLO Base Updated By:

B Baugh

GLOBase Date:

10-31-12

RAM Approval By:

Swain

RAM Approval Date:

11-9-12

GIS By:

TG

GIS Date:

11-29-12

Electronically Recorded

Tarrant County Texas

Official Public Records

1/6/2012 9:34 AM

D212003877

Mary Louise Garcia

PGS 3 \$24.00

Mary Louise Garcia

Submitter: SIMPLIFILE

This is a Counterpart Original to that Corrected Declaration of Pooled Unit - Watson South Unit, Document # 211302111, filed in Tarrant County, Texas.

CORRECTED
DECLARATION OF POOLED UNIT
WATSON SOUTH UNIT

STATE OF TEXAS)
)
COUNTY OF TARRANT) **L 0621049**
) **KNOW ALL PERSONS BY THESE PRESENTS: Electronically Recorded**
) **Chesapeake Operating, Inc.**

Reference is made to that certain Declaration of Pooled Unit for the Watson South Unit, dated effective as of August 11, 2011, recorded as D211221771, Official Public Records of Tarrant County, Texas.

RECITALS

Whereas, the purpose and intent of this Corrected Declaration of Pooled Unit - Watson South Unit is to include leases which were previously pooled within the Unit Area as described on Exhibit "B" of the Declaration of Pooled Unit but were inadvertently omitted from the Exhibit "A" list of leases.

WHEREAS, each of the leases authorized the undersigned Lessee thereunder to pool, unitize or combine all or a portion of the lands covered thereby with other land, lands, lease, or leases, to form a pooled unit of the size prescribed or permitted under the rules or regulations of the appropriate governmental authority for the exploration, development and production of oil, gas and associated and constituent hydrocarbons from the lands covered by the Leases; and

WHEREAS, the pooling, unitization and combination of the leases and mineral estates to the extent necessary to form the pooled unit were necessary and advisable in the judgment of the undersigned.

WHEREAS, this instrument may be executed in any number of multiple counterparts, each of which shall have the same force and effect as an original instrument executed by all of the undersigned parties, regardless of whether such counterpart is executed prior to or subsequent to the date hereof or the filing of record of a counterpart hereof. This Corrected Declaration of Pooled Unit, and each counterpart or ratification hereof, shall be binding upon each party who executed the same, without regard to whether any other party owning an interest in the leases or Unit Area may execute this instrument, or a counterpart or ratification hereof.

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

This Declaration of Pooled Unit - Watson South Unit is hereby corrected to include the leases on the attached Exhibit "A".

Except as corrected and amended hereby, said Declaration and any corrections or amendments thereto remain in full force and effect.

EXECUTED by the undersigned party on the respective date of acknowledgment hereof, to be effective for all purposes as of the August 11, 2011.

Chesapeake Exploration, L.L.C.
an Oklahoma limited liability company

Henry J. Hood, Senior Vice President -
Land and Legal and General Counsel

Total E&P USA, Inc.
a Delaware corporation



Daniel Seiler
VP, Finance, Marketing & Corporate Support

Arcadia Resources, L.P.

Aubrey K. McClendon
General Partner

ACKNOWLEDGMENTS

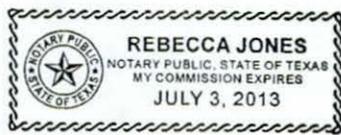
STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

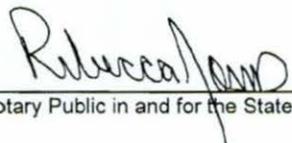
This instrument was acknowledged before me on this _____ day of _____, 2011, by Henry J. Hood, as Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS)
) §
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 22nd day of December, 2011, by Daniel Seiler, VP, Finance, Marketing & Corporate Support of Total E&P USA, Inc., a Delaware corporation, as the act and deed and on behalf of such corporation.





Notary Public in and for the State of Texas

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Aubrey K. McClendon, General Partner of Arcadia Resources, L.P., on behalf of said entity.

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

Notary Public of the State of Oklahoma

EXHIBIT "A"

Attached to and made a part of that Corrected Declaration of Pooled Unit for the Watson South Unit dated the effective date of August 11, 2011.

The original Watson South Unit Exhibit "A" is hereby corrected and amended to ADD the following leases:

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	RECORDED
TX2202630-000	ANNIE T. CABELLO	DALE RESOURCES LLC	6/22/2006	D206244865
TX2203418-000	MARTIN & ADRIANA CARRILLO	DALE RESOURCES LLC	6/29/2006	D206311745
TX2202718-000	BRADLEY COLBURN ET AL	DALE RESOURCES LLC	6/20/2006	D206244871
TX2203203-000	JERRY & EDWINNA COLBURN	DALE RESOURCES LLC	6/20/2006	D206244879
TX2203162-000	ISRAIEL & GLORIA ESCOBAR	DALE RESOURCES LLC	6/26/2006	D206222996
TX2205271-000	RAUL & MARIA FERNANDEZ	DALE RESOURCES LLC	6/19/2006	D206206896
TX2203274-000	JUAN & BLANCA GARCIA	DALE RESOURCES LLC	6/28/2006	D206244870
TX2207485-000	YOLANDA GARCIA & MARIA ORALIA GARCIA	DALE RESOURCES LLC	6/30/2006	D206244862
TX2202978-000	ERNA HILL	DALE RESOURCES LLC	6/19/2006	D206244860
TX2202967-000	ELLOUISE HUNNICUTT	DALE RESOURCES LLC	6/26/2006	D206222994
TX2202956-000	EDWARD & DEBORA INGRAM	DALE RESOURCES LLC	6/21/2006	D206223002
TX2202635-000	ARCHIE & LENA MAE KATCHINSKA	DALE RESOURCES LLC	6/26/2006	D206222995
TX2203273-000	JUAN & MANENA MORENO	DALE RESOURCES LLC	6/26/2006	D206222993
TX2203137-000	HOPE LUNA MUNOZ	DALE RESOURCES LLC	6/30/2006	D206244864
TX2205392-000	SHARON PENROD	DALE RESOURCES LLC	6/29/2006	D206244894
TX2203199-000	JERRY & LINDAY PHILLIPS	DALE RESOURCES LLC	6/29/2006	D206244877
TX2203261-000	JOSE REYES	DALE RESOURCES LLC	6/29/2006	D206244882
TX2205362-000	ADOLPHO SALDIVAR	DALE RESOURCES LLC	6/16/2006	D206206941
TX2203154-000	IDA SEGLER	DALE RESOURCES LLC	6/19/2006	D206206897

END OF EXHIBIT "A"

Record & Return to:
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

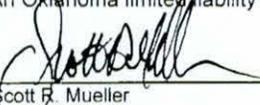
CHESAPEAKE EXPLORATION, L.L.C.
an Oklahoma limited liability company

Henry J. Hood, Senior Vice President -
Land and Legal and General Counsel

TOTAL E&P USA, INC.
a Delaware corporation


Fabien Colmet Daage, Vice President - Business
Development and Strategy *OK, A*
ml

JAMESTOWN RESOURCES, L.L.C.
An Oklahoma limited liability company


Scott F. Mueller
Chief Financial Officer

ACKNOWLEDGMENTS

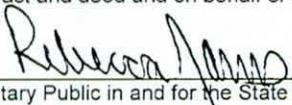
STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this _____ day of _____, 2012, by Henry J. Hood, Senior Vice President - Land and Legal & General Counsel of Chesapeake Exploration, L.L.C. on behalf of said limited liability company.

Notary Public in and for the State of Oklahoma

STATE OF TEXAS)
) §
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 17 day of April, 2012, by Fabien Colmet Daage, Vice President - Business Development and Strategy of Total E&P USA, Inc., a Delaware corporation, as the act and deed and on behalf of such corporation.


Notary Public in and for the State of Texas

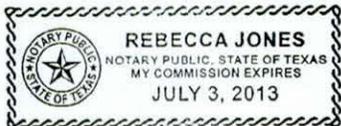


EXHIBIT "A"

Attached to and made a part of that First Amendment to Declaration of Pooled Unit for the Watson South Unit. The following described Oil and Gas Leases shall be limited to those lands insofar and only insofar as said Oil and Gas Leases covers lands within the Unit depicted in Exhibit "B".

The original Watson South Unit Exhibit "A" is hereby amended to ADD the following leases:

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	RECORDED
TX0065469-000	LESLIE PALOMARES & J MERCED	DALE PROPERTY SERVICES, LLC	3/8/2007	D207102005
TX0069108-000	ADELITA & MARTIN RODRIGUEZ JR	DALE PROPERTY SERVICES, LLC	3/31/2007	D207136875
TX0071392-000	MARGIL & MARIA DEHOYOS	DALE PROPERTY SERVICES, LLC	4/19/2007	D207163805
TX0070996-000	FRANCISCO & JULIA REALME	DALE PROPERTY SERVICES, LLC	4/19/2007	D207160180
TX0072238-000	SEFERINO & ROSALBA MARTINEZ	DALE PROPERTY SERVICES, LLC	3/15/2007	D207171454
TX0097570-000	JOHN HINOJOSA	DALE PROPERTY SERVICES, LLC	10/6/2007	D207399963
TX0144060-000	KERRY E & ANN MOSELEY	DALE PROPERTY SERVICES, LLC	4/12/2010	D210087367
TX0144061-000	KERRY E & ANN MOSELEY	DALE PROPERTY SERVICES, LLC	4/12/2010	D210087368
TX0144059-000	KERRY E & ANN MOSELEY	DALE PROPERTY SERVICES, LLC	4/12/2010	D210087712
TX0117807-000	JOSE LUIS GUZMAN & FLORENTINA HERNANDEZ GUZMAN & MARIA DELGADILLO	DALE PROPERTY SERVICES, LLC	4/21/2008	D208154402
TX0124325-000	MARK W ROSE	DALE PROPERTY SERVICES, LLC	4/28/2008	D208217480
TX0126634-000	J REYES & NANCY ALANIS	DALE PROPERTY SERVICES, LLC	6/18/2008	D208247497
TX0126622-000	J REYES & NANCY REYES	DALE PROPERTY SERVICES, LLC	6/18/2008	D208247485
TX0137187-000	MANUEL A & NAVIDAD CAMPOS	DALE PROPERTY SERVICES, LLC	2/19/2009	D209050628
TX0137672-000	JOSEFINA MORALES & JOSE CARLOS CERON MENDOZA	DALE PROPERTY SERVICES, LLC	3/5/2009	D209065401
42-008200-001	JOE WILLARD GRAGG, JR	CHESAPEAKE EXPLORATION, LLC	10/7/2011	D211251711
42-008200-002	VIRGINIA GRAGG WATSON	CHESAPEAKE EXPLORATION, LLC	10/11/2011	D211252989
TX0150846-000	HENRY COSSIO	CHESAPEAKE EXPLORATION, LLC	2/15/2011	D211042889
TX0150845-000	HENRY COSSIO	CHESAPEAKE EXPLORATION, LLC	2/15/2011	D211042888
TX0460626-001	FORT WORTH INDEPENDENT SCHOOL DISTRICT	CHESAPEAKE EXPLORATION, LLC	6/3/2009	D209161900
TX0436293-000	SIDURI DEVELOPMENT, LLC	VANTAGE FORT WORTH ENERGY, LLC	6/1/2011	D211235865
42-042808-001	STEVEN H. WOODARD	CHESAPEAKE EXPLORATION, LLC	7/15/2011	D211286446
42-043847-000	DENTON BUILDINGS, LP	CHESAPEAKE EXPLORATION, LLC	12/8/2011	D211303450
42-043842-001	DANIEL SANCHEZ	CHESAPEAKE EXPLORATION, LLC	12/10/2011	D211300511
42-043842-002	EDDIE W. & ALICIA HANDY	CHESAPEAKE EXPLORATION, LLC	12/15/2011	D211311853

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that First Amendment to Declaration of Pooled Unit for the Watson South Unit.

Watson South Unit:

Being 375.615 acres of land located in the L. Cohen Survey, Abstract No. 290, E. Ellis Survey, Abstract No. 484, the W.R. Loving Survey, Abstract No. 948 and the L. Wetmore Survey, Abstract No. 1649, Tarrant County, Texas. Said 375.615 acres of land being more particularly described as follows:

BEGINNING at a point lying at the northwest corner of Lot 1-R, Block 1, Watson's Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Cabinet B, Slide 3138, Plat Records, Tarrant County, Texas, from which an 1/2" iron rod stamped "RPSL 4277" found at the most northerly southwest corner of said Lot 1-R bears S00°03'17"E 224.58 feet, said point lying in the east line of Interstate 35 (I-35), said point being the southwest corner of Chesapeake Operating, Inc., Watson North Unit and being the northwest corner of Chesapeake Operating, Inc., Watson South Unit;

THENCE along the south and east lines of said Watson North Unit as follows:

1. N89°57'45"E, a distance of 585.91 feet to a point at the northeast corner of said Lot 1-R;
2. S00°04'24"W, at 250.08 feet passing a 3/4" iron rod found at the southeast corner of said Lot 1-R, in all a distance of 270.23 feet to a point lying in the apparent centerline intersection of East Mason Street;
3. S89°58'38"E, along said East Mason Street centerline, a distance of 608.77 feet to a point at the southeast corner of said Watson North Unit;
4. N00°01'22"E, a distance of 25.00 feet to a point lying in the west line of Union Pacific Railroad;
5. N04°44'28"W, a distance of 175.93 feet to a point;
6. N03°43'28"W, a distance of 93.00 feet to a point;
7. Northerly, 10.00 feet, along a curve to the right, having a radius of 2,059.88 feet, a central angle of 00°16'41" and a chord bearing N03°35'08"W 10.00 feet to a point

THENCE N89°38'01"E, at 292.81 feet passing a point lying in the east line of said Union Pacific Railroad, said point being the apparent centerline of Blodgett Avenue, in all a distance of 1,239.46 feet to a point;

THENCE S00°21'59"E, along said Blodgett Avenue centerline, a distance of 1.24 feet to a point;

THENCE S89°28'05"E, continuing along said Blodgett Avenue centerline, a distance of 408.28 feet to a point;

THENCE S00°25'48"W, at 22.35 feet passing the northeast corner of Lot 6, Block B, Vallejo Park, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-R, Page 64, Plat Records, Tarrant County, Texas, at 287.46 feet passing the apparent centerline of Blalock Avenue, in all a distance of 460.29 feet to a point at the southwest corner of Lot 6, Block E, of said Vallejo Park, said point lying in the north line of Lot 4, Block 8, Carter Park, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-13, Page 56, Plat Records, Tarrant County, Texas;

THENCE S89°28'33"E, along said north line, a distance of 7.02 feet to a point at the northeast corner of said Lot 4;

THENCE S00°35'45"W, along the east line of said Lot 4, at 119.99 feet passing the southeast corner of said Lot 4, in all a distance of 144.99 feet to a point lying in the apparent centerline of Debbie Street;

THENCE S89°28'33"E, along said Debbie Street centerline, a distance of 22.65 feet to a point;
THENCE S00°31'27"W, at 25.00 feet passing the northeast corner of Lot 19, Block 6, of said Carter Park Addition, in all a distance of 317.05 feet to a point at the southeast corner of Lot 21, of said Block 6, said point lying in the north line of a tract of land described in the deed to Sabrina L. Nations, recorded in County Clerk #D208403595, Deed Records, Tarrant County, Texas;

THENCE S89°37'33"E, along the north line of said Nations tract, a distance of 243.94 feet to a point at the northeast corner of said Nations tract, said point being the southeast corner of Lot 14, of said Block 6;

THENCE S00°23'48"E, along the east line of said Nations tract, a distance of 445.07 feet to a point lying in the apparent centerline of Britton Avenue;

THENCE S89°18'00"E, along said Britton Avenue centerline, a distance of 145.03 feet to a point at the apparent centerline intersection of Arrowwood Drive and said Britton Avenue;

THENCE S00°23'48"E, along said Arrowwood Drive centerline, a distance of 726.77 feet to a point at the apparent centerline intersection of East Seminary Drive and said Arrowwood Drive;

THENCE N89°01'52"E, along said East Seminary Drive centerline, a distance of 456.16 feet to a point;

THENCE S00°51'25"E, at 49.62 feet passing the northeast corner of Block 5, Sycamore Creek, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-51, Page 95, Plat Records, Tarrant County, Texas, in all a distance of 589.47 feet to an 1/2" iron rod found at the southeast corner of said Block 5;

THENCE S70°05'09"W, at 318.62 feet passing an 1/2" iron rod found at the most southerly southwest corner of said Block 5, said iron rod being the southeast corner of Lot 19, Block 3, Oakridge Terrace, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-24, Page 55, Plat Records, Tarrant County, Texas, in all a distance of 458.80 feet to a point, said point being an angle point lying in the south line of Lot 20, of said Block 3;

THENCE S48°44'35"W, a distance of 1,003.00 feet to an 1/2" iron rod found at the east corner of Lot 9, Block 4, of said Oakridge Terrace;

THENCE S19°24'55"E, a distance of 807.54 feet to a point, said point being an angle point of Lot 21, Block 4, Oakridge Terrace, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-45, Page 52, Plat Records, Tarrant County, Texas;

THENCE S12°30'18"E, a distance of 403.65 feet to a point at the northeast corner of Lot 27, Block 4, Oakridge Terrace, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-39, Page 7, Plat Records, Tarrant County, Texas;

THENCE S11°42'56"E, a distance of 605.70 feet to a 5/8" iron rod found at the east corner of Lot 34, of said Block 4, said iron rod being the southeast corner of said Watson South Unit;

THENCE S50°45'28"W, a distance of 489.79 feet to a point at the south corner of Lot 49, Block 1, of said Oakridge Terrace, recorded in Volume 388-39, said point lying in said Union Pacific Railroad east line;

THENCE S52°51'48"W, a distance of 177.77 feet to a point lying in said Union Pacific Railroad west line, said point lying in the east line of Lot 9, Block 30, Southland Terrace, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-Y, Page 120, Plat Records, Tarrant County, Texas;

THENCE S37°08'12"E, along said Lot 9 east line, a distance of 80.81 feet to a point at the southeast corner of said Lot 9, said point being the northeast corner of a tract of described in the deed to the City of Fort Worth, recorded in Volume 12682, Page 2240, Deed Records, Tarrant County, Texas;

THENCE along the north lines of said City of Fort Worth tract as follows:

1. S45°45'23"W, a distance of 118.60 feet to a point;
2. S85°51'23"W, a distance of 141.60 feet to a point;
3. N82°58'37"W, a distance of 249.20 feet to a point;
4. N54°54'37"W, a distance of 367.70 feet to a point;
5. N81°11'37"W, a distance of 259.10 feet to a point;
6. S39°01'23"W, a distance of 185.10 feet to a point, from which the northwest corner of said City of Fort Worth tract bears S39°04'23"W 32.05 feet, said point being the southwest corner of Lot 24, of said Block 30;

THENCE N22°34'12"W, along the west line of said Lot 24, a distance of 171.23 feet to a point at the southeast corner of Lot 25, of said Block 30;

THENCE along the south line of said Block 30 as follows:

1. S39°45'48"W, a distance of 66.70 feet to a point;
2. S77°00'48"W, a distance of 77.50 feet to a point;
3. N87°05'12"W, a distance of 79.15 feet to a point;
4. S69°58'48"W, a distance of 67.00 feet to a point;
5. S79°05'48"W, a distance of 50.00 feet to a point;
6. N67°20'12"W, a distance of 122.50 feet to a point;
7. S54°33'48"W, at 90.00 feet passing the southwest corner of Lot 31, of said Block 30, in all a distance of 135.64 feet to a point lying in the apparent centerline of Oak Grove Road, said point lying in the north line of Chesapeake Operating, Inc., Inglesia Bautista Unit;

THENCE N34°54'53"W, along said Oak Grove Road centerline, a distance of 40.28 feet to a point;

THENCE N79°58'11"W, continuing along said Oak Grove Road centerline, a distance of 205.82 feet to a point;

THENCE S00°13'36"W, at 27.91 feet passing a rivet found at the northeast corner of Block 1, Pilgrim Park, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-88, Page 16, Plat Records, Tarrant County, Texas, in all a distance of 318.86 feet to a point at the southeast corner of said Block 1, said point lying in the north line of a tract of land described in the deed to TESCO, recorded in Volume 2543, Page 150, Deed Records, Tarrant County, Texas;

THENCE S00°13'13"W, crossing said TESCO tract, a distance of 58.53 feet to a point lying in the south line of said TESCO tract, said point being the northeast corner of Block 2, of said Pilgrim Park;

THENCE S00°18'08"W, a distance of 4.99 feet to a point at the southeast corner of said Block 2

THENCE N89°32'15"W, along the south line of said Block 2, a distance of 467.54 feet to a 4" steel corner post for the southwest corner of said Block 2, said steel post lying in said I-35 east line, said steel post being the northwest corner of said Inglesia Bautista Unit and the southwest corner of said Watson South Unit;

THENCE along said I-35 east line as follows:

1. N05°13'06"W, a distance of 197.23 feet to a Texas Department of Transportation (TxDOT) monument found at the northwest corner of said Block 2;

2. N00°10'53"E, a distance of 547.91 feet to an 1/2" iron rod found at the southwest corner of Lot 3BR1, Block 29, Southland Terrace Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Cabinet B, Slide 721, Plat Records, Tarrant County, Texas;

3. N00°08'48"E, a distance of 575.20 feet to a point at the northwest corner of Lot 1, Block 24, Southland Terrace Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Cabinet B, Slide 2050, Plat Records, Tarrant County, Texas;

4. N00°12'49"E, a distance of 1,506.12 feet to a point;

5. N06°02'28"W, a distance of 566.79 feet to a point;

6. northerly, 194.35 feet, along a curve to the right, having a radius of 2,722.79 feet, a central angle of 04°05'23" and a chord bearing N03°59'47"W 194.31 feet to a point at the southeast corner of Block C, Southland Terrace Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-G, Page 56, Plat Records, Tarrant County, Texas;

THENCE N86°48'18"E, along the south line of said Block C, at 269.34 feet passing the southeast corner of said Block C, in all a distance of 299.02 feet to a point lying in the apparent centerline of Evans Avenue;

THENCE along said Evans Avenue centerline as follows:

1. northerly, 165.77 feet along a non tangent curve to the right, having a radius of 4,056.12 feet, a central angle of 02°20'30" and a chord bearing N02°06'57"W, 165.76 feet to a point;

2. N00°56'42"W, a distance of 89.86 feet to a point;

3. northerly, 129.20 feet along a non tangent curve to the right, having a radius of 619.01 feet, a central angle of 11°57'33" and a chord bearing N05°02'50"E, 128.97 feet to a point;

4. N11°02'18"E, a distance of 33.95 feet to a point;

5. northerly, 129.55 feet, along a curve to the left, having a radius of 688.33 feet, a central angle of 10°47'00" and a chord bearing N05°38'48"E 129.36 feet to a point;

6. N00°15'18"E, a distance of 25.06 feet to a point at the apparent centerline intersection of Prince Street and said Evans Avenue;

THENCE N89°44'42"W, along said Prince Street centerline, a distance of 141.95 feet to a point;

THENCE N00°19'03"W, at 17.91 feet passing the south line of Block 10, Bell's Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 204-A, Page 136, Plat Records, Tarrant County, Texas, said point lying in the apparent centerline of a 10.0 foot wide alley, in all a distance of 909.79 feet to a point lying in the south line of Lot 3, Block 2R, Bell's Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-83, Page 26, Plat Records, Tarrant County, Texas;

THENCE West, along the south line of said Block 2R, a distance of 177.24 feet to a point at the southwest corner of said Lot 3;

THENCE N00°02'28"W, along the west line of said Block 2R, at 550.00 feet passing the northwest corner of said Block 2R, at 621.08 passing said most northerly southwest corner of said Lot 1-R, in all a distance of 845.66 feet to the point of beginning, containing 375.615 acres of land.

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

END OF EXHIBIT "B"

**Record & Return To:
Chesapeake Operating, Inc.
P.O. Box 18498
Oklahoma City, OK 73154**

This application will soon be replaced by the new ALAMO application!



Parallel testing of the ALAMO application begins July 18. Please assist us in testing by selecting the ALAMO icon in your NAL window. If you do not see the icon in your NAL window, please refresh it by hitting the (F5) key. For further assistance, please contact TSC at 3-8877.



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 [Well Inventory Search](#)

Energy Paper Details

Paper Type: OIL AND/OR GAS LEASE

Lease/Unit/Permit: MF108881

[Related Business Entities](#) |
 [Related Counties](#) |
 [Related Leases/Units](#) |
 [Related PSF Land](#) |
 [View Map](#)
[View Oil/Gas Lease Details](#) |
 [Search DocuShare](#) |
 [View Revenue Details](#) |
 [Well Inventory](#)

General Information

Lease Date	05/20/2008	Total Leased Acres	3.52
Status	SHUT-IN	Land Part in Lease	
Status Date	08/29/2009	Limited Term	
Non-Unit Status	ACTIVE	Term	
Non-Unit Status Date		Primary Term	2 yrs
Rental Class		Rental Type	

Payment Information

Original Payment \$14,060.00

Payment Cycle ANNUAL

Comments

Comment	Type	Date	User
SHUT-IN ROYALTY OF \$351.50 RECEIVED 05/09/11. THIS IS SECOND YR OF SHUT-IN.	SHUT-IN	05/13/2011	hdunne
HROW/PAID-UP LEASE SHUT-IN WAITING ON PIPELINE TO LOCATION. \$351.50 SHUT-IN ROY RECEIVED 4-16-10. PT ENDED 5-20-10.	legacy	08/02/2010	import

Updated On	05/13/2011	By	hdunne
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Business Entity Information

Lessee DALE PROPERTY SERVICES, LLC

This application will soon be replaced by the new ALAMO application!



Parallel testing of the ALAMO application begins July 18. Please assist us in testing by selecting the ALAMO icon in your NAL window. If you do not see the icon in your NAL window, please refresh it by hitting the (F5) key. For further assistance, please contact TSC at 3-8877.



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 [PSF Land Search](#) |
 [Well Inventory Search](#)

Energy Paper Details

Paper Type: OIL AND/OR GAS LEASE

Lease/Unit/Permit: MF112895

[Related Business Entities](#) |
 [Related Counties](#) |
 [Related Leases/Units](#) |
 [Related PSF Land](#) |
 [View Map](#)
[View Oil/Gas Lease Details](#) |
 [Search Docushare](#) |
 [View Revenue Details](#) |
 [Well Inventory](#)

General Information

Lease Date	07/19/2011	Total Leased Acres	3.50
Status	ACTIVE	Land Part in Lease	
Status Date	07/19/2011	Limited Term	
Non-Unit Status		Term	
Non-Unit Status Date		Primary Term	3 yrs
Rental Class		Rental Type	

Payment Information

Original Payment \$52,557.00

Payment Cycle

Comments

Comment	Type	Date	User
HROW LEASE	GENERAL	08/02/2011	bboyd

Updated On		By	bboyd
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Business Entity Information

Lessee	CHESAPEAKE EXPLORATION, LLC
Lessor	STATE OF TEXAS (GLO)
Operator	No operators recorded



For technical support please contact the Technical Support Center at 463-8877
 This page last updated on 4 November 2000

Chesapeake Operating, Inc., Watson South, Well 1H SHL is 711' FNL and 1,279' FWL of the E. Ellis Survey, Abstract No. 484, Fort Worth, Tarrant County, Texas.

HERBERT S. BEASLEY
LAND SURVEYORS L.P.
 • LAND • TOPOGRAPHIC
 • CONSTRUCTION SURVEYING

P. O. BOX 8873
 FORT WORTH, TEXAS 76124

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

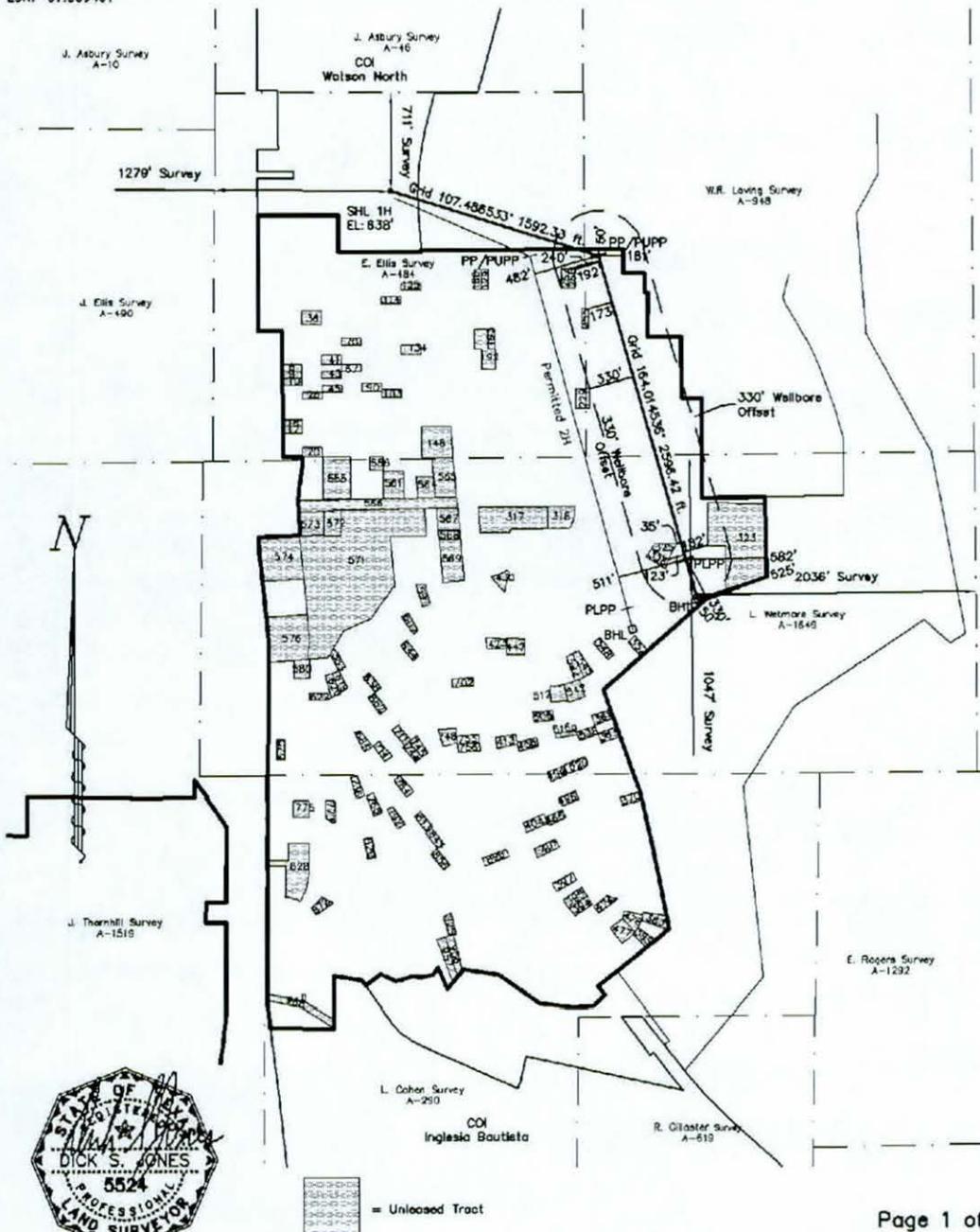
NAD27 TxNC-South 1H
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 Y: 372514.137
 LAT: 32.690483°
 LON: -97.318706°

NAD27 TxNC-PP/PUPP
 X: 2057908.29
 Y: 372035.55
 LAT: 32.689161°
 LON: -97.311772°

NAD27 TxNC-PLPP
 X: 2058540.88
 Y: 369827.34
 LAT: 32.683089°
 LON: -97.309728°

NAD27 TxNC-BHL
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 Y: 369539.54
 LAT: 32.682297°
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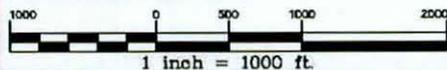
Total Acres - 364.161 ac.
 Total Unleased Acres - 59.490 ac.
 Total Leased Acres - 304.671 ac.



Page 1 of 7

Prepared 4 May 2011
 Revised 22 August 2011

Base of Bearings: NAD27 Texas North Central Zone.
 Grid Scale Factor: 0.9998829254



Well Plat
Watson South, Well 1H
CHESAPEAKE OPERATING, INC.
304.671 Lease Acre Watson South
Fort Worth, Tarrant County, Texas.

CHK-Watson South 1H Rule37.dwg

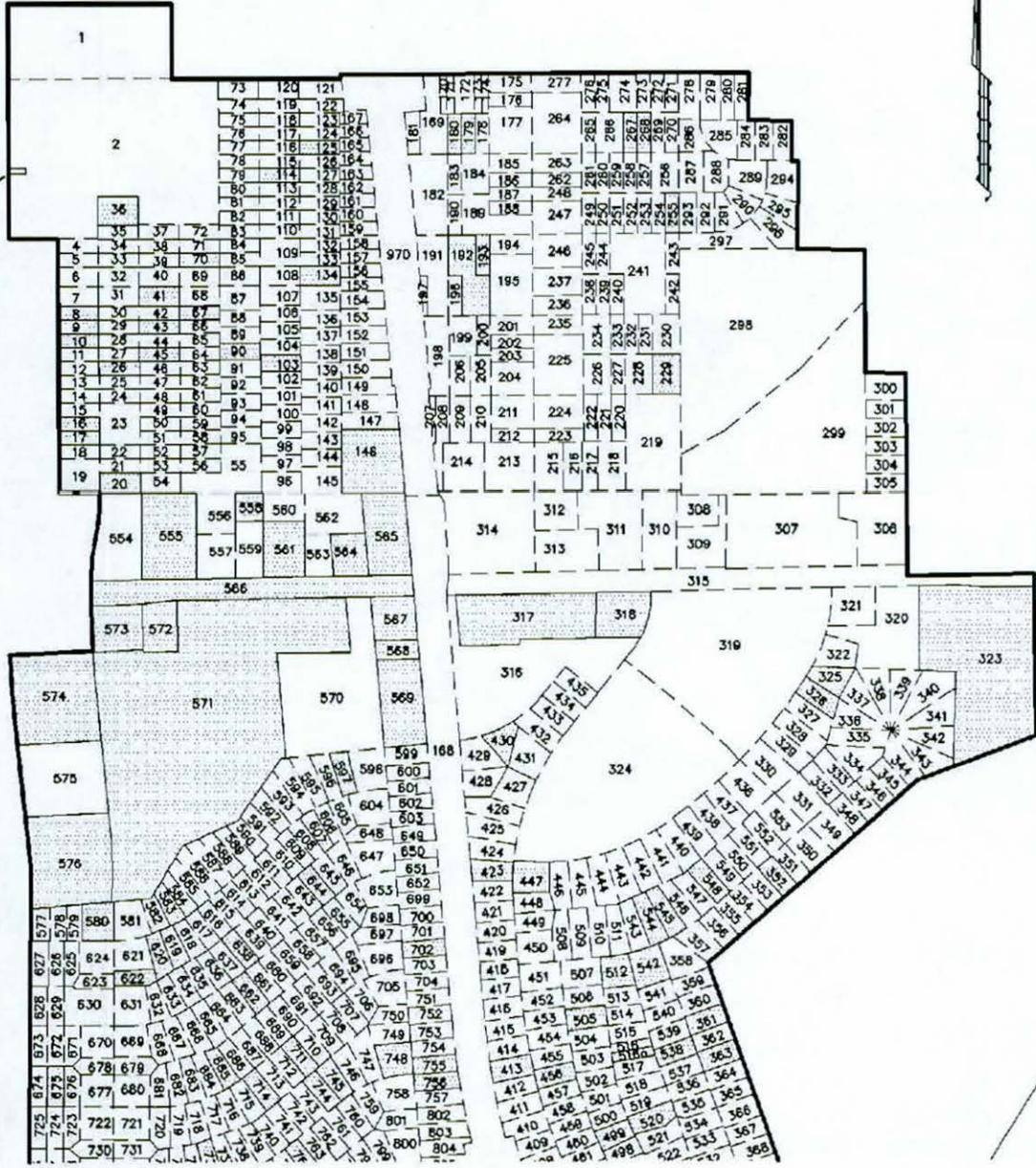
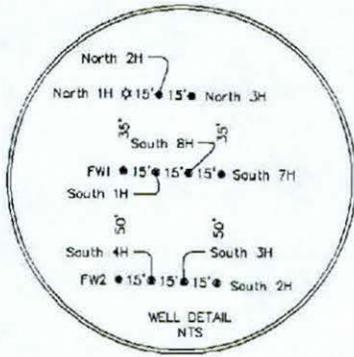


LAND SURVEYORS L.P.

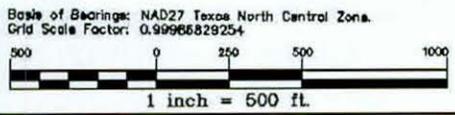
- LAND
- TOPOGRAPHIC
- CONSTRUCTION SURVEYING

P. O. BOX 8873
FORT WORTH, TEXAS 76124

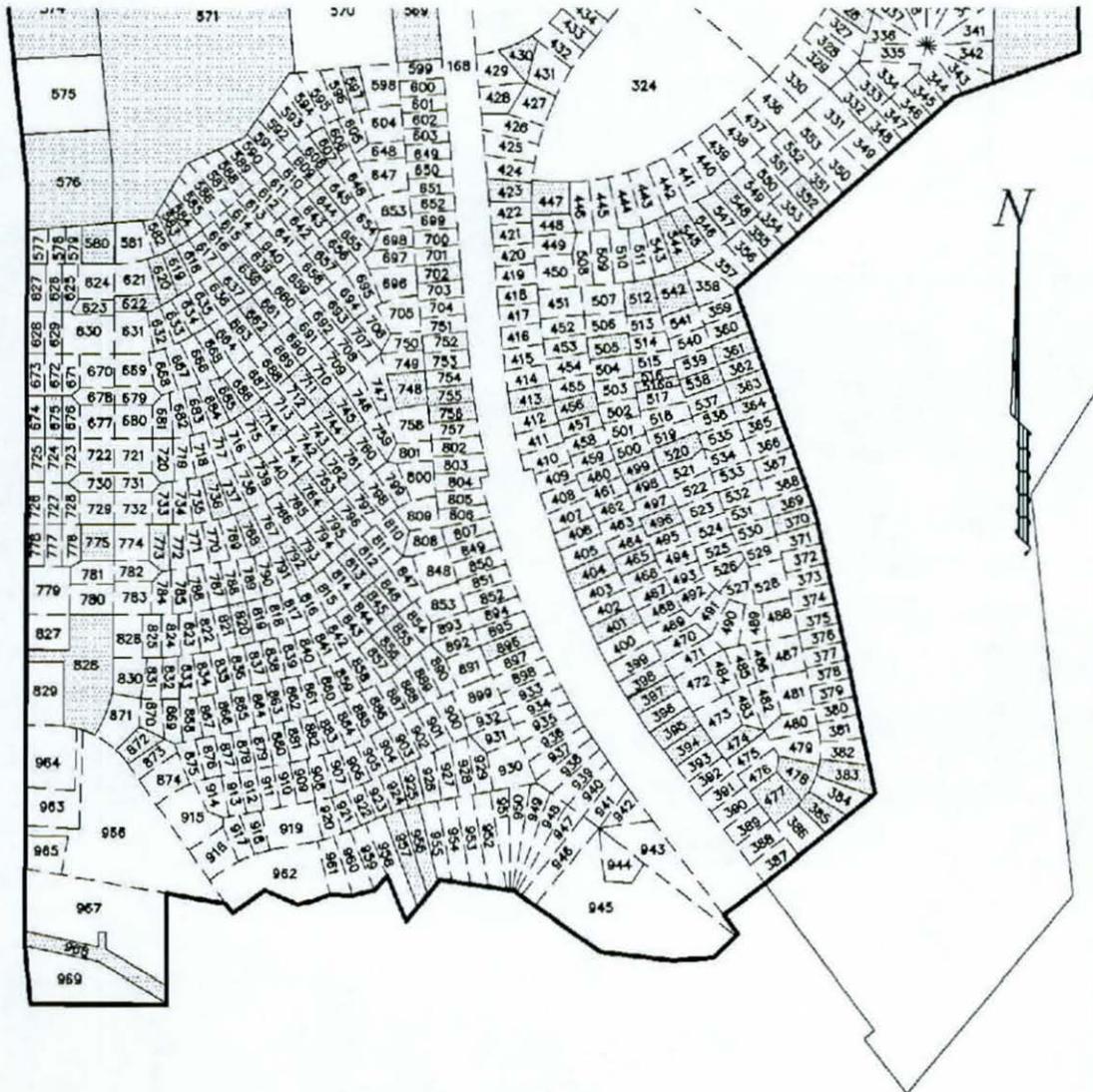
METRO 817-429-0194
FAX 817-448-5488



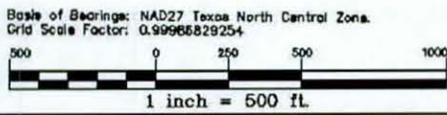
[Hatched box symbol] = Released Tract



Well Plat
Watson South, Well 1H
CHESAPEAKE OPERATING, INC.
304.671 Lease Acre Watson South
 Fort Worth, Tarrant County, Texas.



 = Unleased Tract



Well Plat
Watson South, Well 1H
CHESAPEAKE OPERATING, INC.
304.671 Lease Acre Watson South
 Fort Worth, Tarrant County, Texas.

API No. <u>42-439-35797</u> Drilling Permit # <u>711715</u> SWR Exception Case/Docket No. <u>0270661</u> (R37)	RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>	FORM W-1 07/2004 Permit Status: Approved
1. RRC Operator No. <u>147715</u>	2. Operator's Name (as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.	3. Operator Address (include street, city, state, zip):
4. Lease Name WATSON SOUTH	5. Well No. 1H	
GENERAL INFORMATION		
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input checked="" type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)		
7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack		
8. Total Depth <u>9000</u>	9. Do you have the right to develop the minerals under any right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
SURFACE LOCATION AND ACREAGE INFORMATION		
11. RRC District No. <u>05</u>	12. County TARRANT	13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore
14. This well is to be located <u>0</u> miles in a <u>Within</u> direction from <u>Fort Worth</u> which is the nearest town in the county of the well site.		
15. Section	16. Block	17. Survey ELLIS, E S
		18. Abstract No. A-484
	19. Distance to nearest lease line: <u>35</u> ft	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>303.3</u>
21. Lease Perpendiculars: <u>1279</u> ft from the <u>W (OFF LEASE)</u> line and <u>711</u> ft from the <u>N (OFF LEASE)</u> line.		
22. Survey Perpendiculars: <u>1279</u> ft from the <u>W</u> line and <u>711</u> ft from the <u>N</u> line.		
23. Is this a pooled unit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		24. Unitization Docket No:
		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No
FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.		
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)
		29. Well Type
		30. Completion Depth
		31. Distance to Nearest Well in this Reservoir
		32. Number of Wells on this lease in this Reservoir
<u>09</u>	<u>65280200</u>	<u>NEWARK, EAST (BARNETT SHALE)</u>
		<u>Oil or Gas Well</u>
		<u>7216</u>
		<u>482.00</u>
		<u>2</u>
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)		
Remarks [FILER Aug 22, 2011 4:38 PM]: Moved the PLPP. Parties were previously noticed; [RRC STAFF Aug 29, 2011 4:38 PM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Aug 31, 2011 2:18 PM]: Problems identified with this permit are resolved.		Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Bill Spencer, Consultant</u> <u>Aug 22, 2011</u> Name of filer Date submitted <u>(512)9181062</u> <u>bill@spencerconsulting.org</u> Phone E-mail Address (OPTIONAL)
RRC Use Only Data Validation Time Stamp: Sep 23, 2011 10:09 AM('As Approved' Version)		

Permit Status: **Approved**
The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

**RAILROAD COMMISSION OF TEXAS
 OIL & GAS DIVISION**

Form W-1H 07/2004
 Supplemental Horizontal Well Information

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

*This facsimile W-1 was generated electronically from data submitted to the RRC.
 A certification of the automated data is available in the RRC's Austin office.*

Permit # **711715**
 Approved Date: **Sep 23, 2011**

1. RRC Operator No. 147715	2. Operator's Name (exactly as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.	3. Lease Name WATSON SOUTH	4. Well No. 1H
--------------------------------------	---	--------------------------------------	--------------------------

Lateral Drainhole Location Information

5. Field as shown on Form W-1 **NEWARK, EAST (BARNETT SHALE) (Field # 65280200, RRC District 09)**

6. Section	7. Block	8. Survey WETMORE, L	9. Abstract 1649	10. County of BHL TARRANT
------------	----------	--------------------------------	----------------------------	-------------------------------------

11. Terminus Lease Line Perpendiculars 582 ft. from the E line. and 330 ft. from the SE line
12. Terminus Survey Line Perpendiculars 2036 ft. from the E line. and 1047 ft. from the N line
13. Penetration Point Lease Line Perpendiculars 50 ft. from the N line. and 181 ft. from the E line



Information for Highway Right-of-Way Unit Declaration
 Texas General Land Office
 Jerry Patterson, Commissioner
 1700 North Congress Avenue
 Austin, Texas 78701-1495

OPERATOR INFORMATION

Contact Name: Jason Lowrey Phone (405) 935-4165
 Name of Pooled Unit Watson South
 Operator of Pooled Unit Chesapeake Operating Inc County Tarrant
 Operator TAX ID # [REDACTED]
Effective Date of Unit Declaration: 08/11/2011

HROW LEASE(S) IN UNIT

HROW State Lease No.	Lease Date	Term	HROW Royalty	Total Lease Acreage	Lease Acreage in Unit	Lessee of Record
112895	7/19/11	3yr	25%	3.495	304.671	Chesapeake

Total HROW Acreage In Unit = 3.495 Ac.

State's Net Revenue Interest in Unit: 0.00232619

Total Private Acreage In Unit = _____ Ac.

Total Acreage In Pooled Unit = 375.615 Ac.

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

Type of Mineral Pooled: Oil Gas Oil & Gas
 Pooled Interval: All Depths All Top Depth _____ Base Depth _____
 If pooling a Formation(s) please list Formation Name: Barnett Shale
 RRC Field Name(s): _____

UNIT WELL(S)

API # 42-439-35797 RRC ID# _____
 API # 42-439-35796 RRC ID# _____
 API # _____ RRC ID# _____
 API # _____ RRC ID# _____

65-902205
 PA12-528
 6001

10

File No. MF112895

Unit 6001

WATSON SOUTH

Date Filed: 10-31-12

Jerry E. Patterson, Commissioner

By BRyd

DIVISION ORDER

MF112895

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

PROPERTY NO: 621452
EFFECTIVE: 4/21/2012
PREPARED BY: REGAN PAQUETTE
DATE PREPARED: 8/14/2012
PRODUCT/ZONE: OIL & GAS

This agreement is made and entered into on August 14, 2012.

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

OPERATOR: CHESAPEAKE OPERATING, INC. OWNER NO: 646157 INT TYPE: 5 (REG)
PROPERTY: WATSON SOUTH 1H (621452) OWNER: STATE OF TEXAS
LEGAL DESCRIPTION: LOUIS WETMORE, A-1649 UNIT ACRES: 375.615000
TARRANT, TX COMMENTS 0

Status	BPO Net Ac	BPO Lse NRI/RI	BPO Unit Int.	APO1 Net Ac	APO1 Lse NRI/RI	APO1 Unit Int.	APO2 Net Ac	APO2 Lse NRI/RI	APO2 Unit Int.
SS	3.495000	0.25000000	0.00232619	3.495000	0.25000000	0.00232619	0.000000	0.00000000	0.00000000

DIVISION OF INTEREST

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

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

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

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

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

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

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

THIS COPY CAN BE RETAINED FOR YOUR RECORDS



OWNER NO: 646157

TO: Chesapeake Operating, Inc., Payor	PROPERTY NO: 621452
P.C. 18496	EFFECTIVE: 4/21/2012
OKLAHOMA CITY, OK 73154	PREPARED BY: REGAN PAQUETTE
	DATE PREPARED: 8/14/2012
	PRODUCT/ZONE: OIL & GAS

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PROPERTY:	WATSON SOUTH 1H (621452)	OWNER:	STATE OF TEXAS		
LEGAL DESCRIPTION:	LOUIS WETMORE, A-1649	UNIT ACRES:	375.615000		
	TARRANT, TX	COMMENTS	0		

Status	BPO Net Ac	BPO Lse NRI/RI	BPO Unit Int.	APO1 Net Ac	APO1 Lse NRI/RI	APO1 Unit Int.	APO2 Net Ac	APO2 Lse NRI/RI	APO2 Unit Int.
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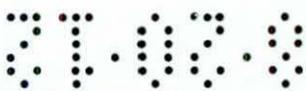
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WORK PHONE NUMBER	FAX NUMBER		EMAIL ADDRESS

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PLEASE RETURN THIS COPY


 OWNER NO: 646157

DIVISION ORDER

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

PROPERTY NO: 637221
 EFFECTIVE: 4/21/2012
 PREPARED BY: REGAN PAQUETTE
 DATE PREPARED: 8/14/2012
 PRODUCT/ZONE: OIL & GAS

This agreement is made and entered into on August 14, 2012.

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OPERATOR CHESAPEAKE OPERATING, INC. OWNER NO: 646157 INT TYPE: 5 (REG)
 PROPERTY: WATSON SOUTH 2H (637221) OWNER: STATE OF TEXAS
 LEGAL DESCRIPTION: LOUIS WETMORE, A-1649 UNIT ACRES: 375.615000
 TARRANT, TX COMMENTS 0

Status	BPO Net Ac	BPO Lse NRI/RI	BPO Unit Int.	APO1 Net Ac	APO1 Lse NRI/RI	APO1 Unit Int.	APO2 Net Ac	APO2 Lse NRI/RI	APO2 Unit Int.
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P.O. BOX 18496
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PLEASE RETURN THIS COPY



OWNER NO: 646157



File No. MF112895 11.

Division Order

Date Filed: 4-8-19

Jerry E. Patterson, Commissioner

By VB

AT