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Archives and Records Staff

MF114159

EXPIRED
DATE 9/22/11
LEASING TM 3/2/17
MAPS JA
GIS ML

Leasing: GH
Maps: JA
GIS: ML
Scanlab: _____

Lease Type
Free Royalty

Control
08-030588

Basefile
153247

County
REEVES

Survey

Public School Land

Block

C-21

Block Name

Township

Section/Tract

17

Land Part

Acres

Net: 213.340000 Gross: 213.340000

Depth Below

Depth Above Depth Other

Name

PETRO-HUNT LLC

Lease Date

9/22/2008

Primary Term

3 years

Bonus

\$0.00

Lease Royalty

0.06250000

Paid Up

NA

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CONTENTS OF FILE NO. M- 114159

① Royalty & Land ID

~~② Private Oil & Gas Lease~~

② Private Oil & Gas Lease 9/22/08

③ Private Oil & Gas Lease 2/6/09

Scanned 1-24-13 PJT

See MF104915 #14 for Assignment #8675

Scanned PJT 2-3-15

~~④ Private Oil & Gas Lease~~

~~⑤ Private Oil & Gas Lease~~

H.) INFORMATION 12-21-15

Scanned PJT 2-11-16

LEASE EXPIRED 9/22/11

ENTRY DATE 3/2/17

Scanned PJT 3-28-17

**Basefile Number - 153247**

Information for this County -
REEVES COUNTY

[Related GloBase Record](#)[Download GIS Data](#)[Energy Lease Information](#)**IDENTIFICATION NUMBERS**

LAND CLASS NUMBER - 08

BASEFILE NUMBER - 153247

CONTROL NUMBER 08-030588

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - Meeker, J R

ABSTRACT - 5999

BLOCK - TOWNSHIP - PSL C-21

SECTION NUMBER - 17

SECTION/PART - S/3 17

CURRENT ACRES - 213.33

ORIGINAL ACRES - 213.33

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 153247

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 144

LEASE INFORMATION**POOLING AGREEMENTS:**

No Uplands Units

No SubMerged Units

OIL & GAS LEASES:

Upland Oil & Gas Leases: MF111748

No Submerged Oil & Gas Leases

HARD MINERAL LEASES:**PSF SURFACE LEASES:**

NONE

HISTORIC LEASES FOR THIS PARCEL**POOLING AGREEMENTS:**

No Uplands Units

No SubMerged Historical Units

OIL & GAS LEASES:

Upland Historical Oil&Gas Leases MF106933

1/14

✓ ok
- W. Reng -
this covers
see S + 6 (Parts, 5214, etc)
Blk 56 PSL

▲ ◀ ▶ ✖
No SubMerged Historical Oil&Gas Leases

OIL & GAS WELL DATA
NONE

File No. 114159

Royalty @ Land ID

Date Filed: _____

Jerry E. Patterson, Commissioner

By GIH

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68424-0013-003
1032576

Oil & Gas Lease

This Agreement, made and entered into this 22nd day of September, 2008, by and between Meeker Investments, Inc., by J. J. Meeker, Manager, whose address is 1014 Broadway, Suite A, El Caim, California 92021, hereinafter called Lessor(s), and Petro-Hunt, L.P.C., whose Post Office address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter called Lessee(s),

Witnesseth:

1. **Grant and Description.** That Lessor, in consideration of the cash bonus 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 sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, telephone lines, roads and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder only, the following described land situated in Reeves County, State of Texas, to wit:

The South One-Third (S/3) of Section 5, Block C-21, Public School Land Survey, containing 213.34 acres, more or less FR

The South One-Third (S/3) of Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less FR

All of Section 18, Block C-21, Public School Land Survey, containing 640.0 acres, more or less FR

The East One-Third (E/3) of Section 14, Block 55, Township 4, T&P Ry. Co. Survey, containing 213.34 acres, more or less FR

Each tract of land contained in this lease shall be considered for all purposes as if each tract were contained in a separate lease. These multiple tracts are contained in this one lease for the sake of convenience only.

and containing 1,280.02 acres, more or less (called "leased premises").

2. **Term of Lease.** Subject to the other provisions hereof, this lease shall be for a term of Three (3) years from this date (called "Primary Term") and as long thereafter as oil and gas, or other of them, is produced in paying quantities from the leased premises or lands with which the leased premises are pooled hereunder and the royalties are paid as provided. (Please See Paragraph #19)

3. **Royalties.** Lessee shall pay the following royalties, subject to the following provisions:

(a). **Oil.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds of all oil and other liquid hydrocarbons recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided however, in the event oil and other liquid hydrocarbons are not sold under an arms' length transaction, Lessor's royalty on such oil and other liquid hydrocarbons shall be calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run.

(b). **Gas.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for all gas (including substances contained in such gas) recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided, however, in the event gas is not sold under an arms' length transaction, Lessor's royalty on such gas (including substances contained in such gas) shall be calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

(c). **Products.** Lessee's right to produce substances from the leased premises is limited to substances produced from oil and/or gas wells, and Lessee shall pay Lessor royalty on all marketable substances produced by Lessee from the leased premises (all marketable substances which Lessee may produce from the leased premises hereunder will be collectively referred to as "Products"). It is contractually provided that the price used to calculate Lessor's royalty shall never be less than the price paid Lessee for any Products produced hereunder, and, if the manner of calculating royalty provided for herein would cause Lessor's royalty to be calculated based upon a lesser amount, the price actually paid Lessee shall be substituted as the basis for the royalty calculation. As to any product which does not fall under the oil or gas royalty clauses above, Lessee shall pay Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for such product in an arms' length transaction; provided, however, in the event the product is not sold under an arms' length transaction, Lessor's royalty shall be calculated by using the highest price paid or offered for the comparable quality of such product in the general area of the leased premises.

(d). **Production Sale Contracts.** Lessee shall pay Lessor One-Fourth (1/4) of all consideration received by or for the benefit of Lessee under any contract for the sale of Products, including, but not limited to, all contract settlements and other sums received by Lessee from any purchaser of Products, whether such sums are advance payments, payments under take-or-pay provisions, price buy-down settlements, or other contractual payments or payments in settlement of claims of whatever kind or character paid by any purchaser of Products to Lessee to the extent related to the sale of production from the leased premises. To the extent that any such consideration is paid in advance of actual production, Lessee shall receive credit for the amount thereof when such production occurs. Lessee agrees that if it enters into any contract for sale of any Products which shall extend for 3 (three) years from the effective date of such sales contract and such contract does not have adequate provisions for redetermination of price at intervals of not less frequently than annually, then Lessee, its successors and assigns, shall in advance of executing any such sales contract provide Lessor with a full and complete copy of the proposed contract for the purpose of allowing Lessor to determine whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. Lessor shall, within thirty (30) days of receiving such sales contract, notify Lessee as to whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract.

(e). **Royalty to be Free of Expenses.** Lessor's royalty shall not bear or be charged with, directly or indirectly, any cost or expense incurred by Lessee, including without limitation, for exploring, drilling, testing, completing, equipping, storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing products, and no such deduction or reduction shall be made from the royalties payable to Lessor hereunder; provided, however, that Lessor's interest shall bear its proportionate share of severance taxes and other taxes assessed against its interest or its share of production.

(f). **Arms' Length Transaction.** In order to qualify as an arms' length transaction, a sale must be to a non-affiliated entity under an agreement negotiated in good faith by all parties which does not provide for any consideration to Lessee which will not or cannot be shared with Lessor under the royalty provisions of this lease.

(g). **Litigation Recoveries.** If Lessee participates in any litigation or administrative proceeding against a third party for damage to the leasehold estate or the minerals therein, including but not limited to, claims for trespass, violation of applicable rules and regulations, or breach of a production sale contract, Lessee shall make a sufficient claim therein to cover Lessor's royalty share as provided in this lease.

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.

and shall pay to Lessor One-Fourth (1/4) of the proceeds received by Lessee and attributable to this lease as a result thereof, whether by settlement, judgment or otherwise; provided, however, Lessee shall be entitled to recoup, from such royalty payments only, One-Fourth (1/4) of the actual attorneys fees and litigation expenses paid by Lessee to outside counsel and attributable to issues related to this lease, this being strictly a right to recoup from royalties payable and imposing no personal liability on Lessor.

(h). **Shut-in Gas Royalty.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in or suspended for any reason, Lessee may pay as royalty on or before 90 days after the date on which (i) production from any such well is shut-in or suspended or (ii) this lease is no longer maintained by compliance with other provisions hereof, whichever is the later date, and thereafter at annual intervals, a sum in the amount of \$25.00 per acre, or a minimum of Fifty Dollars (\$50.00), whichever is greater, for each and every shut-in gas well; and if such payment is made or tendered in accordance with the terms hereof, this lease shall not terminate but shall continue in full force, subject to the provisions of paragraph 15, and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this lease, and in no event shall shut-in well payments maintain this lease in force for a cumulative period exceeding 2 (two) year(s). Lessee shall not be entitled to recover any shut-in royalty payments from the future sale of gas. Should the shut-in period extend beyond the expiration of the primary term, such shut-in provision will pertain only to the producing unit of such gas well as provided for in paragraph 15. Should such shut-in royalty payments not be made in a timely manner as provided in this paragraph, it will be considered for all purposes that there is no production or no excuse for delayed production of gas from any such well or wells and unless there is then in effect other preservation provisions of this lease, this lease shall terminate at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all its interest in and to this oil and gas lease insofar as that portion of the premises included in the producing unit assigned to such shut-in well.

(i). **Recovery of Gas Liquids.** Lessee agrees that before any gas produced from the leased premises is used or sold off the leased premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease.

(j). **Right to Take in Kind.** Lessor shall have the recurring option, in lieu of receiving the royalties thereon, to take One-Fourth (1/4) of any product produced by Lessee from the leased premises in kind, and to reverse such election and resume receiving royalty payments in money, in either case by giving Lessee at least sixty (60) days advance written notice. Such election may be made separately as to oil, gas or any other product, and Lessor may elect to have the royalty production delivered at the wellhead, at the oil and gas separator, into a pipeline connected at the well, at the location where Lessor sells its production, or at another location mutually acceptable to Lessor and Lessee. If Lessor elects to take royalty in kind, any necessary costs for separate metering or split stream delivery will be borne by Lessor. If Lessor elects to take gas royalty in kind, the parties shall enter into a gas balancing agreement using, at Lessor's election, either the most recent form used by Lessee in an arms-length industry transaction or the most recent form promulgated by the American Association of Professional Landmen. Lessee shall supply its most recent gas balancing agreement form to Lessor for evaluation purposes immediately upon receiving notice that Lessor intends to take gas royalty in kind.

(k). **Time for Payment of Royalty.** Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder (initial royalty payment), and such royalties shall be paid monthly thereafter without the necessity of Lessor executing a division or transfer order. If a division or transfer order is circulated by Lessee, such division order will be a simple statement of interest containing no warranty or indemnity clauses and containing no clauses modifying in any way the terms of this lease. The insertion of any such clause will be of no force and effect so far as this lease and the rights and obligations of the parties hereto, and in any event, Lessor shall be under no obligation to execute any division or transfer order, and Lessor's execution thereof, if done, shall be considered a mere accommodation. If the initial royalty payment is not timely made under the terms hereof, this lease shall terminate as of 7 a.m. the first day of the month following the expiration of said 120-day period. After the initial royalty payment, with respect to oil or gas produced during any month, if royalty is not paid hereunder on or before the last day of the second succeeding month, this lease shall terminate at midnight of such last day.

(l). **Royalty Information.** In addition to other information required to be furnished by Lessee to Lessor, either by law or under the terms of this lease, Lessee shall promptly provide Lessor with sufficient information for Lessor to monitor and calculate all royalty payments due Lessor hereunder, and if such information is not provided in a prompt or complete manner, Lessee waives, to the full extent allowed by law, any defense based upon the statute of limitations, laches or any other delay in bringing suit, with respect to any matter which would reasonably have been revealed by such information, even if Lessor had access to relevant information from other sources, it being intended that Lessor may rely upon Lessee to keep it fully informed without the necessity of obtaining information from other sources. It will be considered that information required hereunder has been promptly provided to Lessor if Lessee provides the same within thirty (30) days after the date upon which the information becomes available to Lessee.

4. **Delay Rentals.** THIS IS A PAID-UP OIL & GAS LEASE, ALL DELAY RENTALS REFERRED TO HEREIN ARE PAID IN FULL.

5. **Pooling.** Lessee is hereby granted the right to pool or combine the leased premises, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or any stratum, for the production of oil or gas. Pooled units which do not include 100% of the herein leased premises shall be subject to the written approval of the Lessor, such approval shall not be unreasonably withheld. Pooling in one or more instances shall not exhaust the right of Lessee hereunder to pool this lease or portion thereof into other or different units. Units pooled for oil hereunder shall not exceed forty (40) acres each, and units pooled for gas hereunder shall not exceed three hundred twenty (320) acres each, provided however, that Lessee may form pooled units for horizontal wells below the base of the Brushy Canyon formation comprised of six hundred forty (640.0) acres, plus a tolerance of 10%. Pooled units for each such well shall be, as nearly as practicable, in the shape of a square or rectangle as applicable, with the location of the well in as near the center as practicable. To effect a unit or units Lessee shall file a written unit designation and surveyor's plat outlining any such unit and describing the participating tracts in the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records, and if Lessee fails to do so, such unit may be declared invalid by Lessor by an instrument filed in such county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the leased premises whether the well or wells be located on the leased premises or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interests shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the leased premises unit included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis; thus, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the leased premises and included in the unit just as though such production were from the leased premises. In the event only a part, or parts, of the leased premises is pooled with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit, or units, will maintain this lease in force only as to the part of the leased premises included in such unit, or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein, provided that if it be by rental payments, rental payments shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

6. **Operations.** The following provisions shall apply to Lessee's operations on the leased premises:

(a). **Dry Holes, Cessation of Production, Development and Protection from Drainage.** If, prior to discovery of oil or gas on the leased premises or land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences reworking or actual drilling within sixty (60) days thereafter, or, if it be within the primary term, commences or resumes the payment or tender of rentals or commences actual drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil or gas is not being

produced on the leased premises or land pooled therewith and Lessee is then engaged in actual drilling or reworking of any well thereon, this lease shall remain in force so long as drilling or reworking is prosecuted with no cessation of more than sixty (60) consecutive days, and if such operation results in production, so long thereafter as oil or gas is produced in paying quantities from the leased premises or land pooled therewith. In the event a well or wells producing oil or gas should be brought in on adjacent land within six hundred feet (600') of the leased premises for an oil well or within twelve hundred feet (1200') of the leased premises for a gas well, Lessee agrees to commence the drilling of an offset well within 120 days or release that portion of the leased acreage that would be allocated to such well unit. If oil or gas is discovered on the leased premises, or on land pooled therewith, Lessee agrees to further develop the leased premises as a reasonably prudent operator would under the same or similar circumstances.

(b) **Compliance with Regulations and Indemnity.** Lessee agrees to conduct its operations in compliance with all applicable laws, rules and regulations. Lessee will protect, indemnify, hold harmless and defend Lessor against any claim, demand, cost, liability, loss or damage suffered by Lessor, including reasonable attorneys fees and litigation costs, arising out of or associated in any way with (i) any activity conducted by Lessee or Lessee's employees, agents, servants, contractors, licensees or permittees on or near the leased premises; (ii) environmental remediation and plugging and abandonment of wells; (iii) the management, use and disposal of produced water and wastes or substances associated with activities on the leased premises; and/or (iv) the oil, gas, all other products, any waste material, or any substance, pollutant or contaminant produced by Lessee or brought by Lessee onto the leased premises (all of which potential sources of claims shall be referred to as "Lessee's Conduct"). LESSEE'S OBLIGATION TO INDEMNIFY LESSOR FOR CLAIMS ARISING FROM LESSEE'S CONDUCT SHALL APPLY WITHOUT REGARD TO FAULT ON THE PART OF EITHER LESSOR OR LESSEE AND SHALL SPECIFICALLY INCLUDE INDEMNIFICATION OF LESSOR AGAINST LIABILITY TO THIRD PERSONS ARISING FROM LESSOR'S NEGLIGENCE IF SUCH LIABILITY IS RELATED TO LESSEE'S CONDUCT. Lessee's indemnity obligations for Lessee's Conduct under this paragraph are continuing obligations which will continue in effect, and be enforceable by Lessor, even after this lease terminates.

(c) Lessee shall have free use of oil, gas and water from the leased premises, except water from Lessor's wells, tanks, creeks, rivers, streams and springs, for all operations hereunder, provided that no surface water or underground fresh water will be used for water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing except as to water wells in which Lessee shall have the right to remove all property and fixtures except casing and shall do nothing that will in any way damage said water well or prevent its future use by Lessor. Lessee will, at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within four hundred (400') feet of any residence or barn now on the leased premises without Lessor's consent.

(d) In the event Lessor owns all or any part of the surface estate, Lessee will so conduct its operations hereunder as not to interfere unreasonably with Lessor or its assigns in the use of the surface of the leased premises provided, that any use of the surface will require written consent of Lessor in advance. Lessor agrees that such consent will not be unreasonably withheld. Prior to any use of the surface, Lessee will present to Lessor a plat of the property showing the area proposed to be used and the type of use to be made. Within 30 days of the receipt of such notice, Lessor will either deliver written consent or propose a reasonable alternative area for such use. Lessee will provide at Lessee's expense all protective measures to prevent any loss or damage to the property of Lessor on account of any operations by Lessee. Lessee will pay for all damages to the surface of or crops or improvements on the leased premises or suffered by any tenant of Lessor and caused by or arising out of operations under this lease. Pits and excavations made during drilling operations or otherwise will be filled by Lessee and the surface restored, as nearly as reasonably possible, to its original condition; and if Lessee shall fail to do so, the cost to Lessor of such filling and restoration shall be paid by Lessee.

7. **Assignments.** No assignment of this lease, or interest therein, may be made without written approval of the Lessor, such approval shall not be unreasonably withheld. Subject to the preceding condition, the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of Lessor and Lessee, but no change or division in ownership of the leased premises, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the leased premises, rentals or royalties shall be binding upon Lessee for any purpose until Lessee shall have been furnished with the instrument or instruments, or certified copies thereof, evidencing such change or division. In the event of a permitted assignment of this lease as to a segregated portion of the leased premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area owned by each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder, and liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach.

8. **Force Majeure.** Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure, except any and all monetary payments due under the terms of this lease. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule or regulation enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the leased premises or if Lessee by operation of force majeure is prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of sixty (60) days after such termination each and every provision of this lease or implied covenant arising thereunder that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.

9. **Lessor Interest.** If Lessor owns an interest in the leased premises less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid the Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.

10. **Limited Warranty.** Lessor herein executes and delivers this lease without warranty of title either express or implied, excepting for covenants of special warranty, by, through and under Lessor but not otherwise. Lessee, at its option, 30 days after giving written notice to Lessor, may discharge any tax lien upon the interest herein leased; and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment. Lessee shall not be subrogated to the rights of the party to whom payment is made, but may reimburse itself out of any royalties otherwise payable to Lessor hereunder.

11. **Mandatory Release by Lessee.** At any time that this lease terminates as to any acreage or depth, Lessee shall promptly execute and furnish to Lessor a release thereof in recordable form which contains a legally adequate description of the lands and/or depths being released.

12. **Information.** Lessee shall advise Lessor in writing as to the location of each well drilled upon the leased premises, or on land pooled therewith, on or before seven (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information when specifically requested by the Lessor. Lessee agrees that immediately following this instrument being recorded in the county records where the leased premises are located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

13. **Extension Beyond Primary Term.** If at the end of the primary term this lease is still in force, this lease shall expire as to all that part of the leased premises (as hereinafter described) on which there is not a producing oil or gas well or on which Lessee is not then drilling or reworking a well. At the end of the primary term, Lessee shall select and designate a producing unit around and including each producing oil or gas well or drilling or reworking well, the area of such unit to be limited to and conform with the minimum area provided for or established directly or indirectly in the applicable rules and regulations of the appropriate governing body of the state in which the subject acreage is located with reference to the spacing of wells or the size of producing units. As to each producing unit so designated, this lease shall continue in force so long as oil or gas is produced in paying quantities therefrom or so long as drilling or reworking operations are prosecuted thereon as provided in paragraph 6 and shall be limited in depth from the surface down to and including 50 feet below the base of the deepest producing formation however such lower depth limit shall not exceed 100 feet below the deepest producing perforation within the wellbore situated on that producing unit; and Lessee shall execute a release of this lease as to

the balance of the land covered hereby as well as formations at depths below the respective producing units. In the absence of field rules promulgated by the appropriate governing body of the state in which such acreage is located, the term "producing unit" as used herein means the following number of acres, depending on the depth to which the well has been drilled, and whether the well is an oil or gas well: A. 40 acres for an oil well completed at any depth; B. (i) 80 acres for a gas well completed at a depth of less than 2,000 feet subsurface; (ii) 160 acres for a gas well completed at a depth of 2,000 feet subsurface to 6,000 feet subsurface; (iii) 320 acres for a gas well completed at a depth of 6,000 feet subsurface to 9,000 feet subsurface; (iv) 640 acres for a gas well completed at a depth greater than 9,000 feet subsurface. If a portion of Lessee's rights terminate as provided in this Paragraph 13, then Lessee shall designate in writing the acreage it is allowed to retain around each oil well and each gas well and such written designation shall be filed for record in the county in which such acreage is located. Lessee shall be entitled to designate the number of acres above specified in a form of his choosing so long as no side is more than twice as long as any other side. The provisions of this paragraph 13 shall not have the effect of relieving the Lessee of its obligations to develop the lease with reasonable diligence after oil or gas is first discovered in paying quantities.

14. **Enforcement Expenses.** If Lessor files a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding including expert witness and reasonable attorney's fees.

15. **No Community Lease.** If the mineral and/or royalty interests covered by this lease are different as between any two or more tracts within the leased premises, the execution of this lease shall not be construed to create a community lease nor in any way to effect the pooling or cross conveyance of interests in any such two or more tracts. Instead, it is Lessor's intent that oil and gas royalties and other lease benefits shall accrue to the owners of the particular tract of land on which is located the well or wells from which oil or gas production is taken, without apportionment to the owners of any other tract or tracts covered hereby, unless the pooling authority granted to the Lessee under this lease has been exercised, it being intended that ownership of royalties shall accrue to the tract on which the well is located.

16. **Parties in Interest.** This Paragraph not used.

17. **Notices.** All notices and other communications given in connection with this lease shall be in writing and shall be deemed to have been properly given and received on the date when personally delivered, or shall be deemed to have been properly given on the date of actual receipt if delivered by certified mail, fax or courier. The addresses shown at the beginning of this lease are hereby designated for the receipt of notices.

18. **Implied Covenants Preserved.** The express covenants of the lease are not intended to limit or restrict any implied covenants existing by law or by the nature of this agreement.

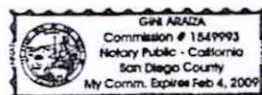
19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

Executed on the date first above written.

X J. J. Meeker
Meeker Investments, Inc., by J. J. Meeker, Manager

CORPORATE ACKNOWLEDGMENT

STATE OF CALIFORNIA
COUNTY OF San Diego



This instrument was acknowledged before me on September 27, 2008, by Meeker Investments, Inc., by J. J. Meeker, Manager.

My commission expires: Feb. 4, 2009

Gina Ariza
Notary Public

Certificate of Record

22.00

Recording Fee

Certified Copy Fee

22.00

Total Paid *env.*

Return to

Petro-Hunt LLC

000068

COMPARED

FILED FOR RECORD

2009 JAN -8 PM 1:49

DIANNE O FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.
BY *M. Camacho*

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

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

OPR VOL 812 PAGE 70 DATE RECORDED 01/12/2009



DIANNE O FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By *Orlinda Helms* Deputy

EXERCISE OPTION TO EXTEND PRIMARY TERM MEMORANDUM

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on September 22, 2008, MEEKER INVESTMENTS INC., by J J Meeker, Manager, ("Lessor"), with an address of 3310 W Main St, Houston TX 77098, executed an Oil, Gas and Mineral Lease (the "Lease") in favor of PETRO-HUNT LLC, ("Lessee"), with an address of 1601 Elm St, Ste 3400, Thanksgiving Tower, Dallas TX 75201-72041 recorded an Oil and Gas Lease in Volume 812, Page 70, of the Official Public Records of Real Property of Reeves County, Texas, covering 1280.02 gross acres, described as:

South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
 containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
 containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
 containing 640.00 acres, more or less
East One-Third (E/3) of Section 14, Block 55 Township 4, T&P Ry. Co. Survey,
 containing 213.34 acres, more or less
Reeves County, Texas

WHEREAS, on April 8, 2011, Petro-Hunt LLC as Assignor, assigned a portion of said lands to Colt Unconventional Resources LLC as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas, and on May 6, 2011, Colt Unconventional Resources LLC as Assignor, assigned a portion of said lands to Resolute Natural Resources Southwest, LLC, as Assignee, not yet recorded, covering 1,066.68 gross acres, or 355.56 net acres;

WHEREAS, the Lease contains an option to extend the Lease for a two-year period, as set forth below:

19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation to extend the primary term of this lease – as to any acreage covered hereby and not otherwise being maintained by any other provision herein – for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

NOW, THEREFORE, pursuant to the terms and conditions of paragraph 19, it is the desire of Resolute Natural Resources Southwest, LLC to extend the primary term of the Lease, from Three (3) years to Five (5) years, covering only those lands assigned to Resolute Natural Resources Southwest, LLC and being more particularly described as:

South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
 containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
 containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
 containing 640.00 acres, more or less
Reeves County, Texas

TX00955.003

NOW, THEREFORE, be it known that pursuant to the terms of the Lease, Resolute Natural Resources Southwest LLC has paid to Lessor a sum of \$425.00 per net acre covered by the Lease to effectuate the extension of the primary term from three (3) years to five (5) years from the date of said Lease and that this instrument shall evidence such extension. This extension shall apply to all of the oil, gas and minerals owned by the Lessor as described above. Except as herein changed, the provisions of said Lease and any recorded instrument effecting said lease shall remain in full force and effect.

IN WITNESS WHEREOF this instrument is made effective on the twelfth (12th) day of August, 2011.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, Lessee


Name: Bill Alleman
Title: Vice President - Land

ACKNOWLEDGEMENT

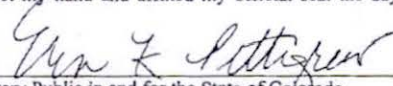
STATE OF COLORADO)
CITY & COUNTY OF DENVER)

On this 11th day of July, 2011, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.



My Commission Expires 04/30/2015


Notary Public in and for the State of Colorado
My commission expires: 4-30-15

TX00955.003

Certificate of Record

19.00 Recording Fee

19.00 Certified Copy Fee

19.00 Total Paid *env.*

005392

Return to:

Resolute Natural Resources

FILED FOR RECORD

2011 AUG -5 11:04

[Signature]

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR VOL. 893 PAGE 834 DATE RECORDED 08/24/2011



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *Celia Salido*, Deputy

Oil & Gas Lease

This Agreement, made and entered into this 22nd day of September, 2008, by and between AWP 1983 Trust, by Windi Grimes, Sole Trustee, whose address is 3310 West Main Street, Houston, TX 77098, hereinafter called Lessor(s), and Petro-Hunt, L.L.C., whose Post Office address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter called Lessee(s),

Witnesseth:

1. **Grant and Description.** That Lessor, in consideration of the cash bonus 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 sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, telephone lines, roads and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder only, the following described land situated in Reeves County, State of Texas, to wit:

The South One-Third (S/3) of Section 5, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

The South One-Third (S/3) of Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

All of Section 18, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

The East One-Third (E/3) of Section 14, Block 55, Township 4, T&P Ry. Co. Survey, containing 213.34 acres, more or less

Each tract of land contained in this lease shall be considered for all purposes as if each tract were contained in a separate lease. These multiple tracts are contained in this one lease for the sake of convenience only.

and containing 1,280.02 acres, more or less (called "leased premises").

2. **Term of Lease.** Subject to the other provisions hereof, this lease shall be for a term of Three (3) years from this date (called "Primary Term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises or lands with which the leased premises are pooled hereunder and the royalties are paid as provided. (Please See Paragraph #19)

3. **Royalties.** Lessee shall pay the following royalties, subject to the following provisions:

(a). **Oil.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds of all oil and other liquid hydrocarbons recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided however, in the event oil and other liquid hydrocarbons are not sold under an arms' length transaction, Lessor's royalty on such oil and other liquid hydrocarbons shall be calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run;

(b). **Gas.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for all gas (including substances contained in such gas) recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided, however, in the event gas is not sold under an arms' length transaction, Lessor's royalty on such gas (including substances contained in such gas) shall be calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run

(c). **Products.** Lessee's right to produce substances from the leased premises is limited to substances produced from oil and/or gas wells, and Lessee shall pay Lessor royalty on all marketable substances produced by Lessee from the leased premises (all marketable substances which Lessee may produce from the leased premises hereunder will be collectively referred to as "Products"). It is controllingly provided that the price used to calculate Lessor's royalty shall never be less than the price paid Lessee for any Products produced hereunder, and, if the manner of calculating royalty provided for herein would cause Lessor's royalty to be calculated based upon a lesser amount, the price actually paid Lessee shall be substituted as the basis for the royalty calculation. As to any product which does not fall under the oil or gas royalty clauses above, Lessee shall pay Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for such product in an arms' length transaction; provided, however, in the event the product is not sold under an arms' length transaction, Lessor's royalty shall be calculated by using the highest price paid or offered for the comparable quality of such product in the general area of the leased premises.

(d). **Production Sale Contracts.** Lessee shall pay Lessor One-Fourth (1/4) of all consideration received by or for the benefit of Lessee under any contract for the sale of Products, including, but not limited to, all contract settlements and other sums received by Lessee from any purchaser of Products, whether such sums are advance payments, payments under take-or-pay provisions, price buy-down settlements, or other contractual payments or payments in settlement of claims of whatever kind or character paid by any purchaser of Products to Lessee to the extent related to the sale of production from the leased premises. To the extent that any such consideration is paid in advance of actual production, Lessee shall receive credit for the amount thereof when such production occurs. Lessee agrees that if it enters into any contract for sale of any Products which shall extend for 3 (three) years from the effective date of such sales contract and such contract does not have adequate provisions for redetermination of price at intervals of not less frequently than annually, then Lessee, its successors and assigns, shall in advance of executing any such sales contract provide Lessor with a full and complete copy of the proposed contract for the purpose of allowing Lessor to determine whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. Lessor shall, within thirty (30) days of receiving such sales contract, notify Lessee as to whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract.

(e). **Royalty to be Free of Expenses.** Lessor's royalty shall not bear or be charged with, directly or indirectly, any cost or expense incurred by Lessee, including without limitation, for exploring, drilling, testing, completing, equipping, storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing products, and no such deduction or reduction shall be made from the royalties payable to Lessor hereunder; provided, however, that Lessor's interest shall bear its proportionate share of severance taxes and other taxes assessed against its interest or its share of production.

(f). **Arms' Length Transaction.** In order to qualify as an arms' length transaction, a sale must be to a non-affiliated entity under an agreement negotiated in good faith by all parties which does not provide for any consideration to Lessee which will not or cannot be shared with Lessor under the royalty provisions of this lease.

(g). **Litigation Recoveries.** If Lessee participates in any litigation or administrative proceeding against a third party for damage to the leasehold estate or the minerals therein, including but not limited to, claims for trespass, violation of applicable rules and regulations, or breach of a production sale contract, Lessee shall make a sufficient claim therein to cover Lessor's royalty share as provided in this lease.

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.

and shall pay to Lessor One-Fourth (1/4) of the proceeds received by Lessee and attributable to this lease as a result thereof; whether by settlement, judgment or otherwise; provided, however, Lessee shall be entitled to recoup, from such royalty payments only, One-Fourth (1/4) of the actual attorneys fees and litigation expenses paid by Lessee to outside counsel and attributable to issues related to this lease, this being strictly a right to recoup from royalties payable and imposing no personal liability on Lessor.

(h). **Shut-in Gas Royalty.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in or suspended for any reason, Lessee may pay as royalty on or before 90 days after the date on which (i) production from any such well is shut-in or suspended or (ii) this lease is no longer maintained by compliance with other provisions hereof, whichever is the later date, and thereafter at annual intervals, a sum in the amount of \$25.00 per acre, or a minimum of Fifty Dollars (\$50.00), whichever is greater, for each and every shut-in gas well; and if such payment is made or tendered in accordance with the terms hereof, this lease shall not terminate but shall continue in full force, subject to the provisions of paragraph 15, and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this lease, and in no event shall shut-in well payments maintain this lease in force for a cumulative period exceeding 2 (two) year(s). Lessee shall not be entitled to recover any shut-in royalty payments from the future sale of gas. Should the shut-in period extend beyond the expiration of the primary term, such shut-in provision will pertain only to the producing unit of such gas well as provided for in paragraph 15. Should such shut-in royalty payments not be made in a timely manner as provided in this paragraph, it will be considered for all purposes that there is no production or no excuse for delayed production of gas from any such well or wells and unless there is then in effect other preservation provisions of this lease, this lease shall terminate at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all its interest in and to this oil and gas lease insofar as that portion of the premises included in the producing unit assigned to such shut-in well.

(i). **Recovery of Gas Liquids.** Lessee agrees that before any gas produced from the leased premises is used or sold off the leased premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease.

(j). **Right to Take in Kind.** Lessor shall have the recurring option, in lieu of receiving the royalties thereon, to take One-Fourth (1/4) of any product produced by Lessee from the leased premises in kind, and to reverse such election and resume receiving royalty payment in money, in either case by giving Lessee at least sixty (60) days advance written notice. Such election may be made separately as to oil, gas or any other product, and Lessor may elect to have the royalty production delivered at the wellhead, at the oil and gas separator, into a pipeline connected at the well, at the location where Lessee sells its production, or at another location mutually acceptable to Lessor and Lessee. If Lessor elects to take royalty in kind, any necessary costs for separate metering or split stream delivery will be borne by Lessor. If Lessor elects to take gas royalty in kind, the parties shall enter into a gas balancing agreement using, at Lessor's election, either the most recent form used by Lessee in an arms-length industry transaction or the most recent form promulgated by the American Association of Professional Landmen. Lessee shall supply its most recent gas balancing agreement form to Lessor for evaluation purposes immediately upon receiving notice that Lessor intends to take gas royalty in kind.

(k). **Time for Payment of Royalty.** Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder (initial royalty payment), and such royalties shall be paid monthly thereafter without the necessity of Lessor executing a division or transfer order. If a division or transfer order is circulated by Lessee, such division order will be a simple statement of interest containing no warranty or indemnity clauses and containing no clauses modifying in any way the terms of this lease. The insertion of any such clause will be of no force and effect so far as this lease and the rights and obligations of the parties hereto, and in any event, Lessor shall be under no obligation to execute any division or transfer order, and Lessor's execution thereof, if done, shall be considered a mere accommodation. If the initial royalty payment is not timely made under the terms hereof, this lease shall terminate as of 7 a.m. the first day of the month following the expiration of said 120-day period. After the initial royalty payment, with respect to oil or gas produced during any month, if royalty is not paid hereunder on or before the last day of the second succeeding month, this lease shall terminate at midnight of such last day.

(l). **Royalty Information.** In addition to other information required to be furnished by Lessee to Lessor, either by law or under the terms of this lease, Lessee shall promptly provide Lessor with sufficient information for Lessor to monitor and calculate all royalty payments due Lessor hereunder, and if such information is not provided in a prompt or complete manner, Lessee waives, to the full extent allowed by law, any defense based upon the statute of limitations, laches or any other delay in bringing suit, with respect to any matter which would reasonably have been revealed by such information, even if Lessor had access to relevant information from other sources, it being intended that Lessor may rely upon Lessee to keep it fully informed without the necessity of obtaining information from other sources. It will be considered that information required hereunder has been promptly provided to Lessor if Lessee provides the same within thirty (30) days after the date upon which the information becomes available to Lessee.

4. **Delay Rentals.** THIS IS A PAID-UP OIL & GAS LEASE, ALL DELAY RENTALS REFERRED TO HEREIN ARE PAID IN FULL

5. **Pooling.** Lessee is hereby granted the right to pool or combine the leased premises, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or any stratum, for the production of oil or gas. Pooled units which do not include 100% of the herein leased premises shall be subject to the written approval of the Lessor, such approval shall not be unreasonably withheld. Pooling in one or more instances shall not exhaust the right of Lessee hereunder to pool this lease or portion thereof into other or different units. Units pooled for oil hereunder shall not exceed forty (40) acres each, and units pooled for gas hereunder shall not exceed three hundred twenty (320) acres each, provided however, that Lessee may form pooled units for horizontal wells below the base of the Brushy Canyon formation comprised of six hundred forty (640.0) acres, plus a tolerance of 10%. Pooled units for each such well shall be, as nearly as practicable, in the shape of a square or rectangle as applicable, with the location of the well in as near the center as practicable. To effect a unit or units Lessee shall file a written unit designation and surveyor's plat outlining any such unit and describing the participating tracts in the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records, and if Lessee fails to do so, such unit may be declared invalid by Lessor by an instrument filed in such county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the leased premises whether the well or wells be located on the leased premises or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interests shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the leased premises and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis; thus, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the leased premises and included in the unit just as though such production were from the leased premises. In the event only a part, or parts, of the leased premises is pooled with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit, or units, will maintain this lease in force only as to the part of the leased premises included in such unit, or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein, provided that if it be by rental payments, rental payments shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

6. **Operations.** The following provisions shall apply to Lessee's operations on the leased premises:

(a). **Dry Holes, Cessation of Production, Development and Protection from Drainage.** If, prior to discovery of oil or gas on the leased premises or land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences reworking or actual drilling within sixty (60) days thereafter, or, if it be within the primary term, commences or resumes the payment or tender of rentals or commences actual drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil or gas is not being

produced on the leased premises or land pooled therewith and Lessee is then engaged in actual drilling or reworking of any well thereon, this lease shall remain in force so long as drilling or reworking is prosecuted with no cessation of more than sixty (60) consecutive days, and if such operation results in production, so long thereafter as oil or gas is produced in paying quantities from the leased premises or land pooled therewith. In the event a well or wells producing oil or gas should be brought in on adjacent land within six hundred feet (600') of the leased premises for an oil well or within twelve hundred feet (1200') of the leased premises for a gas well, Lessee agrees to commence the drilling of an offset well within 120 days or release that portion of the leased acreage that would be allocated to such well unit. If oil or gas is discovered on the leased premises, or on land pooled therewith, Lessee agrees to further develop the leased premises as a reasonably prudent operator would under the same or similar circumstances.

(b). **Compliance with Regulations and Indemnity.** Lessee agrees to conduct its operations in compliance with all applicable laws, rules and regulations. Lessee will protect, indemnify, hold harmless and defend Lessor against any claim, demand, cost, liability, loss or damage suffered by Lessor, including reasonable attorneys fees and litigation costs, arising out of or associated in any way with (i) any activity conducted by Lessee or Lessee's employees, agents, servants, contractors, licensees or permittees on or near the leased premises; (ii) environmental remediation and plugging and abandonment of wells; (iii) the management, use and disposal of produced water and wastes or substances associated with activities on the leased premises; and/or (iv) the oil, gas, all other products, any waste material, or any substance, pollutant or contaminant produced by Lessee or brought by Lessee onto the leased premises (all of which potential sources of claims shall be referred to as "Lessee's Conduct"). LESSEE'S OBLIGATION TO INDEMNIFY LESSOR FOR CLAIMS ARISING FROM LESSEE'S CONDUCT SHALL APPLY WITHOUT REGARD TO FAULT ON THE PART OF EITHER LESSOR OR LESSEE AND SHALL SPECIFICALLY INCLUDE INDEMNIFICATION OF LESSOR AGAINST LIABILITY TO THIRD PERSONS ARISING FROM LESSOR'S NEGLIGENCE IF SUCH LIABILITY IS RELATED TO LESSEE'S CONDUCT. Lessee's indemnity obligations for Lessee's Conduct under this paragraph are continuing obligations which will continue in effect, and be enforceable by Lessor, even after this lease terminates.

(c). Lessee shall have free use of oil, gas and water from the leased premises, except water from Lessor's wells, tanks, creeks, rivers, streams and springs, for all operations hereunder, provided that no surface water or underground fresh water will be used for water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing except as to water wells in which Lessee shall have the right to remove all property and fixtures except casing and shall do nothing that will in any way damage said water well or prevent its future use by Lessor. Lessee will, at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within four hundred (400') feet of any residence or barn now on the leased premises without Lessor's consent.

(d). In the event Lessor owns all or any part of the surface estate, Lessee will so conduct its operations hereunder as not to interfere unreasonably with Lessor or its assigns in the use of the surface of the leased premises provided, that any use of the surface will require written consent of Lessor in advance. Lessor agrees that such consent will not be unreasonably withheld. Prior to any use of the surface, Lessee will present to Lessor a plat of the property showing the area proposed to be used and the type of use to be made. Within 30 days of the receipt of such notice, Lessor will either deliver written consent or propose a reasonable alternative area for such use. Lessee will provide at Lessee's expense all protective measures to prevent any loss or damage to the property of Lessor on account of any operations by Lessee. Lessee will pay for all damages to the surface of or crops or improvements on the leased premises or suffered by any tenant of Lessor and caused by or arising out of operations under this lease. Pits and excavations made during drilling operations or otherwise will be filled by Lessee and the surface restored, as nearly as reasonably possible, to its original condition; and if Lessee shall fail to do so, the cost to Lessor of such filling and restoration shall be paid by Lessee.

7. **Assignments.** No assignment of this lease, or interest therein, may be made without written approval of the Lessor, such approval shall not be unreasonably withheld. Subject to the preceding condition, the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of Lessor and Lessee, but no change or division in ownership of the leased premises, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the leased premises, rentals or royalties shall be binding upon Lessee for any purpose until Lessee shall have been furnished with the instrument or instruments, or certified copies thereof, evidencing such change or division. In the event of a permitted assignment of this lease as to a segregated portion of the leased premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area owned by each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder, and liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach.

8. **Force Majeure.** Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure, except any and all monetary payments due under the terms of this lease. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule or regulation enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the leased premises or if Lessee by operation of force majeure is prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of sixty (60) days after such termination each and every provision of this lease or implied covenant arising thereunder that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.

9. **Lessor Interest.** If Lessor owns an interest in the leased premises less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid the Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.

10. **Limited Warranty.** Lessor herein executes and delivers this lease without warranty of title either express or implied, excepting for covenants of special warranty, by, through and under Lessor but not otherwise. Lessee, at its option, 30 days after giving written notice to Lessor, may discharge any tax lien upon the interest herein leased; and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment. Lessee shall not be subrogated to the rights of the party to whom payment is made, but may reimburse itself out of any royalties otherwise payable to Lessor hereunder.

11. **Mandatory Releases by Lessee.** At any time that this lease terminates as to any acreage or depth, Lessee shall promptly execute and furnish to Lessor a release thereof in recordable form which contains a legally adequate description of the lands and/or depths being released.

12. **Information.** Lessee shall advise Lessor in writing as to the location of each well drilled upon the leased premises, or on land pooled therewith, on or before seven (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information when specifically requested by the Lessor. Lessee agrees that immediately following this instrument being recorded in the county records where the leased premises are located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

13. **Extension Beyond Primary Term.** If at the end of the primary term this lease is still in force, this lease shall expire as to all that part of the leased premises (as hereinafter described) on which there is not a producing oil or gas well or on which Lessee is not then drilling or reworking a well. At the end of the primary term, Lessee shall select and designate a producing unit around and including each producing oil or gas well or drilling or reworking well, the area of such unit to be limited to and conform with the minimum area provided for or established directly or indirectly in the applicable rules and regulations of the appropriate governing body of the state in which the subject acreage is located with reference to the spacing of wells or the size of producing units. As to each producing unit so designated, this lease shall continue in force so long as oil or gas is produced in paying quantities therefrom or so long as drilling or reworking operations are prosecuted thereon as provided in paragraph 6 and shall be limited in depth from the surface down to and including 50 feet below the base of the deepest producing formation however such lower depth limit shall not exceed 100 feet below the deepest producing perforation within the wellbore situated on that producing unit; and Lessee shall execute a release of this lease as to

the balance of the land covered hereby as well as formations at depths below the respective producing units. In the absence of field rules promulgated by the appropriate governing body of the state in which such acreage is located, the term "producing unit" as used herein means the following number of acres, depending on the depth to which the well has been drilled, and whether the well is an oil or gas well. A. 40 acres for an oil well completed at any depth; B. (i) 80 acres for a gas well completed at a depth of less than 2,000 feet subsurface; (ii) 160 acres for a gas well completed at a depth of 2,000 feet subsurface to 6,000 feet subsurface; (iii) 320 acres for a gas well completed at a depth of 6,000 feet subsurface to 9,000 feet subsurface; (iv) 640 acres for a gas well completed at a depth greater than 9,000 feet subsurface. If a portion of Lessee's rights terminate as provided in this Paragraph 13, then Lessee shall designate in writing the acreage it is allowed to retain around each oil well and each gas well and such written designation shall be filed for record in the county in which such acreage is located. Lessee shall be entitled to designate the number of acres above specified in a form of his choosing so long as no side is more than twice as long as any other side. The provisions of this paragraph 13 shall not have the effect of relieving the Lessee of its obligations to develop the lease with reasonable diligence after oil or gas is first discovered in paying quantities.

14. **Enforcement Expenses.** If Lessor files a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding including expert witness and reasonable attorney's fees.

15. **No Community Lease.** If the mineral and/or royalty interests covered by this lease are different as between any two or more tracts within the leased premises, the execution of this lease shall not be construed to create a community lease nor in any way to effect the pooling or cross conveyance of interests in any such two or more tracts. Instead, it is Lessor's intent that oil and gas royalties and other lease benefits shall accrue to the owners of the particular tract of land on which is located the well or wells from which oil or gas production is taken, without apportionment to the owners of any other tract or tracts covered hereby, unless the pooling authority granted to the Lessee under this lease has been exercised, it being intended that ownership of royalties shall accrue to the tract on which the well is located.

16. **Parties in Interest.** This Paragraph not used.

17. **Notices.** All notices and other communications given in connection with this lease shall be in writing and shall be deemed to have been properly given and received on the date when personally delivered, or shall be deemed to have been properly given on the date of actual receipt if delivered by certified mail, fax or courier. The addresses shown at the beginning of this lease are hereby designated for the receipt of notices.

18. **Implied Covenants Preserved.** The express covenants of the lease are not intended to limit or restrict any implied covenants existing by law or by the nature of this agreement.

19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

Executed on the date first above written.

Windi Grimes
AWP 1983 Trust, by Windi Grimes, Sole Trustee

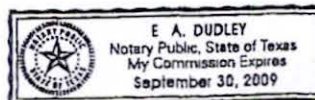
CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF Harris)

This instrument was acknowledged before me on 09-29, 2008, by AWP 1983 Trust, by Windi Grimes, Sole Trustee.

My commission expires: _____

E. A. Dudley
Notary Public



Certificate of Record

22.00

Recording Fee

Certified Copy Fee

22.00

Total Paid

ENV

Return to

Retro Hunt LLC

000069

COMPARED

FILED FOR RECORD

2009 JAN -8 PM 1:49

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

BY: M. Camacho

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR VOL 812 PAGE 74 DATE RECORDED 01/12/2009



DIANNE O FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Dalia Halvud, Deputy

EXERCISE OPTION TO EXTEND PRIMARY TERM MEMORANDUM

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on September 22, 2008, AWP 1983 TRUST, by Windi Grimes, Sole Trustee, ("Lessor"), with an address of 3310 W Main St, Houston TX 77098, executed an Oil, Gas and Mineral Lease (the "Lease") in favor of PETRO-HUNT LLC, ("Lessee"), with an address of 1601 Elm St, Suite 3400, Thanksgiving Tower, Dallas TX 75201-72041 recorded an Oil and Gas Lease in Volume 812, Page 74, of the Official Public Records of Real Property of Reeves County, Texas, covering 1280.02 gross acres, described as:

South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
containing 640.00 acres, more or less
East One-Third (E/3) of Section 14, Block 55 Township 4, T&P Ry. Co. Survey,
containing 213.34 acres, more or less
Reeves County, Texas

WHEREAS, on April 8, 2011, Petro-Hunt LLC as Assignor, assigned a portion of said lands to Colt Unconventional Resources LLC as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas, and on May 6, 2011, Colt Unconventional Resources LLC as Assignor, assigned a portion of said lands to Resolute Natural Resources Southwest, LLC, as Assignee, not yet recorded, covering 1,066.68 gross acres, or 177.78 net acres;

WHEREAS, the Lease contains an option to extend the Lease for a two-year period, as set forth below:

19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation to extend the primary term of this lease – as to any acreage covered hereby and not otherwise being maintained by any other provision herein – for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

NOW, THEREFORE, pursuant to the terms and conditions of paragraph 19, it is the desire of Resolute Natural Resources Southwest, LLC to extend the primary term of the Lease, from Three (3) years to five (5) years, covering only those lands assigned to Resolute Natural Resources Southwest, LLC and being more particularly described as:

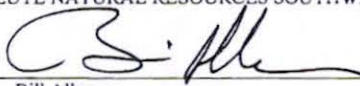
South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
containing 640.00 acres, more or less
Reeves County, Texas

TX00955.002

NOW, THEREFORE, be it known that pursuant to the terms of the Lease, Resolute Natural Resources Southwest LLC has paid to Lessor a sum of \$425.00 per net acre covered by the Lease to effectuate the extension of the primary term from three (3) years to five (5) years from the date of said Lease and that this instrument shall evidence such extension. This extension shall apply to all of the oil, gas and minerals owned by the Lessor as described above. Except as herein changed, the provisions of said Lease and any recorded instrument effecting said lease shall remain in full force and effect.

IN WITNESS WHEREOF this instrument is made effective on the twelfth (12th) day of August, 2011.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, Lessee


Name: Bill Alleman
Title: Vice President - Land

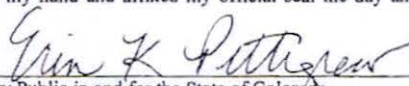
JRP

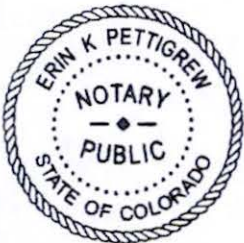
ACKNOWLEDGEMENT

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

On this 11th day of JULY, 2011, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.


Notary Public in and for the State of Colorado
My commission expires: 4-30-15



My Commission Expires 04/30/2015

TX00955.002

Certificate of Record
19.00 Recording Fee
Certified Copy Fee
19.00 Total Paid *env.*

005391

FILED FOR RECORD
2011 AUG -5 11:03

Return to:

Resolute Natural Resources

[Signature]

COMPARED

THE STATE OF TEXAS,
COUNTY OF REEVES. }

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

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

OPR VOL 893 PAGE 832 DATE RECORDED 08/24/2011



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By *[Signature]* Deputy

Oil & Gas Lease

This Agreement, made and entered into this 12th day of September, 2008, by and between Julian Wade Meeker and Lawrence Hill Meeker, as Co-Trustees under the Will of J.B. Meeker for the lifetime benefit of L.H. Meeker, whose address is 108 West 8th Street, Suite 410, Fort Worth, TX 76102, hereinafter called Lessor(s), and Petre-Hunt, L.L.C., whose Post Office address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, TX 75201-7201, hereinafter called Lessee(s),

Witnesseth:

1. **Grant and Description** That Lessor, in consideration of the cash bonus 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 sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, telephonic lines, roads and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder only, the following described land situated in Reeves County, State of Texas, to wit:

The South One-Third (S/3) of Section 5, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

The South One-Third (S/3) of Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

All of Section 18, Block C-21, Public School Land Survey, containing 640.0 acres, more or less

The East One-Third (E/3) of Section 14, Block 55, Township 4, T&P Ry. Co. Survey, containing 213.34 acres, more or less

Each tract of land contained in this lease shall be considered for all purposes as if each tract were contained in a separate lease. Those multiple tracts are contained in this one lease for the sake of convenience only.

and containing 1,280.02 acres, more or less (called "leased premises").

2. **Term of Lease** Subject to the other provisions hereof, this lease shall be for a term of Three (3) years from this date (called "Primary Term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises or lands with which the leased premises are pooled hereunder and the royalties are paid as provided. (Please See Paragraph 3-4)

3. **Royalties.** Lessee shall pay the following royalties, subject to the following provisions:

(a). **Oil.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds of all oil and other liquid hydrocarbons recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided however, in the event oil and other liquid hydrocarbons are not sold under an arms' length transaction, Lessor's royalty on such oil and other liquid hydrocarbons shall be calculated by using the highest price, plus premium, if any, paid or offered for oil and other liquid hydrocarbons of comparable quality in the general area where produced and when run;

(b). **Gas.** Lessee shall pay the Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for all gas (including substances contained in such gas) recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction; provided, however, in the event gas is not sold under an arms' length transaction, Lessor's royalty on such gas (including substances contained in such gas) shall be calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.

(c). **Products.** Lessee's right to produce substances from the leased premises is limited to substances produced from oil and/or gas wells, and Lessee shall pay Lessor royalty on all marketable substances produced by Lessee from the leased premises (all marketable substances which Lessee may produce from the leased premises hereunder will be collectively referred to as "Products"). It is contractually provided that the price used to calculate Lessor's royalty shall never be less than the price paid Lessee for any Products produced hereunder, and, if the manner of calculating royalty provided for herein would cause Lessor's royalty to be calculated based upon a lesser amount, the price actually paid Lessee shall be substituted as the basis for the royalty calculation. As to any product which does not fall under the oil or gas royalty clauses above, Lessee shall pay Lessor One-Fourth (1/4) of the gross proceeds received by Lessee for such product in an arms' length transaction; provided, however, in the event the product is not sold under an arms' length transaction, Lessor's royalty shall be calculated by using the highest price paid or offered for the comparable quality of such product in the general area of the leased premises.

(d). **Production Sale Contracts.** Lessee shall pay Lessor One-Fourth (1/4) of all consideration received by or for the benefit of Lessee under any contract for the sale of Products, including, but not limited to, all contract settlements and other sums received by Lessee from any purchaser of Products, whether such sums are advance payments, payments under take-or-pay provisions, price buy-down settlements, or other contractual payments or payments in settlement of claims of whatever kind or character paid by any purchaser of Products to Lessee to the extent related to the sale of production from the leased premises. To the extent that any such consideration is paid in advance of actual production, Lessee shall receive credit for the amount thereof when such production occurs. Lessee agrees that if it enters into any contract for sale of any Products which shall extend for 3 (three) years from the effective date of such sales contract and such contract does not have adequate provisions for redetermination of price at intervals of not less frequently than annually, then Lessee, its successors and assigns, shall in advance of executing any such sales contract provide Lessor with a full and complete copy of the proposed contract for the purpose of allowing Lessor to determine whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. Lessor shall, within thirty (30) days of receiving such sales contract, notify Lessee as to whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract.

(e). **Royalty to be Free of Expenses.** Lessor's royalty shall not bear or be charged with, directly or indirectly, any cost or expense incurred by Lessee, including without limitation, for exploring, drilling, testing, completing, equipping, storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing products, and no such deduction or reduction shall be made from the royalties payable to Lessor hereunder; provided, however, that Lessor's interest shall bear its proportionate share of severance taxes and other taxes assessed against its interest or its share of production.

(f). **Arms' Length Transaction.** In order to qualify as an arms' length transaction, a sale must be to a non-affiliated entity under an agreement negotiated in good faith by all parties which does not provide for any consideration to Lessee which will not or cannot be shared with Lessor under the royalty provisions of this lease.

(g). **Litigation Recoveries.** If Lessee participates in any litigation or administrative proceeding against a third party for damage to the leasehold estate or the minerals therein, including but not limited to, claims for trespass, violation of applicable rules and regulations, or

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.

breach of a production sale contract, Lessee shall make a sufficient claim thereon to cover Lessor's royalty share as provided in this lease, and shall pay to Lessor One-Fourth (1/4) of the proceeds received by Lessee and attributable to this lease as a result thereof; whether by settlement, judgment or otherwise; provided, however, Lessee shall be entitled to recoup, from such royalty payments only, One-Fourth (1/4) of the actual attorneys fees and litigation expenses paid by Lessee to outside counsel and attributable to issues related to this lease, thus being strictly a right to recoup from royalties payable and imposing no personal liability on Lessor.

(h). **Shut-in Gas Royalty.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in or suspended for any reason, Lessee may pay as royalty on or before 90 days after the date on which (i) production from any such well is shut-in or suspended or (ii) this lease is no longer maintained by compliance with other provisions hereof, whichever is the later date, and thereafter at annual intervals, a sum in the amount of \$25.00 per acre, or a minimum of Fifty Dollars (\$50.00), whichever is greater, for each and every shut-in gas well; and if such payment is made or tendered in accordance with the terms hereof, this lease shall not terminate but shall continue in full force, subject to the provisions of paragraph 15, and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this lease, and in no event shall shut-in well payments maintain this lease in force for a cumulative period exceeding 2 (two) year(s). Lessee shall not be entitled to recover any shut-in royalty payments from the future sale of gas. Should the shut-in period extend beyond the expiration of the primary term, such shut-in provision will pertain only to the producing unit of such gas well as provided for in paragraph 15. Should such shut-in royalty payments not be made in a timely manner as provided in this paragraph, it will be considered for all purposes that there is no production or no excuse for delayed production of gas from any such well or wells and unless there is then an effect other preservation provisions of this lease, this lease shall terminate at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all its interest in and to this oil and gas lease insofar as that portion of the premises included in the producing unit assigned to such shut-in well.

(i). **Recovery of Gas Liquids.** Lessee agrees that before any gas produced from the leased premises is used or sold off the leased premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease.

(j). **Right to Take in Kind.** Lessor shall have the recurring option, in lieu of receiving the royalties thereon, to take One-Fourth (1/4) of any product produced by Lessee from the leased premises in kind, and to reverse such election and resume receiving royalty payment in money, in either case by giving Lessee at least sixty (60) days advance written notice. Such election may be made separately as to oil, gas or any other product, and Lessor may elect to have the royalty production delivered at the wellhead, at the oil and gas separator, into a pipeline connected at the well, at the location where Lessee sells its production, or at another location mutually acceptable to Lessor and Lessee. If Lessor elects to take royalty in kind, any necessary costs for separate metering or split stream delivery will be borne by Lessor. If Lessor elects to take gas royalty in kind, the parties shall enter into a gas balancing agreement using, at Lessor's election, either the most recent form used by Lessee in an arms-length industry transaction or the most recent form promulgated by the American Association of Professional Landmen. Lessee shall supply its most recent gas balancing agreement form to Lessor for evaluation purposes immediately upon receiving notice that Lessor intends to take gas royalty in kind.

(k). **Time for Payment of Royalty.** Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder (initial royalty payment), and such royalties shall be paid monthly thereafter without the necessity of Lessee executing a division or transfer order. If a division or transfer order is circulated by Lessee, such division order will be a simple statement of interest containing no warranty or indemnity clauses, and containing no clauses modifying in any way the terms of this lease. The insertion of any such clause will be of no force and effect so far as this lease and the rights and obligations of the parties hereto, and in any event, Lessor shall be under no obligation to execute any division or transfer order, and Lessor's execution thereof, if done, shall be considered a mere accommodation. If the initial royalty payment is not timely made under the terms hereof, this lease shall terminate as of 7 a.m. the first day of the month following the expiration of said 120-day period. After the usual royalty payment, with respect to oil or gas produced during any month, if royalty is not paid hereunder on or before the last day of the second succeeding month, this lease shall terminate at midnight of such last day.

(l). **Royalty Information.** In addition to other information required to be furnished by Lessee to Lessor, either by law or under the terms of this lease, Lessee shall promptly provide Lessor with sufficient information for Lessor to monitor and calculate all royalty payments due Lessor hereunder, and if such information is not provided in a prompt or complete manner, Lessee waives, to the full extent allowed by law, any defense based upon the statute of limitations, laches or any other delay in bringing suit, with respect to any matter which would reasonably have been revealed by such information, even if Lessor had access to relevant information from other sources, it being intended that Lessor may rely upon Lessee to keep it fully informed without the necessity of obtaining information from other sources. It will be considered that information required hereunder has been promptly provided to Lessor if Lessee provides the same within thirty (30) days after the date upon which the information becomes available to Lessee.

4. **Delay Rentals.** THIS IS A PAID-UP OIL & GAS LEASE, ALL DELAY RENTALS REFERRED TO HEREIN ARE PAID IN FULL.

5. **Pooling.** Lessee is hereby granted the right to pool or combine the leased premises, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or any stratum, for the production of oil or gas. Pooled units which do not include 100% of the haven leased premises shall be subject to the written approval of the Lessor, such approval shall not be unreasonably withheld. Pooling in one or more instances shall not exhaust the right of Lessee hereunder to pool this lease or portion thereof into other or different units. Units pooled for oil hereunder shall not exceed forty (40) acres each, and units pooled for gas hereunder shall not exceed three hundred twenty (320) acres each, provided however, that Lessee may form pooled units for horizontal wells below the base of the Tinsley Canyon formation comprised of six hundred forty (640.0) acres, plus a tolerance of 10%. Pooled units for each such well shall be, as nearly as practicable, in the shape of a square or rectangle as applicable, with the location of the well in as near the center as practicable. To effect a unit or units Lessee shall file a written unit designation and surveyor's plat outlining any such unit and describing the participating tracts to the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records, and if Lessee fails to do so, such unit may be declared invalid by Lessor by an instrument filed in such county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the leased premises whether the well or wells be located on the leased premises or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interests shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the leased premises and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis, thus, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the leased premises and included in the unit just as though such production were from the leased premises. In the event only a part, or parts, of the leased premises is pooled with other land, or lands, so as to form a pooled unit, or units, operations on or production from such unit, or units, will maintain this lease in force only as to the part of the leased premises included in such unit, or units. This lease may be maintained in force as to any land covered hereby and not included in such unit or units in any manner provided for herein, provided that if it be by rental payments, rental payments shall be reduced in proportion to the number of acres covered hereby and included in such unit or units.

6. **Operations.** The following provisions shall apply to Lessee's operations on the leased premises:

(a). **Dry Holes, Cessation of Production, Development and Protection from Drainage.** If, prior to discovery of oil or gas on the leased premises or land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences reworking or actual drilling within sixty (60) days thereafter, or, if it be within the primary term, commences or resumes the payment or tender of rentals or commences actual drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion.

and abandonment of said dry hole or holes or the cessation of production. If, at the expiration of the primary term, oil or gas is not being produced on the leased premises or land pooled therewith and Lessee is then engaged in actual drilling or reworking of any well thereon, this lease shall remain in force so long as drilling or reworking is prosecuted with no cessation of more than sixty (60) consecutive days, and if such operation results in production, so long thereafter as oil or gas is produced in paying quantities from the leased premises or land pooled therewith. In the event a well or wells producing oil or gas should be brought in on adjacent land within one hundred feet (100') of the leased premises for an oil well or within twelve hundred feet (1200') of the leased premises for a gas well, Lessee agrees to commence the drilling of an offset well within 120 days or release that portion of the leased acreage that would be allocated to such well unit. If oil or gas is discovered on the leased premises, or on land pooled therewith, Lessee agrees to further develop the leased premises as a reasonably prudent operator would under the same or similar circumstances.

(b). **Compliance with Regulations and Indemnity.** Lessee agrees to conduct its operations in compliance with all applicable laws, rules and regulations. Lessee will protect, indemnify, hold harmless and defend Lessor against any claim, demand, cost, liability, loss or damage suffered by Lessor, including reasonable attorneys fees and litigation costs, arising out of or associated in any way with (i) any activity conducted by Lessee or Lessee's employees, agents, servants, contractors, licensees or permittees on or near the leased premises, (ii) environmental remediation and plugging and abandonment of wells, (iii) the management, use and disposal of produced water and wastes or substances associated with activities on the leased premises, and/or (iv) the oil, gas, all other products, any waste material, or any substance, pollutant or contaminant produced by Lessee or brought by Lessee onto the leased premises (all of which potential sources of claims shall be referred to as "Lessee's Conduct"). LESSEE'S OBLIGATION TO INDEMNIFY LESSOR FOR CLAIMS ARISING FROM LESSEE'S CONDUCT SHALL APPLY WITHOUT REGARD TO FAULT ON THE PART OF EITHER LESSOR OR LESSEE AND SHALL SPECIFICALLY INCLUDE INDEMNIFICATION OF LESSOR AGAINST LIABILITY TO THIRD PERSONS ARISING FROM LESSOR'S NEGLIGENCE IF SUCH LIABILITY IS RELATED TO LESSEE'S CONDUCT. Lessee's indemnity obligations for Lessee's Conduct under this paragraph are continuing obligations which will continue in effect, and be enforceable by Lessor, even after this lease terminates.

(c). Lessee shall have free use of oil, gas and water from the leased premises, except water from Lessor's wells, tanks, creeks, rivers, streams and springs, for all operations hereunder, provided that no surface water or underground fresh water will be used for water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing except as to water wells in which Lessee shall have the right to remove all property and fixtures except casing and shall do nothing that will in any way damage said water well or prevent its future use by Lessor. Lessee will, at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within four hundred (400') feet of any residence or barn now on the leased premises without Lessor's consent.

(d). In the event Lessor owns all or any part of the surface estate, Lessee will so conduct its operations hereunder as not to interfere unreasonably with Lessor or its assigns in the use of the surface of the leased premises provided, that any use of the surface will require written consent of Lessor in advance. Lessor agrees that such consent will not be unreasonably withheld. Prior to any use of the surface, Lessee will present to Lessor a plat of the property showing the area proposed to be used and the type of use to be made. Within 30 days of the receipt of such notice, Lessor will either deliver written consent or propose a reasonable alternative area for such use. Lessee will provide at Lessee's expense all protective measures to prevent any loss or damage to the property of Lessor on account of any operations by Lessee. Lessee will pay for all damages to the surface of or crops or improvements on the leased premises or suffered by any tenant of Lessor and caused by or arising out of operations under this lease. Pits and excavations made during drilling operations or otherwise will be filled by Lessee and the surface restored, as nearly as reasonably possible, to its original condition; and if Lessee shall fail to do so, the cost to Lessor of such filling and restoration shall be paid by Lessee.

7. **Assignments.** No assignment of this lease, or interest therein, may be made without written approval of the Lessor, such approval shall not be unreasonably withheld. Subject to the preceding condition, the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of Lessor and Lessee, but no change or division in ownership of the leased premises, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the leased premises, rentals or royalties shall be binding upon Lessee for any purpose until Lessee shall have been furnished with the instrument or instruments, or certified copies thereof, evidencing such change or division. In the event of a permitted assignment of this lease as to a segregated portion of the leased premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area owned by each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder, and liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach.

8. **Force Majeure.** Lessor shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure, except any and all monetary payments due under the terms of this lease. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides and lightning. If Lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule or regulation enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the leased premises or if Lessee by operation of force majeure is prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, rule, regulation, request or force majeure is terminated and for a period of sixty (60) days after such termination each and every provision of this lease or implied covenant arising thereunder that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.

9. **Lessor Interest.** If Lessee owns an interest in the leased premises less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid the Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.

10. **Limited Warranty.** Lessor herein executes and delivers this lease without warranty of title either express or implied, excepting for covenants of special warranty, by, through and under Lessor but not otherwise. Lessee, at its option, 30 days after giving written notice to Lessor, may discharge any tax lien upon the interest herein leased; and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment. Lessee shall not be subrogated to the rights of the party to whom payment is made, but may reimburse itself out of any royalties otherwise payable to Lessor hereunder.

11. **Mandatory Releases by Lessee.** At any time that this lease terminates as to any acreage or depth, Lessee shall promptly execute and furnish to Lessor a release thereof in recordable form which contains a legally adequate description of the lands and/or depths being released.

12. **Information.** Lessee shall advise Lessor in writing as to the location of each well drilled upon the leased premises, or on land pooled therewith, on or before seven (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information when specifically requested by the Lessor. Lessee agrees that immediately following this instrument being recorded in the county records where the leased premises are located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

13. **Extension Beyond Primary Term.** If at the end of the primary term this lease is still in force, this lease shall expire as to all that part of the leased premises (as hereinafter described) on which there is not a producing oil or gas well or on which Lessee is not then drilling or reworking a well. At the end of the primary term, Lessee shall select and designate a producing unit around and including each producing oil or gas well or drilling or reworking well, the area of such unit to be limited to and conform with the minimum area provided for or established directly or indirectly in the applicable rules and regulations of the appropriate governing body of the state in which the subject acreage is located with reference to the spacing of wells or the size of producing units. As to each producing unit so designated, this lease shall continue in force so long as oil or gas is produced in paying quantities therefrom or so long as drilling or reworking operations are prosecuted thereon as provided in paragraph 6 and shall be limited in depth from the surface down to and including 50 feet below the base of the deepest producing formation however such lower depth limit shall not exceed 100 feet below the

deepest producing perforation within the wellbore situated on that producing unit; and Lessee shall execute a release of this lease as to the balance of the land covered hereby as well as formations at depths below the respective producing units. In the absence of field rules promulgated by the appropriate governing body of the state in which such acreage is located, the term "producing unit" as used herein means the following number of acres, depending on the depth to which the well has been drilled, and whether the well is an oil or gas well: A. 40 acres for an oil well completed at any depth; B. (i) 80 acres for a gas well completed at a depth of less than 2,000 feet subsurface; (ii) 160 acres for a gas well completed at a depth of 2,000 feet subsurface to 6,000 feet subsurface; (iii) 320 acres for a gas well completed at a depth of 6,000 feet subsurface to 9,000 feet subsurface; (iv) 640 acres for a gas well completed at a depth greater than 9,000 feet subsurface. If a portion of Lessee's rights terminate as provided in this Paragraph 13, then Lessee shall designate in writing the acreage it is allowed to retain around each oil well and each gas well and such written designation shall be filed for record in the county in which such acreage is located. Lessee shall be entitled to designate the number of acres above specified in a form of his choosing so long as no acre is more than twice as long as any other acre. The provisions of this paragraph 13 shall not have the effect of relieving the Lessee of its obligations to develop the lease with reasonable diligence after oil or gas is first discovered in paying quantities.

14. **Enforcement Expenses.** If Lessor files a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding, including expert witness and reasonable attorney's fees.

15. **No Community Lease.** If the mineral and/or royalty interests covered by this lease are different as between any two or more tracts within the leased premises, the execution of this lease shall not be construed to create a community lease nor in any way to effect the pooling or cross conveyance of interests in any such two or more tracts. Instead, it is Lessor's intent that oil and gas royalties and other lease benefits shall accrue to the owners of the particular tract of land on which is located the well or wells from which oil or gas production is taken, without apportionment to the owners of any other tract or tracts covered hereby, unless the pooling authority granted to the Lessee under this lease has been exercised, it being intended that ownership of royalties shall accrue to the tract on which the well is located.

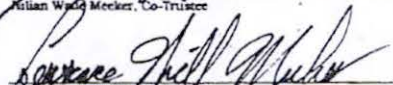
16. **Parties in Interest.** This Paragraph not used.

17. **Notices.** All notices and other communications given in connection with this lease shall be in writing and shall be deemed to have been properly given and received on the date when personally delivered, or shall be deemed to have been properly given on the date of actual receipt if delivered by certified mail, fax or courier. The addresses shown at the beginning of this lease are hereby designated for the receipt of notices.

18. **Implied Covenants Preserved.** The express covenants of the lease are not intended to limit or restrict any implied covenants existing by law or by the nature of this agreement.

19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation, to extend the primary term of this lease - as to any acreage covered hereby and not otherwise being maintained by any other provision herein - for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

Executed on the date first above written:


Julian Wade Meeker, Co-Trustee

Lawrence Hill Meeker, Co-Trustee

TRUST ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on September 16th, 2008, by Julian Wade Meeker, as Co-Trustee under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker, on behalf of said Trust.



04/10/2010


Jennifer Lynn Miller-Hartley
Notary Public

TRUST ACKNOWLEDGMENT

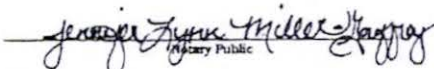
STATE OF TEXAS

COUNTY OF Tarrant

This instrument was acknowledged before me on September 16th, 2008, by Lawrence Hill Meeker, as Co-Trustee under the Will of J.R. Meeker for the lifetime benefit of L.H. Meeker, on behalf of said Trust.



04/10/2010


Jennifer Lynn Miller-Hartley
Notary Public

Certificate of Record

22.00 Recording Fee

22.00 Certified Copy Fee

22.00 Total Paid env **005412**

Return to

Petro Hunt LLC
1601 Elm St. Ste 3400
Dallas, TX 75201-9785

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

BEAR GRAPHICS INC

FILED FOR RECORD

2008 DEC 10 PM 3:45

DIANNE O. FLOREZ
COUNTY CLERK, REEVES COUNTY, TX

BY M. Amador

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

OPR VOL 810 PAGE 259 DATE RECORDED 12/15/2008



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Zonie G. Soto, Deputy

EXERCISE OPTION TO EXTEND PRIMARY TERM MEMORANDUM

STATE OF TEXAS)
)
COUNTY OF REEVES)

WHEREAS, on September 22, 2008, JULIAN WADE MEEKER and LAWRENCE HILL MEEKER, Co-Trustees under the will of J R Meeker, for the Lifetime Benefit of L H Meeker, ("Lessor"), with an address of 108 W 8th St, Fort Worth, TX 76102, executed an Oil, Gas and Mineral Lease (the "Lease") in favor of PETRO-HUNT LLC, ("Lessee"), with an address of 1601 Elm St, Ste 3400, Thanksgiving Tower, Dallas TX 75201-72041 recorded an Oil and Gas Lease in Volume 810, Page 259, of the Official Public Records of Real Property of Reeves County, Texas, covering 1280.02 gross acres, described as:

South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
containing 640.00 acres, more or less
East One-Third (E/3) of Section 14, Block 55 Township 4, T&P Ry. Co. Survey,
containing 213.34 acres, more or less
Reeves County, Texas

WHEREAS, on April 8, 2011, Petro-Hunt LLC as Assignor, assigned a portion of said lands to Colt Unconventional Resources LLC as Assignee, as recorded in Volume 883, Page 686 of the Official Public Records of Real Property of Reeves County, Texas, and on May 6, 2011, Colt Unconventional Resources LLC as Assignor, assigned a portion of said lands to Resolute Natural Resources Southwest, LLC, as Assignee, not yet recorded, covering 1,066.68 gross acres, or 355.56 net acres;

WHEREAS, the Lease contains an option to extend the Lease for a two-year period, as set forth below:

19. **Two Year Option.** Prior to the expiration of the primary term of this lease, Lessee shall have the right, but not the obligation to extend the primary term of this lease – as to any acreage covered hereby and not otherwise being maintained by any other provision herein – for a period of two (2) additional years by paying an additional bonus of \$425.00 per net mineral acre for any such lands. In the event this right to extend the primary term is exercised as herein provided, it shall be considered for all intents and purposes as though this Oil and Gas Lease originally provided for a primary term of five (5) years from the date hereof.

NOW, THEREFORE, pursuant to the terms and conditions of paragraph 19, it is the desire of Resolute Natural Resources Southwest, LLC to extend the primary term of the Lease, from Three (3) years to Five (5) years, covering only those lands assigned to Resolute Natural Resources Southwest, LLC and being more particularly described as:

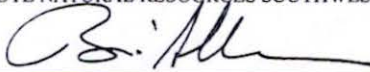
South One-Third (S/3) of Section 5 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
South One-Third (S/3) Section 17 of Block C-21 Public School Land Survey,
containing 213.34 acres, more or less
All of Section 18 of Block C-21 Public School Land Survey,
containing 640.00 acres, more or less
Reeves County, Texas

TX00955.001

NOW, THEREFORE, be it known that pursuant to the terms of the Lease, Resolute Natural Resources Southwest LLC has paid to Lessor a sum of \$425.00 per net acre covered by the Lease to effectuate the extension of the primary term from three (3) years to five (5) years from the date of said Lease and that this instrument shall evidence such extension. This extension shall apply to all of the oil, gas and minerals owned by the Lessor as described above. Except as herein changed, the provisions of said Lease and any recorded instrument effecting said lease shall remain in full force and effect.

IN WITNESS WHEREOF this instrument is made effective on the twelfth (12th) day of August, 2011.

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, Lessee



Name: Bill Alleman
Title: Vice President - Land

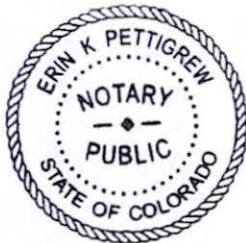
TER
2011

ACKNOWLEDGEMENT

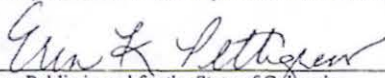
STATE OF COLORADO)
CITY & COUNTY OF DENVER)

On this 11th day of JULY, 2011, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.



My Commission Expires 04/30/2015


Notary Public in and for the State of Colorado
My commission expires: 4-30-15

TX00955.001

Certificate of Record

19.00 Recording Fee

19.00 Certified Copy Fee

19.00 Total Paid enu.

005390

FILED FOR RECORD

2011 AUG -5 AM 9 3

Return to:

Resolute Natural Resources
1675 Broadway Ste. 1950
Denver CO. 80202

[Signature]

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES.

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

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

OPR VOL893 PAGE 830 DATE RECORDED 08/24/2011



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: *[Signature]* Deputy

BEAR GRAPHICS, INC.

File No. 114159

Leases

Date Filed: _____

Jerry E. Patterson, Commissioner

By CH

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

OIL & GAS LEASE

This Oil & Gas Lease is made and entered into this 6th day of February, 2009, by and between the Charles R. Meeker Trust U/A; Bank of America, N.A., Trustee, P.O. Box 2546, Ft. Worth, TX 76113-2546 (Lessor), and Petro-Hunt, L.L.C., 1601 Elm St., Ste. 3400, Dallas, TX 75201-7201 (Lessee),

- 1 **Grant and Description** Lessor, in consideration of the cash bonus paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the sole and only purpose of exploring, drilling and operating for and producing oil and gas and of laying pipelines, storing oil and building tanks, telephone lines, roads and structures thereon to produce, save, care for, treat and transport said substances produced from the land leased hereunder only, the following described land situated in Reeves County, State of Texas

Description	Section	Block	Survey	Township	Abstract	Gross Mineral Acres
S/3	5	C-21	Public School Land		5962	213.34
S/3	17	C-21	Public School Land		5999	213.34
All	18	C-21	Public School Land		5747	640.0
W-2/3 N/2	2	54	Texas & Pacific RR Co	4 South	5992	213.34
E/3	14	55	Texas & Pacific RR Co.	4 South	5957	213.34
W/2	26	56	Texas & Pacific RR Co.	3 South	5695	320.0
E/2 ONLY AS TO ALL DEPTHS BELOW 3,630 FEET	28	56	Texas & Pacific RR Co	3 South	5696	320.0
NW/4 NE/4 SE/4	39	2	Houston & Great Northern RR Co		378	10.0

FR

FR

FR

Private

EACH TRACT LISTED HEREIN SHALL CONSTITUTE A SEPARATE LEASE FOR ALL PURPOSES. SAID TRACTS ARE LISTED TOGETHER HEREIN FOR THE SAKE OF CONVENIENCE ONLY.

deemed for purposes of this lease to contain 2,143.360 acres (leased premises)

- 2 **Term of Lease** Subject to the other provisions hereof, this lease shall be for a term of 3 (THREE) years from this date (primary term) and as long thereafter as oil and gas, or either of them, is produced in paying quantities from the leased premises or lands with which the leased premises have been properly pooled and the royalties are paid as provided
- 3 **Royalties** Lessee shall pay royalties as follows:
 - (a) **Oil.** Lessee shall pay Lessor 1/4 (one quarter) ("royalty share") of the gross proceeds of all oil and other liquid hydrocarbons recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction, provided however, if oil and/or other liquid hydrocarbons are not sold under an arms' length transaction, Lessor shall receive the same royalty share of the market value of such oil and/or other liquid hydrocarbons which shall be calculated by using the highest price, plus premium, if any, paid or offered for oil and/or other liquid hydrocarbons of comparable quality in the general area where produced and when run. Lessor may give sixty (60) days written notice to Lessee, which notice may be given from time to time, upon which Lessee shall deliver free of cost to Lessor at the wells or to the credit of Lessor into the pipeline to which the well may be connected, the royalty share of all oil and other liquid hydrocarbons produced and saved from the leased premises.
 - (b) **Gas.** Lessee shall pay Lessor 1/4 (one quarter) ("royalty share") of the gross proceeds received by Lessee for all gas (including substances contained in such gas) recovered, separated, produced or saved from or on the leased premises and sold by Lessee in an arms' length transaction, provided, however if gas is not sold under an arms' length transaction, Lessor shall receive the same royalty share of the market value of such gas (including substances contained in such gas) which shall be calculated by using the highest price paid or offered for gas of comparable quality in the general area where produced and when run.
 - (c) **Products.** Lessee's right to produce substances from the leased premises is limited to substances produced from oil and/or gas wells. Lessee shall pay Lessor royalty on all marketable substances produced by Lessee from the leased premises or on lands pooled with the leased premises (all marketable substances which Lessee may produce from the leased premises or lands pooled therewith will be collectively referred to as "Products" and individually as a "Product"). It is controllingly provided that the price used to calculate Lessor's royalty shall never be less than the price paid Lessee for any Products produced hereunder, and, if the manner of calculating royalty provided for herein would cause Lessor's royalty to be calculated based upon a lesser amount, the price actually paid Lessee shall be substituted as

the basis for the royalty calculation. As to any Product which does not fall under the oil or gas royalty clauses above, Lessee shall pay Lessor the applicable royalty share of the gross proceeds received by Lessee for such Product in an arms' length transaction, provided, however, if the Product is not sold under an arms' length transaction, Lessor shall receive the same royalty share of the market value of such Product (including substances contained in such Product) which shall be calculated by using the highest price paid or offered for the most similar substances of comparable quality in the general area where produced and when run. If another owner of an interest in a well is selling Products for a price higher than that received by Lessee under an arm's length transaction, Lessor's royalty shall be calculated by using the highest price paid for any of the Products produced from the well. To the greatest extent allowed by applicable law, Lessor shall have a lien on all Products and the proceeds from the sale thereof to secure payment of its royalties and all other sums due Lessor hereunder.

- (d) **Production Sale Contracts.** Lessee shall pay Lessor the applicable royalty share of all consideration received by or for the benefit of Lessee under any contract for the sale of Products, including, but not limited to, all contract settlements and other sums received by Lessee from any purchaser of Products, whether such sums are advance payments, payments under take-or-pay provisions, price buy-down settlements, or other contractual payments or payments in settlement of claims of whatever kind or character paid by any purchaser of Products to Lessee to the extent related to the sale of production from the leased premises. To the extent that any such consideration is paid in advance of actual production, Lessee shall receive credit for the amount thereof when such production occurs. In no event will the price paid Lessor for Lessor's share of the Products be less than the price paid Lessee for Lessee's share of Products produced hereunder. Lessee agrees that if it enters into any contract for sale of any Products which shall extend for three (3) years from the effective date of such sales contract and such contract does not have adequate provisions for redetermination of price at intervals of not less frequently than annually, then Lessee, its successors and assigns, shall in advance of executing any such sales contract provide Lessor with a full and complete copy of the proposed contract for the purpose of allowing Lessor to determine whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. Lessor shall, within thirty (30) days of receiving such sales contract, notify Lessee as to whether Lessee may sell Lessor's royalty share of Products under Lessee's proposed sales contract. In the event Lessor approves Lessee's proposed sales contract, Lessee shall pay the Lessor the applicable royalty share of all consideration received by or for the benefit of Lessee under said contract, without deducting any post-production cost or expenses, including without limitation, cost or expenses for dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing the Products. In the event Lessor does not approve Lessee's proposed sales contract, then Lessor's royalty shall nonetheless be calculated by using the highest price paid or offered for Products of comparable quality in the general area where produced and when run.
- (e) **Royalty to be Free of Expenses.** Lessor's royalty shall not bear or be charged with, directly or indirectly, any cost or expense incurred by Lessee, including without limitation, for exploring, drilling, testing, completing, equipping, storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing products, and no such deduction or reduction shall be made from the royalties payable to Lessor hereunder, provided, however, that Lessor's interest shall bear its proportionate share of severance taxes and other taxes assessed against its interest or its share of production. Any calculation of sales price or market value hereunder shall be increased to the extent necessary to remove all such costs as a charge against the Lessor's royalty.
- (f) **Arms' Length Transaction.** In order to qualify as an arms' length transaction, a sale must be to a non-affiliated entity under an agreement negotiated in good faith by all parties which does not provide for any consideration to Lessee which will not or cannot be shared with Lessor under the royalty provisions of this lease. Without limiting the generality of the foregoing, if Lessee enters into any contract or arrangement for the sale of Products in which the buyer, or a third party acting under an agreement with the buyer, undertakes any activities relating to storing, separating, dehydrating, transporting, compressing, treating, gathering, or otherwise rendering marketable or marketing Products, Lessee shall promptly inform Lessor of the exact nature of the arrangements made, and Lessor shall have the option of treating such sales of Products as having not been made in an arm's length transaction.
- (g) **Litigation Recoveries.** If Lessee participates in any litigation or administrative proceeding against a third party for damage to the leasehold estate or the minerals therein, including but not limited to, claims for trespass, violation of applicable rules and regulations, or breach of a production sale contract, Lessee shall make a sufficient claim therein to cover Lessor's royalty share as provided in this lease, and shall pay to Lessor its royalty share of the proceeds received by Lessee and attributable to this lease as a result thereof, whether by settlement, judgment or otherwise, provided, however, Lessee shall be entitled to recoup, from such royalty payments only, a proportionate share of the actual attorneys fees paid by Lessee to outside counsel, expert witness fees, litigation expenses, and court costs, paid by Lessee and attributable to issues related to this lease, this being strictly a right to recoup from royalties payable and imposing no personal liability on Lessor.
- (h) **Shut-in Gas Royalty.** While there is a well on the leased premises capable of producing gas in paying quantities but the production thereof is shut-in or suspended for any reason, Lessee shall pay as royalty on or before 90 days after the date on which (i) production from any such well is shut-in or suspended or (ii) this lease is no longer maintained by compliance with other provisions hereof, whichever is the later date, and thereafter at annual intervals, a sum in the amount of \$25.00 per acre, or a minimum of \$50.00, whichever is greater, for each and every shut-in gas well, and if such payment is made or tendered in accordance with the terms hereof, this lease shall not terminate but shall continue in full force, subject to the other provisions hereof, and it will be considered that gas is being produced from the leased premises in paying quantities within the meaning of each pertinent provision of this lease, but in no event shall shut-in well payments maintain this lease in force for a cumulative period exceeding two (2) years. Lessee shall not be entitled to recover any shut-in royalty payments from the future sale of gas. Should the shut-in period extend beyond the expiration of the primary term, such shut-in provision will pertain only to the producing unit of such gas well as provided below. Should such shut-in royalty payments not be made in a timely manner, it will be considered for all purposes that there is no production or no excuse for delayed production.

of gas from any such well or wells and unless there is then in effect other preservation provisions of this lease, this lease shall terminate at midnight on the last day provided for the payment of such shut-in royalties, and Lessee shall thereupon furnish to Lessor a release of all its interest in and to this oil and gas lease insofar as that portion of the premises included in the producing unit assigned to such shut-in well

- (j) **Recovery of Gas Liquids** Lessee agrees that, if it is economic to do so, before any gas produced from the leased premises is used or sold off the leased premises, it will be run, free of cost to Lessor, through an adequate oil and gas separator of a conventional type or equipment at least as efficient, to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered on the lease
- (j) **Right to Take in Kind.** Lessor shall have the recurring option, in lieu of receiving the royalties thereon, to take its applicable royalty share of any Product in kind, and to reverse such election and resume receiving royalty payment in money, in either case by giving Lessee at least sixty (60) days advance written notice. Such election may be made separately as to oil, gas or any other Product, and Lessor may elect to have the royalty production delivered at the wellhead, at the oil and gas separator, into a pipeline connected at the well, at the location where Lessee sells its production, or at another location mutually acceptable to Lessor and Lessee. If Lessor elects to take royalty in kind, any necessary costs for separate metering or split stream delivery will be borne by Lessor. If Lessor elects to take gas royalty in kind, the parties shall enter into a gas balancing agreement using, at Lessor's election, either the most recent form used by Lessee in an arms-length industry transaction or the most recent form promulgated by the American Association of Professional Landmen. Lessee shall supply its most recent gas balancing agreement form to Lessor for evaluation purposes immediately upon receiving notice that Lessor intends to take gas royalty in kind. It is expressly agreed, however, that the inclusion of an option to permit Lessor to take its royalty gas in kind shall not modify or limit Lessee's duty to pay royalties as provided herein or to market the gas at such times, and from time to time, as Lessor does not choose to take and separately dispose of its royalty gas
- (k) **Time for Payment of Royalty** Within 120 days following the first sale of oil or gas produced from the leased premises, settlement shall be made by Lessee or by its agent for royalties due hereunder (initial royalty payment) with respect to such oil or gas sold off the premises, and such royalties shall be paid monthly thereafter without the necessity of Lessor executing a division or transfer order. If a division or transfer order is circulated by Lessee, such division order will be a simple statement of interest containing no warranty or indemnity clauses and containing no clauses modifying in any way the terms of this lease. The insertion of any such clause will be of no force and effect so far as this lease and the rights and obligations of the parties hereto, and in any event, Lessor shall be under no obligation to execute any division or transfer order, and Lessor's execution thereof, if done, shall be considered a mere accommodation. If the said initial royalty payment is not timely so made under the terms hereof, this lease shall terminate as of 7 a.m. the first day of the month following the expiration of said 120-day period. After the said initial royalty payment, with respect to oil or gas produced during any month, if royalty is not paid hereunder on or before the last day of the second succeeding month, this lease shall terminate at midnight of such last day
- (l) **Royalty Information.** In addition to other information required to be furnished by Lessee to Lessor, either by law or under the terms of this lease, Lessee shall promptly provide Lessor with sufficient information for Lessor to monitor and calculate all royalty payments due Lessor hereunder, and if such information is not provided in a prompt or complete manner, Lessee waives, to the greatest extent allowed by law without invalidating this provision, any defense based upon the statute of limitations, laches or any other delay in bringing suit with respect to any matter which would reasonably have been revealed by such information, even if Lessor had access to relevant information from other sources, it being intended that Lessor may rely upon Lessee to keep Lessor fully informed without the necessity of obtaining information from other sources. It will be considered that information required hereunder has been promptly provided to Lessor if Lessee provides the same within thirty (30) days after the date upon which the information becomes available to Lessee

4 **Delay Rentals.** THIS IS A PAID-UP OIL & GAS LEASE, ALL DELAY RENTALS REFERRED TO HEREIN ARE PAID IN FULL

5 **Pooling** Lessee is hereby granted the right to pool or combine the leased premises, or any part or parts thereof, as to all strata or any stratum, with any other land, as to all strata or any stratum, for the production of oil or gas. Pooled units which do not include 100% of the herein leased premises shall be subject to the written approval of Lessor, and such approval shall not be unreasonably withheld. Pooling in one or more instances shall not exhaust the right of Lessee to pool this lease or portion thereof into other or different units. Units pooled for oil or gas, or for a horizontal completion, shall conform to, and shall in no event exceed the size and other parameters for producing units which may maintain this lease after the primary term as provided below. Lessee shall file a written unit designation and surveyor's plat outlining any such unit and describing the participating tracts in the county conveyance records in which the premises are located. A copy of the unit designation shall be furnished to Lessor within thirty (30) days after it is filed in the appropriate county records, and if Lessee fails to do so, such unit may be declared invalid by Lessor by an instrument filed in such county records. Drilling or reworking operations and production on any part of the pooled acreage shall be treated for all purposes hereof (except the payment of royalties on such production) as if such drilling or reworking operations were upon or such production was from the leased premises whether the well or wells be located on the leased premises or not. For the purpose of computing the royalties and other payments out of production to which the owners of such interests shall be entitled on production of oil and gas, or either of them, from any such pooled unit, there shall be allocated to the leased premises and included in such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit after deducting that used for operations on the pooled unit. Such allocation shall be on an acreage basis, thus, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production whether it be oil and gas, or either of them so allocated to the leased premises and included in the unit just as though such production were from the leased premises. If only a part, or parts, of the leased premises is pooled into a unit, operations

on or production from such unit, will maintain this lease in force only as to the part of the leased premises included in such unit. This lease may be maintained in force as to any land covered hereby and not included in such unit in any manner provided for herein, provided that if it be by rental payments, rental payments shall be reduced in proportion to the number of acres covered hereby and included in such unit.

6 Operations. The following provisions shall apply to Lessee's operations on the leased premises

(a) **Dry Holes, Cessation of Production, Continuous Development and Protection from Drainage.** If oil or gas is discovered on the leased premises, or on land pooled therewith, Lessee agrees to further develop the leased premises as a reasonably prudent operator would under the same or similar circumstances. If, during the primary term but prior to discovery of oil or gas on the leased premises or land pooled therewith, Lessee should drill and abandon a dry hole or holes thereon, or if, after discovery of oil or gas, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences or resumes the payment or tender of rentals, if applicable, or commences actual drilling or reworking on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion and abandonment of said dry hole or holes or the cessation of production. At the expiration of the primary term, this lease shall automatically terminate as to all areas of the leased premises not then included in the producing unit, as defined below, of a well capable of producing oil and/or gas in paying quantities (commercial well) and as to all depths in each producing unit which are below the stratigraphic equivalent of the total depth drilled in the deepest commercial well on each producing unit unless, within the one hundred and eighty (180) day period prior to the expiration of the primary term, Lessee commences the actual drilling of a well (this well and each succeeding well, if any, will each be referred to as a "continuous program well"). If Lessee commences the drilling of a continuous program well, Lessee may thereafter conduct a continuous drilling program on the leased premises with no more than one hundred and eighty (180) consecutive days elapsing between the completion of one continuous program well and the commencement of the drilling of the next continuous program well, and this lease will remain in force as to all the lands and depths covered hereby so long as such continuous drilling program is conducted by Lessee. Upon the cessation of the continuous drilling program, which shall be deemed to have ceased any time that more than one hundred eighty (180) days elapse after the completion of a continuous program well without the commencement of another continuous program well by Lessee, this lease shall terminate as to all lands covered hereby which are not then included in the producing unit of a commercial well, and, as to producing units containing a commercial well, shall terminate as to all depths below the stratigraphic equivalent of the total depth drilled in the deepest commercial well on each producing unit. For purposes of this lease, commencement of the drilling of a well shall be considered to have occurred on the day that a rig with adequate tools and equipment to drill the well to the depth shown on its drilling permit first penetrated the ground with a drill bit in a search for oil and/or gas, and a well will be considered to have been completed on the earlier of the date on which the drilling rig was released or when ninety (90) days have elapsed without the well having been deepened, or in the case of a horizontal completion, laterally extended by at least one thousand feet, during such ninety (90) day period. At the end of the primary term, or at the end of the continuous drilling program if Lessee drills one or more continuous program wells, whichever is later, each producing unit shall be considered for all purposes to be a separate lease, and production of oil or gas, drilling or reworking operations, or the payment of shut-in gas royalty on one producing unit shall not maintain this lease in force as to any other producing unit, lands or depths. As to each producing unit maintained by Lessee, if production should cease from any well on such producing unit, this lease will not terminate as to such producing unit so long as Lessee commences actual drilling or reworking on or before the expiration of sixty (60) days from date of the cessation of production and proceeds with such drilling or reworking operations with no cessation of more than sixty (60) consecutive days until commercial production of oil and/or gas is restored.

(b) **Producing Units** "Producing units" shall be defined and configured according to the following parameters. Lessee shall assign producing units to commercial wells in accordance with the standard shape and amount of acreage as specified in the rules established by the state or federal commission or agency then having jurisdiction over such matters (Commission) applicable to units for producing wells for the field in which the well is located (regulatory units). Such producing units shall not exceed the standard size, shape and/or diagonal established by the Commission for applicable regulatory units and shall not contain more acreage than the minimum necessary for the well to comply with applicable regulations. If the Commission has not established specific rules for regulatory units in the field in question, Lessee shall execute and file for record in the county where the land is located a designation of the producing unit for each commercial well which shall be in as nearly the shape of a square, or rectangle for a horizontal completion, with the well in its center, as practicable and such designated unit shall be deemed to be the well's producing unit for purposes of this lease. In the absence of specific field rules promulgated by the Commission, the term "producing unit" as used herein means the following number of acres, depending on the depth to which the well has been drilled, and whether the well is an oil, gas well, or horizontal completion: 40 acres for an oil well completed at any depth, 80 acres for a gas well completed at a depth of less than 2,000 feet subsurface, 160 acres for a gas well completed at a depth of 2,000 feet subsurface to 6,000 feet subsurface, 320 acres for a gas well completed at a depth of 6,000 feet subsurface to 9,000 feet subsurface, 640 acres for a gas well completed at a depth greater than 9,000 feet subsurface, and for a "horizontal completion", which shall be deemed to be any well in which the horizontal component of the gross completion interval in the reservoir exceeds one hundred feet, the producing unit shall not exceed a size which allows Lessee to retain the minimum spacing distance between the wellbore and the boundaries of the producing unit, or 640 acres if no such determination can be made due to lack of applicable spacing rules. After the end of the primary term, or after cessation of the continuous drilling program as set out above, whichever is later, production from or operations conducted on each producing unit shall maintain this lease in force only as to those portions of the leased premises included within each such producing unit, as the same are reflected either by the records of the Commission or by written designations filed for record by Lessee in the county where the land is located, and only as to depths above the stratigraphic equivalent of the total depth drilled in the deepest commercial well on each producing unit, and production from or operations on one such unit will not maintain this lease as to any other lands or depths, and Lessee shall execute and provide to Lessor a written release in recordable form as to all acreage and depths as to which this lease has expired.

- (c) **Review of Producing Units.** At any time after the fifteenth anniversary date of this lease, Lessor may request that Lessee review any one or more producing units to determine if there is more acreage in such producing unit than is necessary to support the commercial well or wells then producing therefrom, and if the producing unit size can be reduced without causing the well to be no longer located in accordance with established governmental spacing requirements, Lessee shall redesignate the producing unit to so reduce it (redesignated producing unit) and shall release this lease as to all acreage no longer included in the redesignated producing unit. Likewise, at any time after the fifteenth anniversary of this lease, Lessor may request that Lessee release all depths in any producing unit which are more than 100 feet below the then producing perforations in the deepest commercial well located on such producing unit (non-producing deep rights), and Lessee shall promptly comply with such request. Lessor's rights to request redesignated producing units and releases of non-producing deep rights shall be recurring and may be exercised as often as Lessor considers advisable.
- (d) **Development and Protection from Drainage.** Lessee shall act as a reasonably prudent operator in developing the leased premises. Lessee shall also act as a reasonably prudent operator in protecting the leased premises from drainage by wells located on lands in which Lessor does not own a mineral interest, and in the express situation in which a commercial well is completed on lands in which Lessor owns no interest, and which has any part of its borehole within ~~4,000~~ 660 feet of the leased premises (offsetting well), then within one hundred and eighty (180) days after the commencement of production from such offsetting well, Lessee shall either (a) commence the drilling of a similar well at a location on the leased premises as near as practical to such offsetting well and thereafter diligently drill and complete the same, or (b) ~~release this lease as to a tract of land as nearly contiguous to the location of the offsetting well as practicable and of a size which would constitute a producing unit for a similar well drilled by Lessee on the leased premises in lieu of drilling an off-set well, Lessee shall release the off-set proration unit as to the producing horizon(s) only, or (c) Lessee may maintain the lease as to the acreage otherwise required to be released for a maximum of two (2) more successive years by Lessee paying compensatory royalty at the rate provided in this lease for oil, gas and other products as though the production from the offset well was production from a well located on an unpooled unit on the leased premises. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil and/or gas (the "Producing Well") on a proration unit on the leased premises at the time of completion of a well on an adjoining unit to the leased premises (the "Adjoining Well") so long as the Producing Well is within 660 feet of the proration unit boundary of the Adjoining Well.~~ The compensatory royalty is to be paid monthly subject to the same terms and conditions as the royalty on actual production from the leased premises, provided that the due date for each royalty payment shall be extended by sixty (60) days from the due date for royalty payments on production from the leased premises in order to give lessee sufficient time in which to acquire production information from the offsetting well. If this lease is maintained in force by payment of compensatory royalties, after two (2) years of such payments Lessee shall have the same obligation to release acreage as provided in item (b) above unless Lessee is then maintaining the acreage required to be released under some other provision hereof. None of these provisions will relieve Lessee of the obligation of reasonable development.
- (e) **Compliance with Regulations and Indemnity.** Lessee shall conduct its operations in compliance with all applicable laws, rules and regulations. Lessee will protect, indemnify, hold harmless and defend Lessor against any claim, demand, cost, liability, loss or damage suffered by Lessor, including reasonable attorneys fees, expert witness fees, litigation expenses and court costs, arising out of or associated in any way with (i) any activity conducted by Lessee or Lessee's employees, agents, servants, contractors, licensees or permittees on or near the leased premises, (ii) environmental remediation and plugging and abandonment of wells, (iii) the management, use and disposal of produced water and wastes or substances associated with activities on the leased premises; and/or (iv) the oil, gas, all other products, any waste material, or any substance, pollutant or contaminant produced by Lessee or brought by Lessee onto the leased premises (all of which potential sources of claims shall be referred to as "Lessee's Conduct"). LESSEE'S OBLIGATION TO INDEMNIFY LESSOR FOR CLAIMS ARISING FROM LESSEE'S CONDUCT SHALL APPLY WITHOUT REGARD TO FAULT ON THE PART OF EITHER LESSOR OR LESSEE AND SHALL SPECIFICALLY INCLUDE INDEMNIFICATION OF LESSOR AGAINST LIABILITY TO THIRD PERSONS ARISING FROM LESSOR'S NEGLIGENCE IF SUCH LIABILITY IS RELATED TO LESSEE'S CONDUCT. Lessee's indemnity obligations for Lessee's Conduct under this paragraph are continuing obligations which will continue in effect, and be enforceable by Lessor, even after this lease terminates. As used in this paragraph, "Lessor" includes Lessor and Bank of America, N.A. and its respective directors, officers, employees, and agents. If any portion of this indemnity provision shall ever be held to be invalid or unenforceable, it shall be deemed stricken herefrom and the remainder of this provision shall continue to apply to the greatest extent permitted by applicable law.
- (f) **Surface and Non-Producing Subsurface Use Non-Exclusive.** Lessee's right to the use of the surface of the leased premises is non-exclusive. Without limiting the generality of the foregoing, Lessor may use, or permit third parties to use, the leased premises for the surface location of wells bottomed or with their terminus on other lands so long as such wells do not violate applicable spacing regulations and are not perforated in or otherwise open to producing formations directly under the leased premises. Lessor shall have the right, as between Lessor and Lessee, to allow third parties to conduct geophysical operations on the leased premises.
- (g) **Surface Use.** Lessee shall have free use of oil, gas and water from the leased premises, except water from the surface owner's wells, tanks, creeks, rivers, streams and springs, provided that no surface water or underground fresh water will be used for water flood or pressure maintenance purposes. Lessee shall have the right at any time within 180 days after the expiration of this lease to remove all property and fixtures placed by Lessee on the leased premises, including the right to draw and remove all casing except as to water wells in which Lessee shall have the right to remove all property and fixtures except casing and shall do nothing that will in any way damage said water well or prevent its future use by Lessor. Lessee shall, at Lessor's request, remove the casing from and plug and abandon such water well at Lessee's sole expense. When required by Lessor, Lessee shall bury all pipelines below ordinary plow depth, and no well shall be drilled within four hundred (400') feet of any residence or barn now on the leased premises without Lessor's consent. Lessee shall conduct its operations hereunder as not to interfere unreasonably with the use of the surface by the owner thereof. If Lessor owns the surface, prior to any use of the surface, Lessee shall

present to Lessor a plat of the property showing the area proposed to be used and the type of use to be made. Within 30 days of the receipt of such notice, Lessor will either deliver written consent or propose a reasonable alternative area for such use. Lessee shall provide at Lessee's expense all protective measures to prevent any loss or damage to the property of Lessor on account of any operations by Lessee. Lessee shall pay for all surface damages and damage to livestock, wildlife, crops or improvements on the leased premises or suffered by Lessor and/or any tenant of Lessor and caused by or arising out of operations under this lease. Pits and excavations made during drilling operations or otherwise shall be filled by Lessee and the surface restored, as nearly as reasonably possible, to its original condition, and if Lessee shall fail to do so, the cost to Lessor of such filling and restoration shall be paid by Lessee. References to surface ownership herein shall be applicable only as to that portion of the surface estate which is owned by Lessor.

- 7 **Assignments.** No assignment of this lease, or interest therein, may be made without written approval of the Lessor, such approval shall not be unreasonably withheld. Subject to the preceding condition, the provisions of this lease shall extend to the heirs, executors, administrators, successors and assigns of Lessor and Lessee, but no change or division in ownership of the leased premises, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No such change or division in the ownership of the leased premises, rentals or royalties shall be binding upon Lessee for any purpose until Lessee shall have been furnished with the instrument or instruments, or accurate copies thereof, evidencing such change or division. In the event of a permitted assignment of this lease as to a segregated portion of the leased premises, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area owned by each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder, and liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or a portion thereof who commits such breach.
- 8 **Force Majeure.** Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure, except as to any and all monetary payments due under the terms of this lease. The term "force majeure" as employed herein shall mean (i) any act of God including, but not limited to storms, floods, washouts, landslides and lightning, and (ii) any order or direction by any federal, state or municipal law, executive order, rule or regulation enacted or promulgated under color of authority to cease drilling operations, reworking operations or producing operations on the leased premises. At such time as force majeure is terminated and for a period of sixty (60) days after such termination each and every provision of this lease or implied covenant arising thereunder that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force, provided, however, that in no event will the primary term be extended unless Lessee has begun the actual drilling of a well prior to the date of the expiration of the primary term.
- 9 **Lessor Interest.** If Lessor owns an interest in the leased premises less than the entire and undivided fee simple estate therein, then the royalties and rental herein provided shall be paid to Lessor in the proportion which Lessor's interest bears to the entire and undivided fee simple estate therein.
- 10 **No Warranty.** Lessor executes and delivers this lease without warranty of title either express or implied. Lessee, at its option, 30 days after giving written notice to Lessor, may discharge any tax lien upon the interest herein leased, and, in the event Lessee does so, Lessee shall have the right to apply rentals and royalties accruing hereunder to reimburse such payment. Lessee shall not be subrogated to the rights of the party to whom payment is made, but may reimburse itself out of any royalties otherwise payable to Lessor hereunder.
- 11 **Mandatory Releases by Lessee.** At any time that this lease terminates as to any acreage or depth, Lessee shall promptly execute and furnish to Lessor a release thereof in recordable form which contains a legally adequate description of the lands and/or depths being released.
- 12 **Information.** Lessee shall advise Lessor in writing as to the location of each well drilled upon the leased premises, or on land pooled therewith, on or before seven (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information when specifically requested by Lessor. Lessee agrees that immediately following this instrument being recorded in the county records where the leased premises are located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.
- 13 **Enforcement Expenses.** If Lessor files a legal action to enforce any express or implied obligation under the terms of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessee shall reimburse Lessor for all costs of such legal proceeding including reasonable attorney's fees, expert witness fees, litigation expenses and court costs.
- 14 **No Community Lease.** If the mineral and/or royalty interests covered by this lease are different as between any two or more tracts within the leased premises, the execution of this lease shall not be construed to create a community lease nor in any way to effect the pooling or cross conveyance of interests in any such two or more tracts. Instead, it is Lessor's intent that oil and gas royalties and other lease benefits shall accrue to the owners of the particular tract of land on which is located the well or wells from which oil or gas production is taken, without apportionment to the owners of any other tract or tracts covered hereby, unless the pooling authority granted to Lessee under this lease has been exercised, it being intended that ownership of royalties shall accrue to the tract on which the well is located.
- 15 **Notices.** All notices and other communications given in connection with this lease shall be in writing and shall be deemed to have been properly given and received on the date when personally delivered, or shall be deemed to have been properly given on the date of actual receipt if delivered by certified mail, fax or courier. The following addresses are hereby designated for the receipt of notices:

LESSOR Charles R Meeker Trust U/A
Bank of America N A , Trustee
P O Box 2546
Ft Worth, TX 76113-2546

LESSEE Petro-Hunt, L L C
1601 Elm St , Ste 3400
Dallas, TX 75201-7201

- 17 **Implied Covenants Preserved.** The express covenants of the lease are not intended to limit or restrict any implied covenants existing by law or by the nature of this agreement
- 18 **Surface Amendments.** The Surface Amendments attached hereto as Exhibit A are incorporated by reference All printed provisions thereof shall prevail over the printed provisions of this lease

Executed on the dates indicated below but effective for all purposes as of the date first above written

Lessor: Charles R Meeker Trust U/A Bank of America N A , Trustee By <u>Justin Noel Long</u> Name, Justin Noel Long Title Assistant Vice President Lease Address P O Box 2546 Ft Worth, TX 76113-2546	Lessee: Petro-Hunt, L L C. By <u>Bruce W. Hunt</u> Name <u>Bruce W. Hunt</u> Title <u>President</u> Address 1601 Elm St , Ste 3400 Dallas, TX 75201-7201
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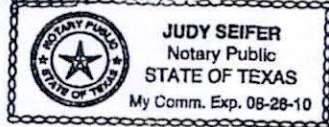
STATE OF TEXAS

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COUNTY OF TARRANT

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Justin Noel Long, Assistant Vice President of Bank of America, N A , known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Bank in the capacity therein stated.

Given under my hand and seal of office this the 19th day of February, 2009



Judy Seifer
Notary Public in and for the State of Texas

State of Texas

County of Dallas

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Bruce W. Hunt an officer of Petro-Hunt, L.L.C. a Delaware Company Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Corporation in the capacity therein stated

Given under my hand and seal of office this the 14 day of April, 2009



Susan M. LeRoy
Notary Public in and for the State of Texas

State of _____

County of _____

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed

Given under my hand and seal of office this the _____ day of _____, 20____

Notary Public in and for the State of _____

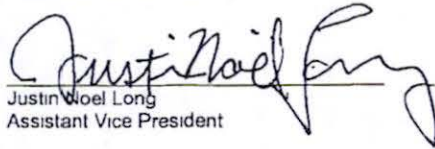
BANK OF AMERICA, N. A.
SURFACE AMENDMENTS

Attached to and made a part of that certain Oil & Gas Lease dated 6th day of February, 2009 by and between the Charles R. Meeker Trust U/A; Bank of America N.A., Trustee, as Lessor and Petro-Hunt, LLC as Lessee.

- 1 It is understood and agreed that Lessee, its successors or assigns, shall pay negotiated damages to Lessor and/or Surface Lessee for any damage done to crops, pasture land, timber, fences, water wells, buildings, roads, culverts or other improvements as well as livestock owned by the Lessor and/or Surface Lessee located on the lease premises, resulting from their use by Lessee in connection with geophysical exploration thereof, or other mineral development thereon, by Lessee, its successors or assigns. Upon the cessation of drilling at each well location, the abandonment of said lease or surrender thereof, Lessee, its successors or assigns, shall then level all drilling pits and other excavations and shall pay for and repair all damage done, or cause to be done, to buildings, fences, roads, culverts, turf, water wells and/or other improvements and to restore same to their original condition within ninety (90) days after the cessation of activity. No drilling mud shall be spread on surface lands of Lessor without express written consent of Lessor. Guidelines or parameters for any surface damage payments shall be agreed on in advance, and in writing, by Lessor and Lessee.
- 2 Each drill site location shall be constructed so as to result in the least interference with surface usage as reasonably practicable under the circumstances. All pits shall be constructed and lined so as not to pollute the adjoining land at the request of Lessor. Lessee shall take all reasonable precautions necessary to prevent land, air and water pollution, including pollution to all underground fresh water zones. Lessee shall collect all trash which accumulates in connection with his operations and remove such trash from the Leased Premises. Lessee shall take all reasonable precautions to prevent blowouts from occurring on the Leased Premises. Lessee shall utilize only such area around each producing well as is reasonably necessary for such purposes, and Lessee shall restore the remainder of such drill site to its original condition as nearly as possible within ninety (90) days after the completion of the drilling operations on each drill site. Where no producing well is located, Lessee shall clear the location, remove all equipment placed upon the drill site by the Lessee, clean out and back fill all pits, and return the surface of the drill site to its original condition as nearly as possible. Lessee shall construct and maintain gates at all places where any roads used by Lessee cross through fences on the Leased Premises, and Lessee shall keep such gates locked when not actually passing through such gates. Upon termination of Lessee's operations on the Leased Premises, Lessee shall restore the surface of all lands utilized by Lessee, and not theretofore restored, to their original condition as nearly as possible practical. Within ninety (90) days after the termination of this Lease, Lessee shall remove any and all property placed by Lessee on the Leased Premises or Lessor shall cause same to be removed at Lessee's expense.
- 3 All operations of Lessee shall be conducted so as to minimize the amount of surface land used or damaged by Lessee and Lessee agrees to construct not more than one road to each location on the leased premises and to confine all travel incident to the drilling and production of such well to the single road. All roads constructed by Lessee shall be of good quality and suitable for all-weather use. The routes for all roads shall be mutually agreed upon between Lessor and Lessee before the commencement of any road construction. Lessee agrees to maintain all roads used by Lessee on the leased premises in good condition and repair during the period of Lessee's operations on the lease premises. The surface owner shall have the right to use all roads on the leased premises.
- 4 Lessee, prior to the construction of any new road or the cutting, altering and removal of any existing fence on the leased premises, or the cutting or removal of any tree on the leased premises, shall notify Lessor of such intention ~~and shall be governed by the Lessor's wishes.~~ Any new road constructed by Lessee shall be at a location mutually acceptable to the parties hereto. Lessee shall dispose of all brush, trees, trash and debris away from the property. Under no circumstances will trash, garbage or debris be buried or dumped on the property or adjacent lands of Lessor. Brush and trees may be buried or burned on the property only with written permission from owner or his representative.
- 5 Prior to erecting new storage tanks, pipelines compressor stations or other usual facilities required by Lessee for producing oil and gas and operating this lease, Lessee shall advise Lessor of Lessee's intention. Lessor and Lessee will then mutually select a site or sites for locating such equipment and pipelines taking into consideration the ranching and farming operation of Lessor and Lessee's needs in conducting its operations under the terms of this lease in a reasonable manner.
- 6 Lessee agrees to pay for damages resulting from any operations after initial construction/drilling is completed. Lessee shall pay ~~market value~~ damages for any and all livestock lost as a result of Lessee's operations under this lease. The amount of such damages shall be the value of the livestock lost, as determined by its market value on the day of the event.

- 7 Lessee's right to use water from the leased premises shall not include the right to use fresh water from any fresh water sands or strata underlying the leased premises for any secondary recovery operations that may be conducted on the leased premises. Lessee shall have the right to use fresh water from wells or surface impoundments only with the expressed written permission of the Lessor and after negotiations for payment for use of water are completed.
- 8 It is understood and agreed that this lease does not cover or include any right or privilege of hunting with firearms and/or with dogs or otherwise on the leased premises or fishing on the leased premises, all such hunting and fishing rights being expressly reserved, and Lessee agrees that none of the Lessee's officers, agents, employees or representatives will bring any dogs and/or firearms upon the leased premises, and that any one so doing shall be trespassers and subject to prosecution as such.
9. Lessee agrees to protect, defend, indemnify and hold harmless Lessor, the owners of the surface of the Leased Premises, and their respective agents, employees and tenants, from and against all liabilities, losses, expenses, claims, demands, and causes of action of every kind and character, whether for death or personal injury to persons (including agents and employees of Lessee and Lessee's subcontractors) for loss or damage to property, in any way and at any time arising out of, incident to, or in connection with this Lease, operations conducted on the Leased Premises, or breach of the terms hereof, ~~regardless of whether~~ except to the extent any such liability, loss, expenses, claim, demand or cause of action is based on the ~~sole or concurrent~~ gross negligence of any party indemnified hereunder.
- 10 Lessee is to comply with all Federal and State regulations.
- 11 All pipelines and/or flowlines are to be buried 36 inches below the ground, which will be from the top of the pipe to the surface of the ground. Only crude oil and natural gas (no other derivatives) will be allowed to be transported through any pipelines and/or flowlines located on the property.
- 12 Lessee shall not conduct any operations within ~~one quarter (1/4) mile~~ 500 feet of any homestead, living quarters or livestock watering facilities without express written consent of Lessor.

Signed for Identification


Justin Noel Long
Assistant Vice President

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.

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

THE STATE OF TEXAS §
 §
COUNTY OF REEVES §

WHEREAS, The Charles R. Meeker Trust U/A: Bank of America, N.A., Trustee, as Lessor, whose address is P.O. Box 2546, Fort Worth, Texas 76113-2546 and Petro-Hunt, L.L.C., as Lessee, whose address is 1601 Elm Street, Suite 3400, Thanksgiving Tower, Dallas, Texas 75201-7201, made and entered into a certain Oil and Gas Lease dated February 6, 2009, providing for the investigation, exploration, prospecting, drilling, mining and operating for and producing oil and/or gas and the treatment, processing, storage and transport of oil and/or gas from Lessor's property in Reeves County, Texas, described as

Each tract of land contained in this lease shall be considered for all purposes as if each tract were contained in a separate lease. These multiple tracts are contained in this one lease for the sake of convenience only.

Description	Section	Block	Survey	Township	Abstract	Gross Mineral Acres
S/3	5	C-21	Public School Land		5962	213.34
S/3	17	C-21	Public School Land		5999	213.34
All	18	C-21	Public School Land		5747	640.0
W-2/3 N/2	2	54	Texas & Pacific RR Co	4 South	5992	213.34
E/3	14	55	Texas & Pacific RR Co.	4 South	5957	213.34
W/2	26	56	Texas & Pacific RR Co	3 South	5695	320.0
E/2 ONLY AS TO ALL DEPTHS BELOW 3,630 FEET	28	56	Texas & Pacific RR Co	3 South	5696	320.0
NW/4 NE/4 SE/4	39	2	Houston & Great Northern RR Co		378	10.0

and containing 2,143.360 acres, more or less (called "leased premises")

for a primary term of Three (3) Years and upon the terms and conditions set out in the Lease; and,

WHEREAS, it is the desire of Lessor and Lessee named in the Lease to acknowledge its existence in recordable form:

NOW THEREFORE, the undersigned Lessor named in the Lease and the undersigned Lessee, do hereby:

1. Acknowledge the execution of the Lease as set out above;
2. Refer to the Lease for all of its terms and provisions and incorporate the same by reference as fully as if it were copied at length herein, and,
3. Acknowledge that the land described above is the same land described in the Lease and that Lessor's interest is committed to the Lease to the extent set out in said Lease

This Memorandum shall not be deemed to enlarge, restrict or change the rights of any of the parties to said Lease, but is for the purpose of giving record notice of the existence of the Lease in lieu of recording it at length.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

EXECUTED this 19th day of FEBRUARY, 2009

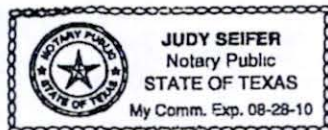
Lessor. Charles R. Meeker Trust U/A Bank of America N A, Trustee	Lessee: Petro-Hunt, LLC
By <u>Justin Noel Long</u>	By <u>Bruce W. Hunt</u>
Name Justin Noel Long	Name <u>Bruce W. Hunt</u>
Title Assistant Vice President	Title <u>President</u>
Lease	
Address P O Box 2546 Ft Worth, TX 76113-2546	Address 1601 Elm St, Ste 3400 Dallas, TX 75201-7201

STATE OF TEXAS

COUNTY OF TARRANT

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Justin Noel Long, Assistant Vice President of Bank of America, N A, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Bank in the capacity therein stated

Given under my hand and seal of office this the 19th day of February, 2009



Judy Seifer
Notary Public in and for the State of Texas

State of Texas

County of Dallas

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Bruce W. Hunt an officer of Petro-Hunt, LLC - a Delaware Company Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Corporation in the capacity therein stated

Given under my hand and seal of office this the 7th day of April, 2009



State of _____

County of _____

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed

Given under my hand and seal of office this the _____ day of _____, 20____

Notary Public in and for the State of _____

Certificate of Record

140 Recording Fee

140 Certified Copy Fee

Total Paid

Return to

Petro-Sunt

001797

COMPARED

FILED FOR RECORD

2009 JUN -1 AM 11:40

DIANNE O FLOREZ
COUNTY CLERK, REEVES COUNTY, TX.

By [Signature] DEPUTY

THE STATE OF TEXAS, }
COUNTY OF REEVES }

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

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

OPR VOL 821 PAGE 427 DATE RECORDED 06/03/2009



DIANNE O FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By [Signature] Deputy

File No. 1141159

Private all pgs lease

Date Filed: 9/6/09

Jerry E. Patterson, Commissioner

By Git



September 16, 2015

Texas General Land Office
Attn: Travis Matthews
P.O. Box 12873
Austin, Texas 78711-2873

Re: Certified Copies of leases in Section 17, Block C-21, PSL, Reeves County, Texas

Mr. Matthews,

Enclosed are six (6) certified copies of Oil, Gas and Mineral Lease covering the above referenced land in Reeves County, Texas as requested by email dated July 10, 2015.

If you have any questions or concerns please feel free to contact me at 432-684-3691.

Sincerely,

A handwritten signature in cursive script that reads "Laura Sorsby".

Laura Sorsby
Landman

LS/mh
Enclosures



RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203**Resolute**Check Number 1000103339

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
06076-081015-CHKREQ	08/10/2015	DOCUMENT FEES	100.00	0.00	100.00

MF-114159



15716500

06076	Owner	Check Date: 08/24/2015	Check Amount	X 100.00
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121

15716500

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

U S BANK TREASURY DIVISION

23-2
1020

Check No	Check Date	Check Amount
1000103339	08/24/2015	*****\$100.00

PAY *One Hundred Dollars and Zero Cents*

Void After 120 Days

TO COMMISSIONER OF THE TEXAS
THE GENERAL LAND OFFICE
ORDER P O BOX 12873
OF AUSTIN TX 78711-2873

Wendy L...

⑈ 1000 103339 ⑈

PLEASE DETACH AT PERFORATION ABOVE

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

PLEASE DETACH AT PERFORATION ABOVE

Resolute

Check Number 1000103339

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
06076-081015-CHKREQ	08/10/2015	DOCUMENT FEES	100.00	0.00	100.00

MF-114159

15716500

06076

Owner

Check Date: 08/24/2015

Check Amount

100.00

121

Resolute

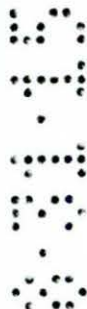
August 26, 2015

Commissioner of the Texas
General Land Office
P O Box 12873
Austin, TX 78711-2873

Re: Certified Documents

Gentlemen,

Enclosed please find a check in the amount of \$100.00 for the fees required to file the enclosed certified documents with your office. All four of these documents pertain to Block C-21, PSL Survey, Sec 17: S/3, Reeves County, Texas – MF-114159.



Second Amendment of Oil and Gas Lease signed by Callaghan 320 Trust
Second Amendment of Oil and Gas Lease signed by JWM Minerals LLC
Second Amendment of Oil and Gas Lease signed by Dan H Meeker Children's Irrevocable Trust
Memorandum of Second Amendment of Oil and Gas Lease signed by Crestview Resources LLC

Thank you for your assistance and if you have any questions, please feel free to contact me at 303)573-4886x1280, or by e-mail LAhlfenger@ResoluteEnergy.com.

Sincerely yours,



Lynn Ahlfenger
Sr. Lease Analyst

/la
Enclosures

SECOND AMENDMENT OF OIL AND GAS LEASE

WHEREAS, on September 12, 2008, JULIAN WADE MEEKER and LAWRENCE HILL MEEKER, as CO-TRUSTEES UNDER THE WILL OF J R MEEKER, for the LIFETIME BENEFIT of L H MEEKER ("Lessor") executed an Oil and Gas Lease (the "Lease") in favor of PETRO-HUNT, LLC ("Lessee"), as recorded in Volume 810, Page 259 of the Official Public Records of Real Property of Reeves County, Texas, covering 1,066.68 gross acres, described as:

S/3 Section 5, Block C-21, Public School Land Survey, containing 213.34 acres, more or less
S/3 Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less
All Section 18, Block C-21, Public School Land Survey, containing 640.00 acres, more or less

WHEREAS, the Lease provided for a primary term of three (3) years from September 12, 2008 to September 12, 2011, and further provided a two (2) year option to extend the primary term until September 12, 2013, which was exercised by Resolute Natural Resources Southwest, LLC ("Resolute") as recorded in Book 893, Page 830 of the Official Public Records of Real Property of Reeves County, Texas, and further extended by Resolute an additional eighteen (18) months until March 12, 2015 by Amendment of Oil and Gas Lease as recorded in Book 1003, Page 201 of the Official Public Records of Real Property of Reeves County, Texas, and the Lease has been perpetuated by the terms thereof; and

WHEREAS, pursuant to the terms of the Lease, each described tract in the Lease is considered a separate Lease; and

WHEREAS, Lessor and Resolute Natural Resources Southwest, LLC ("Resolute") and FireWheel Energy, LLC ("FireWheel"), successor Lessees to Petro-Hunt, L.L.C., desire to amend the primary term of the Lease insofar and only insofar as to the following tract of land in the Lease:

S/3 Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

NOW, THEREFORE, for and in consideration of the premises and the sum of One Hundred Dollars (\$100) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor does hereby grant Resolute Natural Resources Southwest, LLC and Firewheel Energy, LLC, as Lessees, an extension of the primary term an additional four (4) years until March 12, 2019 insofar and only insofar as to the following tract of land in the Lease:

S/3 Section 17, Block C-21, Public School Land Survey, containing 213.34 acres, more or less

Except as expressly amended herein, the Lease shall continue in force as originally written and Lessor agrees to ratify, confirm and adopt the Lease, as amended hereby, and does further grant, lease, let and demise unto Resolute Natural Resources Southwest, LLC, and Firewheel Energy, LLC, their successors and assigns, all the land described in the Lease, together with all rights thereunder, under the same terms and conditions contained in the Lease, as previously amended, and as amended herein.

The provisions hereof shall extend to and be binding upon the heirs, legal representatives, successors, and assigns of the parties hereto.

This document may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed an original and all of which together shall constitute the same document.

IN WITNESS WHEREOF, this instrument is executed on the dates of the acknowledgments appended hereto, but made effective for all purposes this 9th of March, 2015.



LESSOR

CALLAGHAN 320 TRUST

By: James L Meeker
Its: Trustee

LESSEE

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

Bill Alleman
Bill Alleman, Vice President - Land

LESSEE

FIREWHEEL ENERGY, LLC

By:
Its:

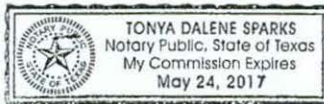
ACKNOWLEDGEMENTS

STATE OF Texas,
COUNTY OF Tarrant,

On this 9th day of March, 2015, before me personally appeared **JAMES L. MEEKER**, to me known to be the Trustee of **CALLAGHAN 320 TRUST** who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 5/24/17 Tonya Dalene Sparks
Notary Public



TX00955.001



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REEVES COUNTY
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LESSOR

CALLAGHAN 320 TRUST

By:
Its:

LESSEE

RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC

Bill Alleman, Vice President - Land

LESSEE

FIREWHEEL ENERGY, LLC

By: Alan S. Brown
Its: Senior Vice President

ACKNOWLEDGEMENTS

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 2015, before me personally appeared JAMES L. MEEKER, to me known to be the _____ of CALLAGHAN 320 TRUST who executed the within and foregoing instrument of writing and acknowledged to me that he/she/they did duly execute said instrument for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: _____ Notary Public

TX00955.001

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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

STATE OF COLORADO)
)
CITY & COUNTY OF DENVER)

On this this 2nd day of March, 2015, before me personally appeared BILL ALLEMAN, to me known to be the VICE PRESIDENT - LAND of Resolute Natural Resources Southwest, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 3/19/2017

[Signature]
Notary Public

SAMUEL M GRUMMON
NOTARY PUBLIC
STATE OF COLORADO
Notary ID 20094026849
My Commission Expires 03/19/2017

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

On this this 20th day of March, 2015, before me personally appeared Alan S Brown, to me known to be the Senior Vice President of FireWheel Energy, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: June 14, 2016

[Signature]
Notary Public

BENJAMIN R. RYBURN
Notary Public, State of Texas
My Commission Expires
JUNE 14, 2016

TX00955.001

Inst No. 15-02849
DIANNE O. FLOREZ
COUNTY CLERK
2015 Apr 01 at 01:45 PM
REEVES COUNTY TEXAS
By: ER [Signature], DEP



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

398

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 4-1-15 File # 15-02849 Vol. 1155 Page 398



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Elizabeth Rangel, Deputy

RECEIVED
APR 1 2015
COUNTY CLERK
REEVES COUNTY
TEXAS

PRODUCERS 88 REV.-TEX. A (6-73)

OIL, GAS AND MINERAL, LEASE (PAID-UP)

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.

THIS AGREEMENT made and entered into this 30th day of January, 2015, by and between Oak Valley Mineral and Land, LP, whose address is P.O. Box 50820, Midland, TX 79710, hereinafter called "Lessor", whether one or more, and Energen Resources Corporation, whose address is 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203, hereinafter called "Lessee".

WITNESSETH: Lessor, in consideration of Ten and no/100's Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contains, Lessor does hereby grant, lease and let exclusively unto Lessee its successors and assigns, all of the land hereinafter described, together with any reversionary rights therein for the purpose of exploring by geological, geophysical and all other methods, and of drilling, producing and operating wells or mines for the recovery of oil, gas and other hydrocarbons, and all other minerals or substances, whether similar or dissimilar, that may be produced from any well or mine on the leased premises, including primary, secondary, tertiary, cycling, pressure maintenance methods of recovery, and all other methods, whether now known or unknown, with all incidental rights thereto, and to establish and utilize facilities for surface and subsurface disposal of salt water, and to construct, maintain and remove roadways, tanks, pipelines, electric power and telephone lines, power stations, machinery and structures thereon, to produce, store, transport, treat and remove all substances described above, and the products therefrom, together with the right of ingress and egress to and from said land across any other land now or hereafter owned by Lessor. The land hereby leased is situated in the County of Reeves, State of Texas, and is described as follows:

The North 426.67 acres of Section 17, Block C-21, PSL Survey Abstract 5746, 5999

SEE EXHIBIT "A" ATTACHED HERETO AND MADE AN INTEGRAL PART HEREOF

This lease covers all of the land described above, including any interests therein that any signatory hereto has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous, or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise, or are fenced or unfenced, and whether such lands are inside or outside of the metes and bounds description set forth above, or are in the named survey, or other survey or surveys. The bonus money paid for this lease is in gross, and not by the acre, and shall be effective to cover all such land irrespective of the number of acres contained therein, but the land included within this lease is estimated to comprise 426.67 acres, whether actually more or less, and such land is hereinafter referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises for a term of three (3) years from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons, or other minerals or leased substances, or either or any of them, are produced from the leased premises or from lands with which the leased premises are pooled or unitized.

In consideration of the premises it is hereby agreed as follows:

1. Royalty On Oil. Lessee shall deliver to Lessor, at the well or to the credit of Lessor in the pipeline to which the well may be connected one-quarter (1/4th) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or Lessee, at its option, may buy or sell such one-quarter (1/4th) royalty and pay Lessor the market price for oil or liquid hydrocarbons of like grade and gravity prevailing in the field on the day such oil is run into

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REEVES COUNTY
CLERKS OFFICE

pipelines or into storage tanks. Lessor's royalty interest in either case shall bear its proportion of any expenses for transporting and treating oil to make it marketable as crude.

2. Royalty On Gas. Lessee shall pay to Lessor as royalty on gas, including casinghead gas or other gaseous substances produced from said land and sold on or off of the premises, one-quarter (1/4th) of the net proceeds at the well received from the sale thereof, provided that on gas used off the leased premises or by Lessee in the manufacture of gasoline or other products therefrom, the royalty shall be the market value at the well of one-quarter (1/4th) of the gas so used; as to all gas sold by Lessee under a written contract, the price received by Lessee for such gas shall be conclusively presumed to be the net proceeds at the well or the market value at the well for the gas sold.

3. Royalty On Other Substances. Lessee shall pay to Lessor, as royalty on any substances covered by this lease other than oil and gas and the products thereof which Lessee may elect to produce, save and market from the leased premises, one-quarter (1/4th) of the proceeds received by Lessee from the sale thereof after deducting the processing costs.

4. Shut- In Gas Royalty. If at any time, or from time to time, either before or after the expiration of the primary term of this lease, there is any gas well on the leased premises or on lands with which the leased premises are pooled or unitized and which is capable of producing in paying quantities, but which is shut in before or after production therefrom, such well shall be considered under all provisions of this lease as a well producing gas in paying quantities and this lease shall remain in force in like manner as though gas therefrom was actually being sold or used. In such event, Lessee covenants and agrees to pay Lessor, as royalty, the sum of Twenty-five Dollars (\$ 25.00) per annum for the period commencing on the date such well is actually shut in, unless this lease is being maintained in force and effect by some other provision hereof, in which event such period shall commence on the date this lease ceases to be maintained in full force and effect by some other provision hereof. Payment or tender shall be made to Lessor at address above until written notice of address change has been received by Lessee from Lessor. The first payment shall, be due and payable on or before ninety (90) days after the date such well is shut in, or ninety (90) days from the date this lease ceases to be maintained in force by some other provision hereof. Unless gas from such well is produced and sold or used prior thereto, except temporary sales, or use for lease operations, subsequent payments shall be due annually thereafter on the anniversary date of the period for which such prior payment was made. No additional payments shall be required if there is more than one shut-in gas well on the leased premises or on lands with which the leased premises are pooled or unitized. The term "gas well" shall include wells capable of producing natural gas, condensate, or any gaseous substance, and wells classified as gas wells by any governmental authority having jurisdiction.

5. Delay Rental. The lease is a "paid-up" lease and requires no rentals.

6. Drilling Operations. If Lessee should drill and abandon as a dry hole a well on the leased premises, or if after the discovery of oil, gas or other minerals, the production thereof should cease from any cause, and, in either event there are no other producing wells on the leased premises or on lands with which they are pooled or unitized, or drilling or reworking operations are not being conducted thereon, this lease shall not terminate if Lessee commences reworking or additional drilling operations on the leased premises within ninety (90) days thereafter or, if it be within the primary term, Lessee commences operations for drilling or reworking on or before the expiration of ninety (90) days from the date of such abandonment or cessation of production or the end of the primary term which is the later. If, at the expiration of the primary term, oil, gas or other minerals are not being produced from the leased premises or from lands with which the leased premises are pooled or unitized, but Lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such drilling or reworking operations are prosecuted, or reworking operations on any well or additional drilling operations are conducted on the leased premises, or on lands pooled or unitized therewith, with no cessation of more than ninety (90) consecutive days, and if any such operations result in production then as long thereafter as such production continues.

7. Pooling. Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding eighty (80) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding six hundred forty (640) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than

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13. Warranty. Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right, any time, to redeem for Lessor, by payment, any mortgage, taxes or other liens on the leased premises in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and such payments may be deducted from any rental or royalties that may be payable to Lessor hereunder.

14. Surrender. Lessee, its successors and assigns, shall have the right at any time, to surrender this lease, in whole or in part, by delivering or mailing a release of record in the county, or counties, in which the leased premises are situated, and thereupon, Lessee shall be relieved from all obligations, expressed or implied, of this lease as to the acreage so surrendered.

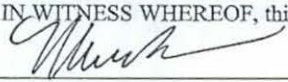
15. Parties Bound. This lease and all of the rights, obligations and conditions hereof shall be binding upon each party executing this instrument and heirs, devisees, successors and assigns. Should any party named above as Lessor fail to execute this lease, or should any party execute this lease who is not named above as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

16. Headings For Convenience. The paragraph headings herein are for convenience only and shall not be considered or construed to limit the subject matter of any paragraph.

17. Continuous Development. If at the end of the Primary Term production of oil or gas has been obtained on the leased premises or a well has been completed as a dry hole within one hundred eighty (180) days of the end of the Primary Term, the Lessee shall thereafter continuously develop the leased premises with no cessation of more than one hundred eighty (180) days from the completion of one well (either as a well capable of producing oil or gas in paying quantities or as a dry hole) and the commencement of actual drilling operations on the next well. Where no drilling operations are being conducted on the leased premises at the end of the Primary Term (production previously having been obtained or well completed as a dry hole), then the first such continuous development well shall be actually commenced within one hundred eighty (180) days of the end of the Primary Term. If, however, at the end of the Primary Term no oil or gas is being produced on the leased premises, but Lessee is then engaged in drilling operations thereon, then this lease shall not terminate as long as drilling operations are continuous and as long as oil and gas is produced in paying quantities or said leased premises are continuously developed as provided above.

18. Sharing Well. In the event a Sharing Well is drilled the following provisions shall apply: "Sharing Well" means any horizontal well open for production on the Lease or lands pooled therewith and also located on lands adjacent to the Lease or lands pooled therewith. "Allocation Tract" means the Lease, the lands pooled with the Lease, if any, and the lands on which any portion of the Sharing Well is also located. Production from a Sharing Well shall be allocated to each Allocation Tract proportionately, allocating to each such tract its proportionate share of the Sharing Well as depicted on the final "as drilled" plat filed with the Railroad Commission of Texas. Each Allocation Tract's prorata share shall be calculated by a fraction, the denominator of which is the "as drilled" horizontal wellbore open for production as depicted on the "as drilled" plat of the Sharing Well filed with the Railroad Commission, and the numerator of which is each Allocation Tract's share of said "as drilled" wellbore. Royalties payable to each Allocation Tract shall be paid in accordance with the terms of the Lease, the pooling agreement if the Lease is pooled, and the terms applicable to production from other Allocation Tracts. Operations with respect to, or production from, any Sharing Well shall be deemed actual operations on, or a production from, the Lease for all purposes except for the calculation and payment of royalties. If the productive portion of a Sharing Well is subsequently extended or plugged back, then allocation of production shall be redetermined effective the date of the completion of the extension or plugging back operation. The allocation of production provided to Sharing Wells does not change the ownership of any mineral, royalty or leasehold interest subject to the Lease.

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


Michael Black BA

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THE STATE OF Texas)
COUNTY OF Midland)

Before me, the undersigned authority, on this day personally appeared Michael Black known to me to be the identical person whose name are/is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 12th day of February, A.D. 2015.



Alice T. Sawyer
Notary Public, State of Texas

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Exhibit "A"

Exhibit "A" to that certain Oil and Gas Lease dated January 30, 2015, by and between Oak Valley Mineral and Land, L.P., ("Lessor") and Energen Resources Corporation ("Lessee")

13. It is understood and agreed that this lease covers oil, gas and associated liquid hydrocarbons only, and that the reference to other minerals is deleted from the terms of this lease.

14. Notwithstanding anything else to the contrary herein, payment of shut-in Gas Well Royalties will not be permitted to maintain this lease in force for a period greater than one (1) year, at which time this lease shall automatically terminate. Lessee may pay as shut-in gas well royalty a sum of money equal to \$50.00 per net mineral acre with in sixty (60) days after lessee shuts in said well. Said payment shall extend the term of this lease for period of one (1) year from the date such payment or tender is made.

15. Notwithstanding any other provisions hereof, at the end of the primary term, all acreage not included in a proration unit as designated by or with the Texas Railroad Commission or other governmental agency and all depths 100 feet below the deepest producing horizon shall be automatically eliminated from this lease and revert to LESSOR, unless LESSEE is drilling a well on the leased premises or on lands pooled therewith, in which event the lease will be held in its entirety as long as not more than one hundred eighty (180) days elapse between the completion of one well and the commencement of another. "Completion" shall be defined as (1) the date on which a dry hole is plugged or (2) the date of cementing of production casing, whichever is appropriate. "Commencement" shall be defined as the date drilling operations are commenced on the leased premises or on lands pooled therewith.

16. At the end of the primary term, or the conclusion of the continuous development program, whichever is later, this lease shall terminate as to:

A. All lands not included in a proration unit on which there is a well producing or capable of producing oil and/or gas in paying quantities, and,

B. All horizons or zones in each proration unit lying 100 feet below the deepest depth drilled or producing formation in each proration unit whichever is the lessor depth

At the end of the primary term, or at the end of the continuous development period, the undrilled and undeveloped lands and horizons described in (A.) and (B.) above will automatically revert to Lessor. Within sixty (60) days after the partial termination of this lease, Lessee shall execute and file of record (and deliver to Lessor an executed or certified copy) a recordable instrument designating and describing all of the lands included within tracts surrounding commercially productive oil or gas wells. Lessee shall also execute and deliver to Lessor a recordable release of all the lands not included in the tracts surrounding commercially productive oil or gas wells. If Lessee fails to execute and file of record this release or the instrument designating the lands surrounding producing oil or gas wells, Lessor notify Lessee in writing and Lessee shall have thirty (30) days in which to respond, if Lessee fails to respond within the thirty (30) day period, Lessor shall have the right to file such instruments which will have the same force and effect as if executed and filed by Lessee.

17. Lessee shall act as a reasonably prudent operator in developing and further exploring the Leasehold Estate. Lessee shall also act as a reasonably prudent operator in protecting the Leasehold Estate from drainage by wells located off of the Leasehold Estate, and, without limiting generality of Lessee's obligations of development, further exploration and protection from drainage, in the express situation in which a Commercial Well is completed on lands in which Lessor owns no interest or only a partial interest in the minerals, leasehold or royalty, and which has any part of its borehole within 330 feet of the Leasehold Estate (offsetting well), then within one hundred eighty (180) days after the commencement of production from such offsetting well, Lessee shall either (a) commence the Actual Drilling of a similar well at a location on the Leasehold Estate as near as practical to such offsetting well and thereafter diligently drill and complete the same, or (b) release this lease as to a tract of land as

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nearly contiguous to the location of the offsetting well as practicable and of a size which would constitute a Production Unit for a similar well drilled by Lessee on the Leasehold Estate, or (c) Lessee may maintain the lease as to the acreage otherwise required to be released for a maximum of two (2) more successive years by Lessee paying compensatory royalty at the rate provided in this lease for oil, gas, and other Products as though the production from the offset well was production from a well located on an unpooled Production Unit on the Leasehold Estate. The compensatory royalty is to be paid monthly subject to the same terms and conditions as the royalty on actual production from the Leasehold Estate; provided that the due date for each royalty payment shall be extended by sixty (60) days from the due date for royalty payments on production from the Leasehold Estate in order to give Lessee sufficient time in which to acquire production information from the offsetting well. If this lease is maintained in force by payment of compensatory royalties, after two (2) years of such payments Lessee shall have the same obligation to release acreage as provided in item (b) above unless Lessee is then maintaining the acreage required to be released under some other provision hereof. Lessee shall have an absolute obligation to protect the Leasehold Estate from drainage by wells located off of the Leasehold Estate which Lessee operates or in which Lessee has any ownership or contractual interest.

18. As an addition to the terms hereof, it is expressly agreed that all royalty to be paid hereunder shall be delivered to LESSOR free of all costs of transportation, compression, processing, treatment, purification, dehydration, separation, stabilization, manufacturing, measuring, accounting, or marketing the oil, gas, or other hydrocarbons covered by this Lease.

19. Lessee shall begin payment of royalty within ninety (90) days from the date of the Potential Test shown on the Completion Report (Form W-2), filed with the Texas Railroad Commission, of any well that is completed on the leased premises. If lessee fails to pay royalty within one hundred twenty (120) days of any due date, Lessor shall notify Lessee in writing and Lessee shall have thirty (30) days in which to respond, if Lessee fails to respond within the thirty (30) day period, then this lease shall terminate and Lessee shall forfeit all rights hereunder, provided however, such obligation shall be waived in any instance involving a title defect affecting Lessor's title which would ordinarily require suspension of royalty payments pending resolution of such title defect, or for those causes which may be designated as Force Majeure.

20. The execution of division orders shall never be required as a prerequisite for payment of royalty or other sum under this lease. Division orders or transfer orders, if executed, shall be solely for the convenience of the parties for the purpose of confirming the extent of Lessor's interest in the production of oil and gas from the land. No term or provision of this lease shall be altered, amended, extended, or ratified by any division order or transfer order.

21. Lessee shall not have right to commence seismic operations on the leased premises without the prior written consent of the Lessor. Any infringement on this stipulation that causes irreparable damage to the estate of the lands herein described will invoke automatic damages be tendered to the Lessor.

22. There shall be no salt water disposed on the leased lands; provided however, should any secondary or tertiary recovery operations occur on the premises while this lease is in force and effect, then produced water can be injected into known hydrocarbon bearing formations for the purpose of maximizing production of oil and gas.

23. Lessee shall advise Lessor in writing as to the location of each well drilled upon the Leasehold Estate, or on lands pooled therewith, on or before (7) days after commencement of operations, and shall advise Lessor in writing as to the date of completion or abandonment of each well drilled within thirty (30) days after such completion or abandonment. Lessee agrees to furnish Lessor with all well drilling, completion and production data, reports, title opinions, logs, and information. Lessee agrees that immediately following this instrument being recorded in the county records where the Leasehold Estate is located that Lessee will provide Lessor with a copy of this fully recorded instrument as it appears in said records.

24. Lessee shall indemnify and hold Lessor harmless from any and all action or liability resulting from Lessee's operations upon the leased premises. This lease is granted without warranty of title either express or implied.

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In the event of a conflict between the printed provisions of this oil and gas lease and the provisions of this Exhibit "A", the provisions of the Exhibit "A" shall prevail.

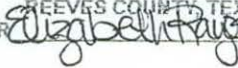
End of Exhibit "A"

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Inst No. 15-02441
DIANNE O. FLOREZ
COUNTY CLERK
2015 Mar 19 at 00:11 AM
REEVES COUNTY TEXAS
By: ER  DEPUTY

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CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 3/19/15 File # 15-02441 Vol. 1152 Page 526



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: K. G. Gentry Deputy

3-19-15

PRODUCERS 88 REV.-TEX. A (6-73)

OIL, GAS AND MINERAL, LEASE (PAID-UP)

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.

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THIS AGREEMENT made and entered into this 26th day of November, 2014, by and between **The De Compiegne Property No. 20, LTD**, whose address is P.O. Box 1071, Midland, TX 79702, hereinafter called "Lessor", whether one or more, and **Energen Resources Corporation**, whose address is 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203, hereinafter called "Lessee".

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WITNESSETH: Lessor, in consideration of Ten and no/100's Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contains, Lessor does hereby grant, lease and let exclusively unto Lessee its successors and assigns, all of the land hereinafter described, together with any reversionary rights therein for the purpose of exploring by geological, geophysical and all other methods, and of drilling, producing and operating wells or mines for the recovery of oil, gas and other hydrocarbons, and all other minerals or substances, whether similar or dissimilar, that may be produced from any well or mine on the leased premises, including primary, secondary, tertiary, cycling, pressure maintenance methods of recovery, and all other methods, whether now known or unknown, with all incidental rights thereto, and to establish and utilize facilities for surface and subsurface disposal of salt water, and to construct, maintain and remove roadways, tanks, pipelines, electric power and telephone lines, power stations, machinery and structures thereon, to produce, store, transport, treat and remove all substances described above, and the products therefrom, together with the right of ingress and egress to and from said land across any other land now or hereafter owned by Lessor. The land hereby leased is situated in the County of Reeves, State of Texas, and is described as follows:

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The North 426.67 acres of Section 17, Block C-21, Public School Lands Survey, Abstract 5746, 5999

This lease covers all of the land described above, including any interests therein that any signatory hereto has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous, or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise, or are fenced or unfenced, and whether such lands are inside or outside of the metes and bounds description set forth above, or are in the named survey, or other survey or surveys. The bonus money paid for this lease is in gross, and not by the acre, and shall be effective to cover all such land irrespective of the number of acres contained therein, but the land included within this lease is estimated to comprise **426.67** acres, whether actually more or less, and such land is hereinafter referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises for a term of three (3) years from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons, or other minerals or leased substances, or either or any of them, are produced from the leased premises or from lands with which the leased premises are pooled or unitized.

In consideration of the premises it is hereby agreed as follows:

1. Royalty On Oil. Lessee shall deliver to Lessor, at the well or to the credit of Lessor in the pipeline to which the well may be connected one-quarter (1/4th) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or Lessee, at its option, may buy or sell such one-quarter (1/4th) royalty and pay Lessor the market price for oil or liquid hydrocarbons of like grade and gravity prevailing in the field on the day such oil is run into pipelines or into storage tanks. Lessor's royalty interest in either case shall bear its proportion of

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any expenses for transporting and treating oil to make it marketable as crude.

2. Royalty On Gas. Lessee shall pay to Lessor as royalty on gas, including casinghead gas or other gaseous substances produced from said land and sold on or off of the premises, one-quarter (1/4th) of the net proceeds at the well received from the sale thereof, provided that on gas used off the leased premises or by Lessee in the manufacture of gasoline or other products therefrom, the royalty shall be the market value at the well of one-quarter (1/4th) of the gas so used; as to all gas sold by Lessee under a written contract, the price received by Lessee for such gas shall be conclusively presumed to be the net proceeds at the well or the market value at the well for the gas sold.

3. Royalty On Other Substances. Lessee shall pay to Lessor, as royalty on any substances covered by this lease other than oil and gas and the products thereof which Lessee may elect to produce, save and market from the leased premises, one-quarter (1/4th) of the proceeds received by Lessee from the sale thereof after deducting the processing costs.

4. Shut- In Gas Royalty. If at any time, or from time to time, either before or after the expiration of the primary term of this lease, there is any gas well on the leased premises or on lands with which the leased premises are pooled or unitized and which is capable of producing in paying quantities, but which is shut in before or after production therefrom, such well shall be considered under all provisions of this lease as a well producing gas in paying quantities and this lease shall remain in force in like manner as though gas therefrom was actually being sold or used. In such event, Lessee covenants and agrees to pay Lessor, as royalty, the sum of Twenty-five Dollars (\$ 25.00) per annum for the period commencing on the date such well is actually shut in, unless this lease is being maintained in force and effect by some other provision hereof, in which event such period shall commence on the date this lease ceases to be maintained in full force and effect by some other provision hereof. Payment or tender shall be made to Lessor at address above until written notice of address change has been received by Lessee from Lessor. The first payment shall, be due and payable on or before ninety (90) days after the date such well is shut in, or ninety (90) days from the date this lease ceases to be maintained in force by some other provision hereof. Unless gas from such well is produced and sold or used prior thereto, except temporary sales, or use for lease operations, subsequent payments shall be due annually thereafter on the anniversary date of the period for which such prior payment was made. No additional payments shall be required if there is more than one shut-in gas well on the leased premises or on lands with which the leased premises are pooled or unitized. The term "gas well" shall include wells capable of producing natural gas, condensate, or any gaseous substance, and wells classified as gas wells by any governmental authority having jurisdiction.

5. Delay Rental. The lease is a "paid-up" lease and requires no rentals.

6. Drilling Operations. If Lessee should drill and abandon as a dry hole a well on the leased premises, or if after the discovery of oil, gas or other minerals, the production thereof should cease from any cause, and, in either event there are no other producing wells on the leased premises or on lands with which they are pooled or unitized, or drilling or reworking operations are not being conducted thereon, this lease shall not terminate if Lessee commences reworking or additional drilling operations on the leased premises within ninety (90) days thereafter or, if it be within the primary term, Lessee commences operations for drilling or reworking on or before the expiration of ninety (90) days from the date of such abandonment or cessation of production or the end of the primary term which is the later. If, at the expiration of the primary term, oil, gas or other minerals are not being produced from the leased premises or from lands with which the leased premises are pooled or unitized, but Lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such drilling or reworking operations are prosecuted, or reworking operations on any well or additional drilling operations are conducted on the leased premises, or on lands pooled or unitized therewith, with no cessation of more than ninety (90) consecutive days, and if any such operations result in production then as long thereafter as such production continues.

7. Pooling. Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding eighty (80) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding six hundred forty (640) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than those specified above such units may be created or enlarged to conform in size to the drilling or

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spacing units so prescribed or permitted or to the proration units as may be authorized for obtaining the maximum allowable production from one well. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil, or gas in any one or more zones, and units so formed need not conform in size or area with the unit or units into which the lease is pooled, or combined as to any other zone, and oil units need not conform as to area with gas units. Such pooling shall be effected by the filing by Lessee of a written designation, in the county or counties, in which the premises are located, identifying and describing the pooled unit. The production of oil, gas or condensate from any zone or portion of the land so pooled and the development and operation on such land, including the commencement, drilling, completion and operation of a well thereon, or the existence thereon of shut-in gas well, be considered and construed and shall have the same effect, except for the payment of royalty, as production, development and operation, or the existence of a shut-in gas well on the leased premises, regardless of the location of the well on the unit. Production from any unit well producing oil, gas or condensate shall be allocated to the leased premises in the proportion that the acreage of the leased premises included within the units bears to the total acreage in the unit and the royalty provided for herein shall be calculated on the portion of the production so allocated. The royalty so payable on allocated production shall be in lieu of any other royalty that would accrue to Lessor from the production of oil, gas or condensate from any zone or portion of the leased premises included within the unit. Shut-in gas royalty, with respect to unit shut-in gas wells, shall be payable in accordance with the provisions and in the amount set forth in this lease. In the event any unit well shall fail to produce oil, gas or condensate in paying quantities, or in the event the production from any such well shall cease, Lessee may terminate the unit by filing for record, in the county, or counties where the land is situated, a written declaration of such termination.

8. Use Of Oil, Gas And Water For Operations. Lessee shall have the free use of oil, gas and water from the leased premises, except water from Lessor's wells and tanks, for all operations hereunder and the royalty on oil and gas shall be computed after deducting the amount so used.

9. Removal Of Equipment. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed on the leased premises by Lessee, including the right to withdraw and remove all casing.

10. Assignment Or Change Of Ownership. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or, division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in ownership of the land, rentals or royalties, however accomplished, shall be binding upon Lessee for any purpose and shall not impair the effectiveness of any payment theretofore made by Lessee (irrespective of whether Lessee has either actual or constructive knowledge hereof) until (60) days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of all obligations hereunder.

11. Force Majeure. Lessee shall not be liable for any delays in its performance of any covenant or condition hereunder, express or implied, or for total or partial nonperformance thereof, due to force majeure. The term "force majeure", as used herein, shall mean any circumstance or any condition beyond the control of Lessee, including but not limited to acts of God and actions of the elements; acts of the public enemy; strikes; lockouts; accidents; laws, acts, rules, regulations and orders of federal, state or municipal governments, or officers or agents thereof; failure of transportation; or the exhaustion, unavailability, or delays in delivery, of any product, labor, service or material. If Lessee is required to cease drilling or reworking or producing operations on the leased premises by force majeure, then until such time as such force majeure is terminated and for a period of ninety (90) days after such termination, each and every provision of this lease that might operate to terminate it shall be suspended and this lease shall continue in full force and effect during such suspension period. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

12. Lesser Interest Clause. If Lessor does not own, or have the right to lease, the entire mineral interest in the land described above, then the royalties, and any other sums payable hereunder, shall be reduced and payable only in the proportion that the interest covered by this lease bears to the entire mineral interest in the above described land. If the mineral interest covered hereby is subject to an outstanding nonparticipating royalty, such royalty shall be deducted from the royalties payable to Lessor hereunder.

13. Warranty. Lessor hereby warrants and agrees to defend the title to the lands herein

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described and agrees that the Lessee shall have the right, any time, to redeem for Lessor, by payment, any mortgage, taxes or other liens on the leased premises in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and such payments may be deducted from any rental or royalties that may be payable to Lessor hereunder.

14. Surrender. Lessee, its successors and assigns, shall have the right at any time, to surrender this lease, in whole or in part, by delivering or mailing a release of record in the county, or counties, in which the leased premises are situated, and thereupon, Lessee shall be relieved from all obligations, expressed or implied, of this lease as to the acreage so surrendered.

15. Parties Bound. This lease and all of the rights, obligations and conditions hereof shall be binding upon each party executing this instrument and heirs, devisees, successors and assigns. Should any party named above as Lessor fail to execute this lease, or should any party execute this lease who is not named above as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

16. Headings For Convenience. The paragraph headings herein are for convenience only and shall not be considered or construed to limit the subject matter of any paragraph.

17. Continuous Development. If at the end of the Primary Term production of oil or gas has been obtained on the leased premises or a well has been completed as a dry hole within one hundred eighty (180) days of the end of the Primary Term, the Lessee shall thereafter continuously develop the leased premises with no cessation of more than one hundred eighty (180) days from the completion of one well (either as a well capable of producing oil or gas in paying quantities or as a dry hole) and the commencement of actual drilling operations on the next well. Where no drilling operations are being conducted on the leased premises at the end of the Primary Term (production previously having been obtained or well completed as a dry hole), then the first such continuous development well shall be actually commenced within one hundred eighty (180) days of the end of the Primary Term. If, however, at the end of the Primary Term no oil or gas is being produced on the leased premises, but Lessee is then engaged in drilling operations thereon, then this lease shall not terminate as long as drilling operations are continuous and as long as oil and gas is produced in paying quantities or said leased premises are continuously developed as provided above.

18. Sharing Well. In the event a Sharing Well is drilled the following provisions shall apply: "Sharing Well" means any horizontal well open for production on the Lease or lands pooled therewith and also located on lands adjacent to the Lease or lands pooled therewith. "Allocation Tract" means the Lease, the lands pooled with the Lease, if any, and the lands on which any portion of the Sharing Well is also located. Production from a Sharing Well shall be allocated to each Allocation Tract proportionately, allocating to each such tract its proportionate share of the Sharing Well as depicted on the final "as drilled" plat filed with the Railroad Commission of Texas. Each Allocation Tract's prorate share shall be calculated by a fraction, the denominator of which is the "as drilled" horizontal wellbore open for production as depicted on the "as drilled" plat of the Sharing Well filed with the Railroad Commission, and the numerator of which is each Allocation Tract's share of said "as drilled" wellbore. Royalties payable to each Allocation Tract shall be paid in accordance with the terms of the Lease, the pooling agreement if the Lease is pooled, and the terms applicable to production from other Allocation Tracts. Operations with respect to, or production from, any Sharing Well shall be deemed actual operations on, or a production from, the Lease for all purposes except for the calculation and payment of royalties. If the productive portion of a Sharing Well is subsequently extended or plugged back, then allocation of production shall be redetermined effective the date of the completion of the extension or plugging back operation. The allocation of production provided to Sharing Wells does not change the ownership of any mineral, royalty or leasehold interest subject to the Lease.

19. Option to Extend. In addition to the cash bonus which has been paid to lessor for the execution of this lease, lessee shall have the right, but not the obligation, on or before the end of the primary term of this lease, to pay lessor an additional bonus consideration in the same amount per net mineral acre owned by lessor as originally paid for bonus consideration for this lease which shall extend the primary term of this Lease for an additional two (2) years, commencing at the expiration of the initial primary term.

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

LESSOR:

Joseph de Compiegne
H. Joseph de Compiegne, President of the
de Compiegne Management Co., LLC, its General Partner

THE STATE OF TEXAS)

COUNTY OF MIDLAND)

Before me, the undersigned authority, on this day personally appeared H. Joseph de Compiegne known to me to be the identical person whose name are/is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 16th day of January, A.D. 2015 ~~2014~~



Lisa R. Epperson
Notary Public, State of TEXAS

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Inst No. 45-01624
JUANNE O. FLOREZ
COUNTY CLERK
2018 Feb 23 at 04:18 PM
REEVES COUNTY, TEXAS
By: N. D. Jimenez, DEPUTY

97076



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REEVES COUNTY
CLERKS OFFICE

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 2/23/15 File # 15-01624 Vol 1146 Page 635



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: N. Omer, Deputy

0.70.72

PRODUCERS 88 REV.-TEX. A (6-73)

OIL, GAS AND MINERAL, LEASE (PAID-UP)

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.

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THIS AGREEMENT made and entered into this 26th day of November, 2014, by and between Fred W. Shield and Company, a general partnership, whose address is P.O. Box 90627, San Antonio, TX 78209, hereinafter called "Lessor", whether one or more, and Energen Resources Corporation, whose address is 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203, hereinafter called "Lessee".

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WITNESSETH: Lessor, in consideration of Ten and no/100's Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of Lessee herein contains, Lessor does hereby grant, lease and let exclusively unto Lessee its successors and assigns, all of the land hereinafter described, together with any reversionary rights therein for the purpose of exploring by geological, geophysical and all other methods, and of drilling, producing and operating wells or mines for the recovery of oil, gas and other hydrocarbons, and all other minerals or substances, whether similar or dissimilar, that may be produced from any well or mine on the leased premises, including primary, secondary, tertiary, cycling, pressure maintenance methods of recovery, and all other methods, whether now known or unknown, with all incidental rights thereto, and to establish and utilize facilities for surface and subsurface disposal of salt water, and to construct, maintain and remove roadways, tanks, pipelines, electric power and telephone lines, power stations, machinery and structures thereon, to produce, store, transport, treat and remove all substances described above, and the products therefrom, together with the right of ingress and egress to and from said land across any other land now or hereafter owned by Lessor. The land hereby leased is situated in the County of Reeves, State of Texas, and is described as follows:

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The North 426.67 acres of Section 17, Block C-21, Public School Lands Survey, Abstract 5746, 5999

This lease covers all of the land described above, including any interests therein that any signatory hereto has the right or power to lease, and in addition it covers, and there is hereby granted, leased and let, upon the same terms and conditions as herein set forth, all lands now or hereafter owned or claimed by Lessor, adjacent, contiguous, or a part of the tract or tracts described above, whether such additional lands be owned or claimed by deed, limitation, or otherwise, or are fenced or unfenced, and whether such lands are inside or outside of the metes and bounds description set forth above, or are in the named survey, or other survey or surveys. The bonus money paid for this lease is in gross, and not by the acre, and shall be effective to cover all such land irrespective of the number of acres contained therein, but the land included within this lease is estimated to comprise 426.67 acres, whether actually more or less, and such land is hereinafter referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises for a term of three (3) years from the date hereof, hereinafter called "primary term", and as long thereafter as oil, gas or other hydrocarbons, or other minerals or leased substances, or either or any of them, are produced from the leased premises or from lands with which the leased premises are pooled or unitized.

In consideration of the premises it is hereby agreed as follows:

1. Royalty On Oil. Lessee shall deliver to Lessor, at the well or to the credit of Lessor in the pipeline to which the well may be connected one-quarter (1/4th) of all oil and other liquid hydrocarbons produced and saved from the leased premises, or Lessee, at its option, may buy or sell such one-quarter (1/4th) royalty and pay Lessor the market price for oil or liquid hydrocarbons of like grade and gravity prevailing in the field on the day such oil is run into pipelines or into storage tanks. Lessor's royalty interest in either case shall bear its proportion of

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any expenses for transporting and treating oil to make it marketable as crude.

2. Royalty On Gas. Lessee shall pay to Lessor as royalty on gas, including casinghead gas or other gaseous substances produced from said land and sold on or off of the premises, one-quarter (1/4th) of the net proceeds at the well received from the sale thereof, provided that on gas used off the leased premises or by Lessee in the manufacture of gasoline or other products therefrom, the royalty shall be the market value at the well of one-quarter (1/4th) of the gas so used; as to all gas sold by Lessee under a written contract, the price received by Lessee for such gas shall be conclusively presumed to be the net proceeds at the well or the market value at the well for the gas sold.

3. Royalty On Other Substances. Lessee shall pay to Lessor, as royalty on any substances covered by this lease other than oil and gas and the products thereof which Lessee may elect to produce, save and market from the leased premises, one-quarter (1/4th) of the proceeds received by Lessee from the sale thereof after deducting the processing costs.

4. Shut-In Gas Royalty. If at any time, or from time to time, either before or after the expiration of the primary term of this lease, there is any gas well on the leased premises or on lands with which the leased premises are pooled or unitized and which is capable of producing in paying quantities, but which is shut in before or after production therefrom, such well shall be considered under all provisions of this lease as a well producing gas in paying quantities and this lease shall remain in force in like manner as though gas therefrom was actually being sold or used. In such event, Lessee covenants and agrees to pay Lessor, as royalty, the sum of Twenty-five Dollars (\$25.00) per annum for the period commencing on the date such well is actually shut in, unless this lease is being maintained in force and effect by some other provision hereof, in which event such period shall commence on the date this lease ceases to be maintained in full force and effect by some other provision hereof. Payment or tender shall be made to Lessor at address above until written notice of address change has been received by Lessee from Lessor. The first payment shall, be due and payable on or before ninety (90) days after the date such well is shut in, or ninety (90) days from the date this lease ceases to be maintained in force by some other provision hereof. Unless gas from such well is produced and sold or used prior thereto, except temporary sales, or use for lease operations, subsequent payments shall be due annually thereafter on the anniversary date of the period for which such prior payment was made. No additional payments shall be required if there is more than one shut-in gas well on the leased premises or on lands with which the leased premises are pooled or unitized. The term "gas well" shall include wells capable of producing natural gas, condensate, or any gaseous substance, and wells classified as gas wells by any governmental authority having jurisdiction.

5. Delay Rental. The lease is a "paid-up" lease and requires no rentals.

6. Drilling Operations. If Lessee should drill and abandon as a dry hole a well on the leased premises, or if after the discovery of oil, gas or other minerals, the production thereof should cease from any cause, and, in either event there are no other producing wells on the leased premises or on lands with which they are pooled or unitized, or drilling or reworking operations are not being conducted thereon, this lease shall not terminate if Lessee commences reworking or additional drilling operations on the leased premises within ninety (90) days thereafter or, if it be within the primary term, Lessee commences operations for drilling or reworking on or before the expiration of ninety (90) days from the date of such abandonment or cessation of production or the end of the primary term which is the later. If, at the expiration of the primary term, oil, gas or other minerals are not being produced from the leased premises or from lands with which the leased premises are pooled or unitized, but Lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such drilling or reworking operations are prosecuted, or reworking operations on any well or additional drilling operations are conducted on the leased premises, or on lands pooled or unitized therewith, with no cessation of more than ninety (90) consecutive days, and if any such operations result in production then as long thereafter as such production continues.

7. Pooling. Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding eighty (80) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding six hundred forty (640) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than those specified above such units may be created or enlarged to conform in size to the drilling or

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spacing units so prescribed or permitted or to the proration units as may be authorized for obtaining the maximum allowable production from one well. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil, or gas in any one or more zones, and units so formed need not conform in size or area with the unit or units into which the lease is pooled, or combined as to any other zone, and oil units need not conform as to area with gas units. Such pooling shall be effected by the filing by Lessee of a written designation, in the county or counties, in which the premises are located, identifying and describing the pooled unit. The production of oil, gas or condensate from any zone or portion of the land so pooled and the development and operation on such land, including the commencement, drilling, completion and operation of a well thereon, or the existence thereon of shut-in gas well, be considered and construed and shall have the same effect, except for the payment of royalty, as production, development and operation, or the existence of a shut-in gas well on the leased premises, regardless of the location of the well on the unit. Production from any unit well producing oil, gas or condensate shall be allocated to the leased premises in the proportion that the acreage of the leased premises included within the units bears to the total acreage in the unit and the royalty provided for herein shall be calculated on the portion of the production so allocated. The royalty so payable on allocated production shall be in lieu of any other royalty that would accrue to Lessor from the production of oil, gas or condensate from any zone or portion of the leased premises included within the unit. Shut-in gas royalty, with respect to unit shut-in gas wells, shall be payable in accordance with the provisions and in the amount set forth in this lease. In the event any unit well shall fail to produce oil, gas or condensate in paying quantities, or in the event the production from any such well shall cease, Lessee may terminate the unit by filing for record, in the county, or counties where the land is situated, a written declaration of such termination.

8. Use Of Oil, Gas And Water For Operations. Lessee shall have the free use of oil, gas and water from the leased premises, except water from Lessor's wells and tanks, for all operations hereunder and the royalty on oil and gas shall be computed after deducting the amount so used.

9. Removal Of Equipment. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed on the leased premises by Lessee, including the right to withdraw and remove all casing.

10. Assignment Or Change of Ownership. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns, but no change or, division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change or division in ownership of the land, rentals or royalties, however accomplished, shall be binding upon Lessee for any purpose and shall not impair the effectiveness of any payment theretofore made by Lessee (irrespective of whether Lessee has either actual or constructive knowledge hereof) until (60) days after such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his chain of title from the original Lessor. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of all obligations hereunder.

11. Force Majeure. Lessee shall not be liable for any delays in its performance of any covenant or condition hereunder, express or implied, or for total or partial nonperformance thereof, due to force majeure. The term "force majeure", as used herein, shall mean any circumstance or any condition beyond the control of Lessee, including but not limited to acts of God and actions of the elements; acts of the public enemy; strikes; lockouts; accidents; laws, acts, rules, regulations and orders of federal, state or municipal governments, or officers or agents thereof; failure of transportation; or the exhaustion, unavailability, or delays in delivery, of any product, labor, service or material. If Lessee is required to cease drilling or reworking or producing operations on the leased premises by force majeure, then until such time as such force majeure is terminated and for a period of ninety (90) days after such termination, each and every provision of this lease that might operate to terminate it shall be suspended and this lease shall continue in full force and effect during such suspension period. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

12. Lesser Interest Clause. If Lessor does not own, or have the right to lease, the entire mineral interest in the land described above, then the royalties, and any other sums payable hereunder, shall be reduced and payable only in the proportion that the interest covered by this lease bears to the entire mineral interest in the above described land. If the mineral interest covered hereby is subject to an outstanding nonparticipating royalty, such royalty shall be deducted from the royalties payable to Lessor hereunder.

13. Warranty. Lessor hereby warrants and agrees to defend the title to the lands herein

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described and agrees that the Lessee shall have the right, any time, to redeem for Lessor, by payment, any mortgage, taxes or other liens on the leased premises in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and such payments may be deducted from any rental or royalties that may be payable to Lessor hereunder.

14. Surrender. Lessee, its successors and assigns, shall have the right at any time, to surrender this lease, in whole or in part, by delivering or mailing a release of record in the county, or counties, in which the leased premises are situated, and thereupon, Lessee shall be relieved from all obligations, expressed or implied, of this lease as to the acreage so surrendered.

15. Parties Bound. This lease and all of the rights, obligations and conditions hereof shall be binding upon each party executing this instrument and heirs, devisees, successors and assigns. Should any party named above as Lessor fail to execute this lease, or should any party execute this lease who is not named above as a Lessor, it shall nevertheless be binding upon the party or parties executing the same.

16. Headings For Convenience. The paragraph headings herein are for convenience only and shall not be considered or construed to limit the subject matter of any paragraph.

17. Continuous Development. If at the end of the Primary Term production of oil or gas has been obtained on the leased premises or a well has been completed as a dry hole within one hundred eighty (180) days of the end of the Primary Term, the Lessee shall thereafter continuously develop the leased premises with no cessation of more than one hundred eighty (180) days from the completion of one well (either as a well capable of producing oil or gas in paying quantities or as a dry hole) and the commencement of actual drilling operations on the next well. Where no drilling operations are being conducted on the leased premises at the end of the Primary Term (production previously having been obtained or well completed as a dry hole), then the first such continuous development well shall be actually commenced within one hundred eighty (180) days of the end of the Primary Term. If, however, at the end of the Primary Term no oil or gas is being produced on the leased premises, but Lessee is then engaged in drilling operations thereon, then this lease shall not terminate as long as drilling operations are continuous and as long as oil and gas is produced in paying quantities or said leased premises are continuously developed as provided above.

18. Sharing Well. In the event a Sharing Well is drilled the following provisions shall apply: "Sharing Well" means any horizontal well open for production on the Lease or lands pooled therewith and also located on lands adjacent to the Lease or lands pooled therewith. "Allocation Tract" means the Lease, the lands pooled with the Lease, if any, and the lands on which any portion of the Sharing Well is also located. Production from a Sharing Well shall be allocated to each Allocation Tract proportionately, allocating to each such tract its proportionate share of the Sharing Well as depicted on the final "as drilled" plat filed with the Railroad Commission of Texas. Each Allocation Tract's prorata share shall be calculated by a fraction, the denominator of which is the "as drilled" horizontal wellbore open for production as depicted on the "as drilled" plat of the Sharing Well filed with the Railroad Commission, and the numerator of which is each Allocation Tract's share of said "as drilled" wellbore. Royalties payable to each Allocation Tract shall be paid in accordance with the terms of the Lease, the pooling agreement if the Lease is pooled, and the terms applicable to production from other Allocation Tracts. Operations with respect to, or production from, any Sharing Well shall be deemed actual operations on, or a production from, the Lease for all purposes except for the calculation and payment of royalties. If the productive portion of a Sharing Well is subsequently extended or plugged back, then allocation of production shall be redetermined effective the date of the completion of the extension or plugging back operation. The allocation of production provided to Sharing Wells does not change the ownership of any mineral, royalty or leasehold interest subject to the Lease.

19. Option to Extend. In addition to the cash bonus which has been paid to lessor for the execution of this lease, lessee shall have the right, but not the obligation, on or before the end of the primary term of this lease, to pay lessor an additional bonus consideration in the same amount per net mineral acre owned by lessor as originally paid for bonus consideration for this lease which shall extend the primary term of this Lease for an additional two (2) years, commencing at the expiration of the initial primary term.

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

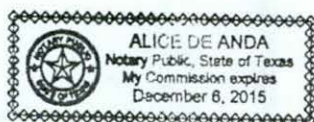
LESSOR:

H. Joseph de Compiegne
H. Joseph de Compiegne, Managing Partner

THE STATE OF TEXAS)
COUNTY OF BEXAR)

Before me, the undersigned authority, on this day personally appeared H. Joseph de Compiegne, Managing Partner known to me to be the identical person whose name are/is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 22nd day of December, A.D. 2014.



Alice De Anda
Notary Public, State of Texas

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Inst No. 15-01626
DIANNE O. FLOREZ
COUNTY CLERK
2015 Feb 23 at 04:48 PM
REEVES COUNTY, TEXAS
By: N. J. Gentry DEPUTY

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REEVES COUNTY
CLERKS OFFICE

CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 2/23/15 File # 15-01626 Vol. 1146 Page 645



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: N. Gorman Deputy

3.10.12

MEMORANDUM OF SECOND AMENDMENT OF OIL AND GAS LEASE

WHEREAS, CRESTVIEW RESOURCES, LLC with an address of 4770 Bryant Irvin Court, Suite 400, Fort Worth, Texas 76107 ("Lessor"), and Resolute Natural Resources Southwest, LLC with a business address of 1700 Lincoln Street, Suite 2800, Denver Colorado 80203, and FireWheel Energy, LLC with a business address of 200 N. Loraine, Suite 300, Midland, Texas 79701 ("Lessees"), made and entered into a certain Second Amendment of Oil and Gas Lease, dated and effective March 11, 2015, providing for a two (2) year extension of the primary term to March 12, 2017 and other provision(s) found therein covering Lessor's proportionate share of the following land described as:

S/3 (South One-Third) of Section 17, Block C-21
Reeves County, Texas
Containing 213.34 gross acres

WHEREAS, it is the desire of Lessor and Lessees named in the Second Amendment of Oil and Gas Lease to acknowledge its existence in recordable form:

NOW THEREFORE, the undersigned Lessor and Lessees named in the Second Amendment of Oil and Gas Lease ("Amendment") do hereby:

1. Acknowledge the execution of the Amendment as set out above;
2. Refer to the Amendment for all of its terms and provisions and incorporate the same by reference as fully as if it were copied at length herein; and,
3. Acknowledge that the land described above is the same land described in the Amendment and that Lessor's proportionate interest is committed to the Amendment to the extent set out in said Amendment.

This Memorandum shall not be deemed to enlarge, restrict or change the rights of any of the parties to said Amendment, but is for the purpose of giving record notice of the existence of the Amendment in lieu of recording it at length.

Executed this 11th day of March, 2015.

LESSOR:

CRESTVIEW RESOURCES, LLC

BY: [Signature]
D. Alan Meeker, Manager

LESSEES:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

[Signature]
Bill Alleman, Vice President - Land

FIREWHEEL ENERGY, LLC

By:
Its:

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MEMORANDUM OF SECOND AMENDMENT OF OIL AND GAS LEASE

WHEREAS, CRESTVIEW RESOURCES, LLC with an address of 4770 Bryant Irvin Court, Suite 400, Fort Worth, Texas 76107 ("Lessor"), and Resolute Natural Resources Southwest, LLC with a business address of 1700 Lincoln Street, Suite 2800, Denver Colorado 80203, and FireWheel Energy, LLC with a business address of 200 N. Loraine, Suite 300, Midland, Texas 79701 ("Lessees"), made and entered into a certain Second Amendment of Oil and Gas Lease, dated and effective March 11, 2015, providing for a two (2) year extension of the primary term to March 12, 2017 and other provision(s) found therein covering Lessor's proportionate share of the following land described as:

S/3 (South One-Third) of Section 17, Block C-21
Reeves County, Texas
Containing 213.34 gross acres

WHEREAS, it is the desire of Lessor and Lessees named in the Second Amendment of Oil and Gas Lease to acknowledge its existence in recordable form:

NOW THEREFORE, the undersigned Lessor and Lessees named in the Second Amendment of Oil and Gas Lease ("Amendment") do hereby:

1. Acknowledge the execution of the Amendment as set out above;
2. Refer to the Amendment for all of its terms and provisions and incorporate the same by reference as fully as if it were copied at length herein; and,
3. Acknowledge that the land described above is the same land described in the Amendment and that Lessor's proportionate interest is committed to the Amendment to the extent set out in said Amendment.

This Memorandum shall not be deemed to enlarge, restrict or change the rights of any of the parties to said Amendment, but is for the purpose of giving record notice of the existence of the Amendment in lieu of recording it at length.

Executed this 11th day of March, 2015.

LESSOR:

CRESTVIEW RESOURCES, LLC

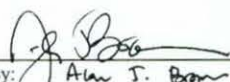
BY: _____
D. Alan Meeker, Manager

LESSEES:

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC


Bill Alleman, Vice President - Land

FIREWHEEL ENERGY, LLC

By: 
Its: Alan S. Brown
Sr. VP

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ACKNOWLEDGMENTS

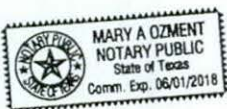
STATE OF TEXAS)

COUNTY OF TARRANT)

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared **D. ALAN MEEKER, MANAGER OF CRESTVIEW RESOURCES, LLC**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said **D. ALAN MEEKER**, and that he executed the same as the act for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th DAY OF MARCH, 2015.

[SEAL]



Mary A. Ozment
Notary Public for the State of Texas
My Commission Expires: 6-1-2018

STATE OF TEXAS)

COUNTY OF MIDLAND)

On this this ____ day of March, 2015, before me personally appeared _____, to me known to be the _____ of **FireWheel Energy, LLC**, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

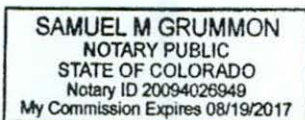
My commission Expires: _____
Notary Public

STATE OF COLORADO)
COUNTY OF DENVER)

I hereby certify, that on this day, before me a Notary Public duly authorized in the state and county aforesaid to take acknowledgments, personally appeared Bill Alleman, Vice President - Land for **RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC**, known to be the person described in and who executed the foregoing instrument and they acknowledged before me that being informed of the contents of the same, they voluntarily, and in the capacity so stated, signed and delivered the within and foregoing instrument on the day and year therein mentioned.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th DAY OF MARCH, 2015.

[SEAL]



Samuel M. Grummon
Notary Public for the State of Colorado
My Commission Expires: 8/19/2017

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STATE OF TEXAS)
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COUNTY OF)

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared **D. ALAN MEEKER, MANAGER OF CRESTVIEW RESOURCES, LLC**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said **D. ALAN MEEKER**, and that he executed the same as the act for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF MARCH, 2015.

[SEAL]

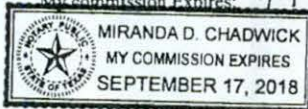
Notary Public for the State of Texas
My Commission Expires: _____

STATE OF TEXAS)
) §
COUNTY OF MIDLAND)

On this this _____ day of March, 2015, before me personally appeared Alan J. Brown, to me known to be the SR. Vice President of **FireWheel Energy, LLC**, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year herein first so above written.

My commission Expires: 9-17-2018 Miranda D. Chadwick
Notary Public

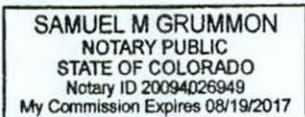


STATE OF COLORADO)
) §
COUNTY OF DENVER)

I hereby certify, that on this day, before me a Notary Public duly authorized in the state and county aforesaid to take acknowledgments, personally appeared Bill Alleman, Vice President – Land for **RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC**, known to be the person described in and who executed the foregoing instrument and they acknowledged before me that being informed of the contents of the same, they voluntarily, and in the capacity so stated, signed and delivered the within and foregoing instrument on the day and year therein mentioned.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 11th DAY OF MARCH, 2015.

[SEAL]



Notary Public for the State of Colorado
My Commission Expires: 8/19/12

Inst No. 15-03278
DIANNE O. FLOREZ
COUNTY CLERK
2015 Apr 16 at 10:34 AM
REEVES COUNTY, TEXAS
By: N. J. [Signature] DEPUTY

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CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 4-16-15 File # 15-0326 Vol. 1158 Page 181



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By Elizabeth Rags Deputy

Producers 88
Revised Paid Up with
640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 5th day of December 2014 by and between Kennedy Minerals, Ltd. (Lessor) whose address is 500 West Texas Avenue, Suite 655, Midland, TX 79701, and Energen Resources Corporation (Lessee) whose address is 605 Richard Arrington, Jr. Boulevard North, Birmingham, AL 35203.

WITNESSETH:

1. Lessor in consideration of *** Ten and More 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 to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Reeves County, Texas, to wit:

North 426.67 acres of Section 17, Block C-21, PSL Survey

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 the date hereof (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land.

3. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, 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. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, 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. 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.

4. 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 pipelines 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.

5. 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.

6. 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. 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.

7. Lessor hereby 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. It is agreed that if this lease covers a less interest in the oil, gas, sulfur, 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.

8. 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 oil or gas 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

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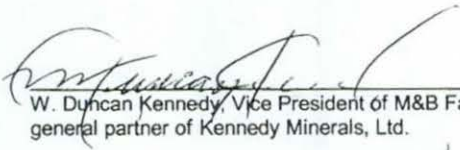
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covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on 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. In order for Lessee to claim the benefit of this paragraph, Lessee must advise Lessors in writing within fifteen (15) days of the date Lessee claims any obligation is suspended, setting forth in reasonable detail such facts as Lessee relies upon to make the provisions of this paragraph applicable.

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

SEE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

KENNEDY MINERALS, LTD.


W. Duncan Kennedy, Vice President of M&B Family Minerals, LLC,
general partner of Kennedy Minerals, Ltd.

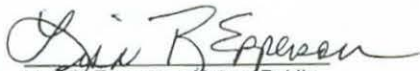
STATE OF TEXAS §
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COUNTY OF MIDLAND §

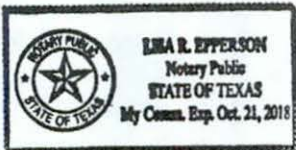
This instrument was acknowledged before me this 10th day of December 2014 by W. Duncan Kennedy, Vice President of M&B Family Minerals, LLC, general partner of Kennedy Minerals, Ltd.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires:

21 October 2018


Lisa R. Epperson, Notary Public
in and for the State of Texas



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ADDENDUM TO OIL, GAS AND MINERAL LEASE

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated December 5, 2014 by and between Kennedy Minerals, Ltd., Lessor, and Energen Resources Corporation, Lessee, covering lands in Reeves County, Texas. In the event there is a conflict between the provisions of the Oil, Gas and Mineral Lease and this addendum, the provisions of this addendum will control.

Lessee is hereby granted the right, at any time and from time to time, whether before or after production, to pool this lease for the production of oil, gas or condensate, or any or either of them, as to the land covered hereby, or any zone or portion thereof, or as to any mineral or royalty interest therein, with any other lease covering the above described land, or lands adjacent, contiguous, adjoining, or in the immediate vicinity thereof, or as to any zone or portion of said lease or any mineral or royalty interest therein. Such pooling shall be into a unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) thereof for oil, and units not exceeding three hundred twenty (320) acres each plus an acreage tolerance of ten percent (10%) thereof for gas, provided that, should governmental authority having jurisdiction prescribe or permit the creation of any drilling, spacing or proration units larger than those specified above such units may be created or enlarged to conform in size to the drilling or spacing units so prescribed or permitted or to the proration units as may be authorized for obtaining the maximum allowable production from one well. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil, or gas in any one or more zones, and units so formed need not conform in size or area with the unit or units into which the lease is pooled, or combined as to any other zone, and oil units need not conform as to area with gas units. Such pooling shall be effected by the filing by Lessee of a written designation, in the county or counties, in which the premises are located, identifying and describing the pooled unit. The production of oil, gas or condensate from any zone or portion of the land so pooled and the development and operation on such land, including the commencement, drilling, completion and operation of a well thereon, or the existence thereon of shut-in gas well, be considered and construed and shall have the same effect, except for the payment of royalty, as production, development and operation, or the existence of a shut-in gas well on the leased premises, regardless of the location of the well on the unit. Production from any unit well producing oil, gas or condensate shall be allocated to the leased premises in the proportion that the acreage of the leased premises included within the units bears to the total acreage in the unit and the royalty provided for herein shall be calculated on the portion of the production so allocated. The royalty so payable on allocated production shall be in lieu of any other royalty that would accrue to Lessor from the production of oil, gas or condensate from any zone or portion of the leased premises included within the unit. Shut-in gas royalty, with respect to unit shut-in gas wells, shall be payable in accordance with the provisions and in the amount set forth in this lease. In the event any unit well shall fail to produce oil, gas or condensate in paying quantities, or in the event the production from any such well shall cease, Lessee may terminate the unit by filing for record, in the county, or counties where the land is situated, a written declaration of such termination.

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9. In the event this lease is perpetuated beyond the primary term by production or drilling or reworking operations, this lease shall remain in full force and effect as to all of the lands covered by this lease if on or before One Hundred Eighty (180) days after the primary term, lessee commences a continuous development drilling program on the leased premises in accordance with the following, and thereafter diligently continues and prosecutes such continuous drilling operations on the leased premises with no cessation of more than One Hundred Eighty (180) days between the completion of any one well and the commencement of the actual drilling of the next succeeding oil and/or gas well. At and after the expiration of the primary term, failure to timely commence or prosecute the continuous development program provided hereinabove shall terminate this lease as to all of the above described premises, SAVE and EXCEPT as to each "production unit" as hereinafter defined. A production unit for a vertical well shall be the lesser of (i) the minimum number of acres required by the Railroad Commission of Texas for a regular drilling permit under then existing special field rules or (ii) if there are no special field rules 40 acres around each vertical oil well and 160 acres around each vertical gas well then producing or capable of producing oil and/or gas in paying quantities. In the event of a horizontal well, Lessee may allocate acreage to each production unit that amount of acreage as allowed by Rule 86 of the Railroad Commission of Texas. Each production unit retained by Lessee shall be limited to those depths from the surface of the ground to 100' below the deepest perforations from which production of oil or gas in paying quantities is being maintained (or, in the case of a shut-in gas well, can be maintained) in the well on such production unit and all other depths shall be released.

Lessee's time between wells shall be cumulative in the sense that if the second development well is commenced 90 days after completion of the first development well, Lessee shall have 210 days within which to commence the third development well, but in no event shall more than 240 days elapse between the completion of one well and the commencement of the next. The first such development well shall be commenced on or before 180 days after the expiration of the primary term of this lease; provided, however, that if there is a well being drilled on the land covered by this lease at the expiration of the primary term hereof, the first such development well shall be commenced on or before 180 days from the date of completion of said well. The term "completion," as used herein, shall mean the earlier of the date of completion shown on the Railroad Commission Initial Potential Form W-2 or 60 days from the date of release of the drilling rig. Upon termination of this lease as to any portion of the leased premises, Lessee shall deliver to Lessor a plat showing the designated production units around each well and a partial release complying with the requirements of this paragraph, suitable for recording.

10. Anything to the contrary herein contained notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, minerals and substances produced in conjunction with the oil and gas production stream, and all reference to other minerals contained herein is hereby deleted.
11. If there shall be a well on the leased premises capable of producing gas or gas and condensate in paying quantities, but from which neither gas nor condensate is sold or used off the leased premises for lack of a satisfactory market (which well is herein sometimes called a "shut-in" gas well), Lessee may pay or tender to



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Lessor, as shut-in gas well royalty, a yearly sum equal to Ten and No/100 Dollars (\$10.00) multiplied by the number of net acres subject to this lease at the time such payment is made. The first such payment of shut-in gas well royalty is to be made on or before sixty (60) days after the day on which (i) such well was shut in or (ii) this lease ceases to be in force by any other provision hereof, whichever is later. Succeeding payments may be made annually thereafter on or before the anniversary of the due date of such payment; and if such shut-in gas well royalty shall be paid or tendered as above provided, it shall be considered for purposes of this lease that such well is producing gas in paying quantities for a period of one (1) year from the due date of such payment, and for like annual periods thereafter; provided, however, that the payment of shut-in gas well royalty shall not prevent the termination of this lease as to portions of acreage covered hereby. Notwithstanding the making of such shut-in gas well royalty payments, Lessee shall be and remain under the continuing obligation to (i) use all reasonable efforts to find a market for said gas and to commence or resume marketing same when a market is available, (ii) reasonably develop the lands then subject to this lease and (iii) drill all such wells on the lands then subject to this lease as may be reasonably necessary to protect same from drainage by wells on adjoining or adjacent lands. All payments or tenders provided for in this paragraph shall be made to Lessor personally. After the end of the primary term, Lessee's right to extend this lease by payment of shut-in gas royalties is limited to two (2) successive periods of one (1) year only.

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12. As royalty, Lessee covenants and agrees:

- a.
 - i. to deliver or cause to be delivered to the credit of Lessor, into the tanks, or if directly connected, into the pipe line to which Lessee may connect its wells, one-fourth (1/4th) of all oil, condensate and liquid hydrocarbons produced and saved by Lessee from the premises, or from time to time, at the option of Lessor, Lessee shall sell Lessor's share of such oil with Lessee's share and shall pay Lessor one-fourth (1/4th) of the Gross Proceeds (as hereafter defined) received by Lessee or any Affiliate (as hereafter defined) of Lessee from the sale of all oil, condensate and liquid hydrocarbons produced and saved from the premises;
 - ii. to pay Lessor on gas and casinghead gas produced from the premises:
 1. when sold by Lessee in an arms-length sale to an unaffiliated third party, one-fourth (1/4th) of the Gross Proceeds received by Lessee from the sale of such gas and casinghead gas, or
 2. when sold to an Affiliate of Lessee, one-fourth (1/4th) of the Gross Proceeds, computed at the point of sale, from the sale of such gas by such Affiliate of Lessee; and
 3. when used by Lessee (other than for operations on the premises as hereafter provided), one-fourth (1/4th) of the market value at the point of use.
 - iii. to pay Lessor on all other minerals mined and marketed or utilized by Lessee from the premises, one-fourth (1/4th) of the Gross Proceeds received at the point of sale.
- b. For purposes of this lease, an "Affiliate of Lessee" is any corporation, firm or other entity in which Lessee, or any parent company, subsidiary or affiliate of Lessee, owns an interest of more than twenty-five percent (25%), whether by stock ownership or otherwise, or over which Lessee or any parent company or Affiliate of Lessee exercises any degree of control, directly or indirectly, by ownership, interlocking directorate, or in any other manner; and any corporation, firm or other entity which owns any interest in Lessee, whether by stock ownership or otherwise, or which exercises any degree of control, directly or indirectly, over Lessee, by stock ownership, interlocking directorate, or in any other manner.
- c. For purposes of this lease, "Gross Proceeds" means the total consideration paid for oil and gas produced from the premises, with the following exceptions:
 - i. Lessor's royalty shall bear its proportionate part of severance taxes actually paid by Lessee attributable to production from the leased premises.
 - ii. Lessor's royalty shall bear Lessor's proportionate part of any costs of transporting oil, gas or liquid hydrocarbon products paid to any third party which is not an Affiliate of Lessee.
 - iii. If gas produced from the premises is processed for the recovery of liquefiable hydrocarbon products prior to sale, and if such processing plant is not owned by Lessee or any Affiliate of Lessee, Lessor's royalty shall be calculated based upon the consideration received by Lessee (or any Affiliate of Lessee) from Lessee's (or Lessee's Affiliate's) sale of such liquefiable hydrocarbons and residue gas, less Lessee's proportionate part of severance taxes thereon.
 - iv. If gas produced from the premises is processed for the recovery of liquefiable hydrocarbon products prior to sale, and if such processing plant is owned by Lessee or an Affiliate of Lessee, Lessor's royalty shall be calculated based on (a) 80% of the consideration received by Lessee (or any Affiliate of Lessee) from the sale of all products extracted from such gas, plus (b) the total consideration received by Lessee (or any Affiliate of Lessee) from the sale of all residue gas, less Lessee's proportionate part of severance taxes thereon.
 - v. No royalty shall be payable on gas used on the leased premises for production operations or compression or dehydration of gas produced from the leased premises.

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- d. All royalties that may become due hereunder shall commence to be paid on the first well completed on the leased premises within one hundred twenty (120) days after the first day of the month following the month during which any well commences sales. On each subsequent well, royalty payments must commence within ninety (90) days after the first day of the month following the month during which any well commences sales. Thereafter, all royalties on oil shall be paid to Lessor on or before the last day of the month following the month of production, and all royalties on gas shall be paid to Lessor on or before the last day of the second month following the month of production.
- e. It is expressly agreed that if Lessee fails to pay royalties within the aforementioned timeframe, Lessor may thereafter notify Lessee in writing of such failure and Lessee shall then have 60 days from receipt of such notice to make such payments. Lessee will also be required to pay interest at a rate 2% above the rate charged on loans to deposit institutions by the New Your Federal Reserve Bank on royalty payments not paid within the above time frames. In the event any dispute or question arises concerning the title to Lessor's interest, Lessee may withhold royalty payment accruing to the interest or interest affected, without consequence to the hereinabove stated termination penalty, until such dispute or question of title has been corrected.
- f. It shall not be necessary for Lessor to execute any division or transfer order in order to be entitled to payment of royalties due under this lease. Lessee and any purchaser of oil or gas produced from the leased premises hereby waive the provisions of Section 91.402(c)(1) of the Texas Natural Resources Code which entitle a payor of royalties to require a signed division order as a condition to payment. If Lessor agrees to accept payment of royalties from a purchaser of oil or gas produced from the leased premises, or from another party designated to distribute royalties other than Lessee, Lessor's acceptance of such payments shall not relieve Lessee of its obligation to pay royalty hereunder except to the extent of payments actually received by Lessor from such third party. If such third party fails to pay any sums due as royalty under this lease, Lessee shall remain fully liable therefor, whether or not Lessee has received payment for production from such purchaser or third party.
- g. Without limiting Lessor's rights or Lessee's obligations under any other provision of this lease, commencing on the completion date of the first well drilled on the leased premises as a producing well, no more often than once in any three-year period during the term of this lease Lessor shall have the right to have an audit of the books, accounts, contracts, records, and data of Lessee pertaining to the development, production, saving, transportation, sale, and marketing of the oil, gas, and sulphur produced from or attributable to the leased premises conducted.
13. Lessee agrees to drill such wells as would a reasonably prudent operator under the circumstances in order to protect the leased premises and any lands pooled or unitized therewith from drainage; provided, however, that subsequent to the date of this lease should a well (a "draining well") be brought in on the adjoining land and which has any part of its borehole within 330 feet of the leased premises and, which is capable of producing oil and/or gas in commercial quantities, Lessee, with due diligence, shall commence drilling operations of an offset well (an "offset well") thereto within the time period hereinafter specified, unless such draining well is already offset by a well on the leased premises or any lands pooled or unitized therewith, and producing from the same producing interval from which production has been secured from any such draining well on adjoining lands. Lessee, if the draining well is a producing oil well, shall commence offset drilling operations within one hundred eighty (180) days from the date such well is placed on production; and, if the draining well is a producing gas well, Lessee shall commence offset drilling operations within one hundred eighty (180) days from the date such well produces gas into a sales line. If Lessee does not commence the drilling of an offset well, within such specified period, Lessee at its option, may pay Lessor a sum equal to the royalty which would be payable hereunder on the production from the applicable draining well, from the date of first production, had such draining well been located on the land covered hereby or any lands pooled or unitized therewith, or Lessee may place of record a release of this lease as to all depths from the surface to the base of the producing interval of the draining well, less and except any currently producing intervals of the leased premises. Said release shall include only the portion of the tract that is needed for a proration unit.
14. Well Information. Lessee shall furnish Lessor with the following, unless Lessee is subject to any confidentiality constraints, upon request, related to Wells operated by Lessee on the Lands or lands pooled therewith:
- (a) Plats or maps showing the location of the well and all forms filed with the appropriate state governmental authority;
 - (b) Daily drilling and completion reports, and mud log if a mud log is run in such well;
 - (c) The details of any drillstem tests taken in said well and the final results of any core analysis or analyses which are run on cores taken while drilling said well;
 - (d) Upon completion of any drilling or reworking operation, copies of all production and testing reports and logs run in such well.
15. After the expiration of the primary term and/or the continuous drilling program, whichever is later, this Oil, Gas and Mineral Lease shall be construed to be a separate lease as to each separate production unit.
16. Division Order Title Opinions. If a well is a producer, upon written request, Lessee shall upon request deliver to Lessor a copy of any Division Order title opinions prepared with respect to Lessor's mineral interest in the leased premises and any revisions or supplements thereto within thirty (30) days of receipt of same by Lessee.

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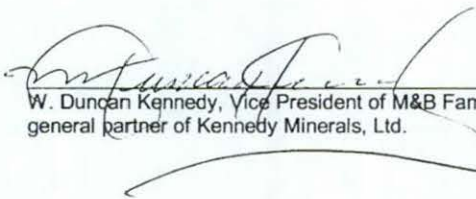
17. In the event that Lessor is the surface owner on any of said lands, Lessee shall pay the Lessor for damages caused by Lessee's operations on Lessor's surface, and contact the Lessor prior to commencing the activities covered hereby, with the objective of minimizing the impact of Lessee's activity on the Lessor's surface.
18. The operation of a Salt Water Disposal Well on Lessor's surface is not permitted under this lease, except by separate agreement with Lessor. In addition, any wellbores that are owned by Lessor as part of Lessor's surface estate are reserved to the Lessor.
19. This lease is made without warranty of title, express, implied or statutory.

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SIGN FOR IDENTIFICATION

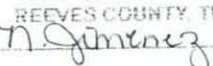
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KENNEDY MINERALS, LTD., LESSOR


W. Duncan Kennedy, Vice President of M&B Family Minerals, LLC,
general partner of Kennedy Minerals, Ltd.

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Inst No. 15-01627
DIANNE O. FLOREZ
COUNTY CLERK
2016 Feb 23 at 04:18 PM
REEVES COUNTY, TEXAS
By:  DEPUTY

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CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 2/23/15 File # 15-01627 Vol. 1146 Page 650



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: N. G. [Signature], Deputy

8-70-72

FILE # 2215

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

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 7th day of February, 2011, between

SEE ATTACHED SIGNATURE PAGE, parties herein called Lessor, (whether one or more), and

Energren Resources Corporation
3300 North "A" Street, Building 4, Suite 100
Midland, Texas 79705

Lessee:

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

SEE EXHIBIT "A" ATTACHED HERETO

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise **1493.34** acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is shut-in hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, **twenty five (25.00%) percent** of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of **twenty five (25.00%) percent** of the gas so sold or used, provided that on gas sold at the wells the royalty shall be **twenty five (25.00%) percent** of the amount realized from such a sale; (c) on all other minerals mined and marketed, **twenty five (25.00%) percent**, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of **One and 00/100 Dollars per acre (\$1.00/acre)** per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file



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for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

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

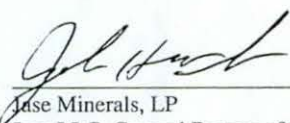
8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure" as employed herein shall mean: any act of God including, but not limited to storms, floods, washouts, landslides and lightning; acts of the public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

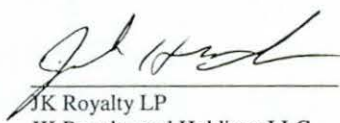
9. Lessor hereby warrants and agrees to defend the title to said land by through and under Lessor but not otherwise and agrees that Lessee, at its option, may discharge any tax, mortgage, other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to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

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

SEE EXHIBIT "B" ATTACHED HERETO

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


Jase Minerals, LP
Jase LLC, General Partner of Jase
Minerals, LP
John H. Webb, President


JK Royalty LP
JK Royalty and Holdings LLC,
General Partner of JK Royalty LP
John H. Webb, President



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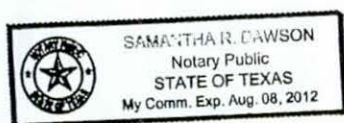
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared John H. Webb, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Jase LLC, General Partner of Jase Minerals, LP and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Limited Partnership.

Given under my hand and seal of office this the 21st day of February, 2011.

Samantha R Dawson
Notary Public in and for the State of



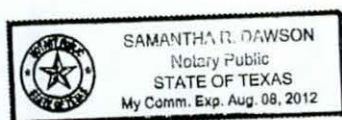
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared John H. Webb, known to me to be the person whose name is subscribed to the foregoing instrument, as President of JK Royalty and Holdings LLC, General Partner of JK Royalty LP and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Limited Partnership.

Given under my hand and seal of office this the 21st day of February, 2011.

Samantha R Dawson
Notary Public in and for the State of



for

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EXHIBIT 'A'

Attached to and made a part of Oil, Gas and Mineral Lease dated February 7, 2011 by and between **Jase Minerals, LP, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

Public School Land Survey, Block 45

Section 38: South 426.67 acres
only below 2900 feet

T&P Railroad Company Survey, Block 57, Township 3

Section 30: All

Public School Land Survey, Block C-21

Section 17: North 426.67 acres

being 1493.34 gross acres
all in Reeves County, Texas

(Jase - Energen Lease #3)

for



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EXHIBIT 'B'

Attached to and made a part of Oil, Gas and Mineral Lease dated February 7, 2011 by and between **Jase Minerals, LP, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

It is understood and agreed by all parties that the language on this Exhibit "A" supersedes any provisions to the contrary in the printed lease hereof.

11. Subject to paragraph #20 hereto, at the expiration of the primary term of this lease, each producing well drilled hereon will hold only the acreage allocated to said well by the proper governmental authority having jurisdiction as a proration unit. All other acreage except that included in a proration unit will be released and the lease will automatically terminate as to that acreage outside each producing well's proration unit or pooled unit. In the absence of field rules, 40 acres will be deemed to be a proration unit for an oil well and 160 acres will be deemed to be a proration unit for a gas well. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to 100' below the deepest depth drilled and/or 100' below the base of the deepest formation in the case of a lateral or horizontal completion from which oil and/or gas is then being produced on such proration unit or pooled unit at the expiration of the primary term of this lease, and that this lease will terminate at such time as to all depths below such depth or formation. Producing as used in this lease means producing in paying quantities.

12. ANYTHING HEREIN TO THE CONTRARY notwithstanding, the royalties to be paid Lessor on production shall be Twenty Five Percent (25%), and wherever the word One-eighth appears in this lease, the same is hereby amended to read Twenty Five Percent (25%).

13. FAILURE TO PAY ROYALTY under the terms of this lease, and under the provisions of Texas Statutes can result in termination of this lease. Should oil and gas royalties not be received within the time prescribed by Texas Statutes, Lessor will provide notice to Lessee of Lessee's breach of royalty obligation, and should Lessee fail to make proper payment within 30 days of receipt of such written notice, Lessor may, at its option, demand payment including statutory interest. Lessee or his assigns shall pay or cause to be paid to Lessor, all of Lessor's proportionate part of his royalty revenues from the sale of hydrocarbons, associated gas and or natural gas from lands covered by this lease on a monthly basis; however, if Lessor's royalty revenues are less than \$25.00 for a month, then they may be accumulated to \$25.00 before distribution. All royalties must be paid at least once per annum.

14. ANYTHING HEREIN TO THE CONTRARY notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

15. ANYTHING HEREIN TO THE CONTRARY notwithstanding, if at any time after the expiration of the primary term, Lessee shall have completed a well or wells on the above Leased Premises (or on land with which the said Premises or any part thereof may be pooled) which well or wells are capable of producing gas in commercial quantities but are shut-in with the result that gas is not produced or sold or used, Lessee may pay as royalty to Lessor for each such shut-in well on or before the expiration of ninety (90) days after (i) the date of completion of such gas well as evidenced by Well Completion Report filed with the appropriate state or other governmental regulatory agency or commission having jurisdiction, or (ii) the date such gas ceased to be sold or used, as the case may be, an amount equal to Fifty (\$50.00) per acre of land covered by this Lease which shall be attributed to the producing unit upon which the well or wells are located and upon making said payment it will be considered that each such well is producing gas in paying quantities within the meaning of this Lease for a period of one (1) year after the expiration of said ninety (90) day period. In like manner and upon like payments, being made annually on or before the expiration of the last preceding year for which such payment or tender has been made, it will be considered that said well or wells are producing gas in commercial quantities for successive periods of one (1) year each; provided that this Lease may not be maintained in force solely by payment of shut-in gas well royalty for any well under this paragraph for more than 18 consecutive months after the effective date of the first such payment, or for shorter periods, at various intervals not to exceed in the aggregate three (3) years in all.

16. ANYTHING HEREIN TO THE CONTRARY notwithstanding, it is expressly understood and agreed that Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire at Lessor's risk and expense, and to hold Lessee harmless from any liability due to Lessor taking in kind.

17. IT IS EXPRESSLY UNDERSTOOD and agreed that Lessee is granted the privilege and right to assign all or part of the lands covered by this Lease, provided notice of any such assignment is given Lessor within sixty (60) days of recording said assignment.

18. LESSOR OR ANY of their representatives or employees, at their own risk, may have access to the derrick floor during drilling operations and shall receive copies of daily drilling reports by email to john@jaseminerals.com and electric logs, tests, cores and completion reports within thirty (30) days, upon written request from the Lessor. All information provided to Lessor under the terms of this paragraph shall be held in strict confidence by Lessor and shall not be divulged to any third party until such confidential information is released to the public by Lessee. Upon full termination of this lease, all information provided to Lessor by lessee, and not by then made public by Lessee, shall then be considered as non-confidential.

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19. LESSEE SHALL NOTIFY Lessor within fourteen (14) days of the location and commencement of all drilling operations upon this lease or upon any acreage with which any or all of this Lease may be pooled. A copy of the permit and plat shall be forwarded to Lessor within thirty (30) days after spudding.

20. If at the expiration of the initial primary term and/or the expiration of the extension of the primary term as defined in paragraph # 43 of this agreement, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Assignee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit (to be selected by Lessee) allocated thereto by the Texas Railroad Commission as of the date of such termination from the surface down to the depth of one hundred feet (100') below the deepest producing formation. Thereafter, Lessee shall promptly execute and deliver to Lessors a release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of one hundred feet (100') below the deepest producing formation.

21. AT THE TERMINATION of this Lease, as to any part of the leased premises, Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release, and shall provide one (1) copy of release to Lessor.

22. LESSEE AGREES TO INDEMNIFY, defend and hold Lessor harmless from all claims, fines, or penalties, including but not limited to governmental or administrative environmental cleanup or compliance orders, which result or are related to Lessee's operations on the premises.

23. IF LESSOR FILES a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessor shall be reimbursed for all costs of such legal proceedings including reasonable attorney's fees.

24. IT IS AGREED THAT, all royalties accruing under this lease (including those paid in kind) shall be without deduction, directly or indirectly, to the point of sale, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

25. LESSEE is granted the right to pool under the terms of this lease; however, LESSEE agrees to provide LESSOR a copy of any pooling agreement, unitization agreement and or amendments prepared or executed by LESSEE which includes any land covered by this lease, within 60 days of recordation or effective date of said pooling agreement, unit agreement or amendment, whichever is the later date.

26. ANYTHING HEREIN to the contrary notwithstanding, this Lease covers only those lands described in this Lease and does not cover or include any land owned or claimed by Lessor that is adjacent or contiguous to the land described in this Lease.

27. LESSEE SHALL adequately protect the oil and gas under premises from drainage from adjacent lands or leases, including lands leased at a lesser royalty. If oil or gas should be produced in paying quantities from a well draining the leased premises, lessee shall, within (60) sixty days after notice from Lessor of such producing well, begin in good faith and pursue diligently operations leading to the drilling of an offset well and such offset shall be drilled to such depth as may be necessary to prevent drainage of the premises, and Lessee shall use all means necessary in a good faith effort to make such offset well produce oil or gas in paying quantities.

28. LESSEE'S right hereunder to prospect for oil and gas from the premises is exclusive, with the exception that Lessor expressly retains and reserves the concurrent right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which permits or agreements shall allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through or across the land covered herein during the term of this lease. Such seismic, geophysical or geological surveys shall not unreasonably interfere with Lessee's drilling or production activities on the lease.

29. LESSOR does warrant title to the mineral rights under the leased premises by, through and under but not otherwise. In the event all or part of the Lessor's title should fail, then Lessor shall have no

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liability for such failure, ~~other than refunding that portion of the bonus paid for this lease attributable to the interest as to which title has failed.~~ *yes*

30. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.

31. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.

32. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.

33. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines on the surface with the written permission of the Lessor.

34. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purposes of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the owners of the surface.

35. It is further agreed that Lessee, its successors and assigns, shall not erect any buildings or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.

36. Lessee agrees to pay Lessor for damages as prescribed in Rate and Damages Schedule of the University of Texas System.

37. It is expressly understood that Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify Lessor in writing if fresh water is encountered during drilling or if a fresh water formation is penetrated.

38. Lessee further agrees to maintain all drill sites and other portions of the surface used or occupied by Lessee, its successors or assigns, free and clear of weeds and noxious vegetation and will maintain the same in reasonable manner to prevent additional damage to Lessor's other land and crops.

39. Upon written demand by Lessor, Lessee shall build and maintain fences around its slush, sump and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.

40. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove casing and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessor, its heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment.

41. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, Lessee will restore the premises as nearly as reasonably possible to its former condition at the costs and expense of lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease. In addition, Lessee agrees to restore the surface, whether coastal or native grasses, back to its original condition and agrees to re-sprig or reseed accordingly.

42. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without the prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding, or secondary recovery operations. Lessee may not drill a new well within 500 feet of an existing water well located on the leased premises without Lessor's prior written consent. In the event Lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of a written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well "AS IS" without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.

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43. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of one thousand dollars (\$1,000.00) per net mineral acre direct to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. Lessee is also given the exclusive option to renew only a portion of the lease acreage and thereafter release the remaining acreage to the Lessor. This payment may be made by the check of Lessee mailed or delivered to Lessor at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

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

FILE # 2215

FILED FOR RECORD ON THE 15TH DAY OF APRIL A.D. 2011 11:20 AM.

DULY RECORDED ON THE 29TH DAY OF APRIL A.D. 2011 9:00 A.M.

BY: [Signature] DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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CERTIFICATE OF RECORD

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

Date Filed 4/15/11 File # 2215 Vol. 874 Page 786



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: K. J. J. J., Deputy

8.70.12

CLE # 155

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

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 1st day of December, 2010, between

SEE ATTACHED SIGNATURE PAGE, parties herein called Lessor, (whether one or more), and

Energen Resources Corporation
3300 North "A" Street, Building 4, Suite 100
Midland, Texas 79705

Lessee:

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

SEE EXHIBIT "A" ATTACHED HERETO

This lease covers all of the land described above, and in addition thereto, it covers and there is hereby leased, let and demised to the same extent as if they were described herein specifically, all lands owned or claimed by Lessor adjacent, contiguous to, or a part of the tract or tracts specifically described above, whether such additional lands be owned or claimed by deed, limitation or otherwise, and whether the same be inside or outside the metes and bounds description and whether the same be held under fence by Lessor or not and whether such additional lands be in the named survey or other survey or surveys. This is a lease in gross and not by the acre and the bonus money paid shall be effective to cover all such lands irrespective of the number of acres contained therein, and the lands included within the terms of this lease are estimated to comprise 2133.34 acres, whether they actually comprise more or less.

2. Without reference to the commencement, prosecution or cessation at any time of drilling or other development operations, or to the discovery, development or cessation at any time of production of oil, gas or other minerals, and notwithstanding anything else herein contained to the contrary, this lease shall be for a term of **three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other minerals are produced from said land, or land with which said land is pooled hereunder, or as long as this lease is continued in effect as otherwise herein provided.

3. The royalties to be paid by Lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, **twenty five (25.00%) percent** of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipelines to which the wells may be connected; Lessor's interest in either case shall bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of **twenty five (25.00%) percent** of the gas so sold or used, provided that on gas sold at the wells the royalty shall be **twenty five (25.00%) percent** of the amount realized from such a sale; (c) on all other minerals mined and marketed, **twenty five (25.00%) percent**, either in kind or value at the well or mine, at Lessee's election, except that on sulphur the royalty shall be One Dollar (\$1.00) per long ton; and (d) at any time and from time to time either at or after the expiration of the primary term of this lease, if there is a gas well or wells on said land or lands pooled therewith (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate, or any gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are or have been shut-in before or after production therefrom, it shall be deemed that said well or wells are producing gas within the meaning of paragraph numbered 2 of this lease and this lease shall not terminate. In such event, Lessee covenants and agrees to pay as royalty shut-in gas royalty in the amount of **One and 00/100 Dollars per acre (\$1.00/acre)** per annum as long as such well or wells are shut-in and this lease is not maintained in force or effect by other provisions hereof. Such shut-in royalty shall be paid or tendered to Lessor or to his credit in the n/a Bank of which Bank or any successor Bank thereof shall continue to be the agent for Lessor and Lessor's successors and assigns. Should Lessee elect, such Bank may also be used to pay any other sums, including royalties, due hereunder. If such Bank (or any successor Bank) should fail, liquidate or be succeeded by another Bank or for any reason fail or refuse to accept shut-in royalty or any other payment, Lessee shall not be held in default until thirty (30) days after Lessor shall deliver to Lessee a recordable instrument making provision for another method of payment or tender. Any depository charge is a liability of the Lessor. Any payment or tender of shut-in royalty made under the terms of this lease may be made by check or draft of Lessee mailed or delivered to said Bank or to Lessor. In the event Lessee is obligated to pay the shut-in royalty above indicated, the first payment of such shut-in royalty shall be due and payable on or before ninety (90) days following the date on which the well is shut-in, or if shut-in during the primary term then on or before ninety (90) days following the expiration of the primary term, and subsequent payments, if required under the terms of this paragraph, shall be due and payable annually on or before the anniversary of the date of the original payment. It is specifically provided that this is a paid-up lease during the term set out above as "primary term" and there shall be no obligation or liability on the Lessee to make any shut-in royalty payment or other payment during said primary term, and without any such payment this lease shall remain in full force and effect during said primary term. The obligation to pay the shut-in royalty provided for above, shall be a covenant running with the land and, under no conditions, shall the failure to comply with such obligation serve or be used to terminate this lease or to work any forfeiture.

4. If at the expiration of the primary term of this lease oil, gas or other minerals are not being produced from the leased premises or land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as drilling or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas or other minerals are produced from said land or land pooled therewith. If production of oil, gas or other minerals on said land or land pooled therewith should cease from any cause after the primary term, this lease nevertheless shall continue in force and effect as long as additional drilling operations or reworking operations are conducted on this lease, or on acreage pooled therewith, which additional operations shall be deemed to be had when not more than sixty (60) days elapse between the abandonment of operations on one well and the commencement of operations on another well, and if production is obtained this lease shall continue as long thereafter as oil, gas or other mineral is produced from said land or land pooled therewith, and as long thereafter as additional operations, either drilling or reworking, are had thereon. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, Lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances. The judgment of the Lessee, when not fraudulently exercised, in carrying out the purpose of this lease shall be conclusive.

5. Lessee, its successors and assigns, at its option, at any time and from time to time, and without Lessor's joinder or further consent, is hereby given the right and power to pool the land or any interests covered by this lease, or any portion thereof, as to oil, gas, condensate or distillate, or any of them, or either of them, with any other land, interests, lease or leases, or any of them, adjacent, adjoining or located in the immediate vicinity of these lands, when in Lessee's judgment it is necessary or advisable to do so in order efficiently to develop or operate said premises in compliance with the spacing rules of the Railroad Commission of Texas or other lawful authority or when to do so, would, in the judgment of the Lessee, promote the conservation of oil and gas on said premises, such pooling to be into a well unit or units not exceeding forty (40) acres plus an acreage tolerance of ten percent (10%) of forty (40) acres for oil, and not exceeding six-hundred-forty (640) acres plus an acreage tolerance of ten percent (10%) of six-hundred-forty (640) acres for gas, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units may be created or enlarged to conform substantially in size with those prescribed by governmental regulations. Lessee may pool the acreage or interests above described, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool the land above described, or any portion thereof, into other units. Lessee shall execute in writing and file

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for record in the county or counties where the land is situated an instrument designating and describing the pooled acreage, which pooling and designation may be accomplished either before or after a well or wells are drilled or completed on the unit. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, overriding royalties or payments out of production, as if it were included in this lease; and drilling or reworking operations thereon, production of oil or gas, condensate or distillate therefrom, cessation of production thereon, or the existence thereon of a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were conducted, or such production or cessation of production, or existence of a shut-in gas well were on the land above described, whether or not the well or wells be located on the said lands. In lieu of the royalties, overriding royalties or payments out of production, if any, elsewhere herein specified, Lessor shall receive from a unit so formed only such portion of the royalty, overriding royalty or payment out of production, if any, stipulated herein as the amount of the acreage (surface acres) above described which is placed in the unit bears to the total acreage (surface acres) so pooled in the particular unit involved. Shut-in gas royalties with respect to unit shut-in gas wells shall be payable in accordance with the provisions and in the amount set forth in this Lease. Should any unit as created hereunder contain less than the maximum number of acres hereinabove specified or allowed, then Lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified or allowed. In the event an existing unit is so enlarged, Lessee shall execute and file for record in the county or counties in which the land is situated a supplemental designation and description of the land added to the existing unit; provided, that if such supplemental designation and description is not filed until production is obtained on the unit as originally created, then and in such event the supplemental designation and description shall not become effective until the first day of the calendar month next following the filing thereof. In the event the well or wells drilled on any unit shall fail to produce oil or gas, or in the event the production from any such well or wells shall cease, Lessee may terminate any unitized area created hereunder by filing for record in the county or counties where the land is situated proper instruments evidencing such termination.

6. Lessee shall have free use of oil, gas and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including, but not limited to, repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty on oil and gas shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. No well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent.

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

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

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

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

SEE EXHIBIT "B" ATTACHED HERETO

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

SEE ATTACHED SIGNATURE PAGE



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SIGNATURE PAGE

James Robert Hill
James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

John A. Styrsky
Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by :
Its :

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

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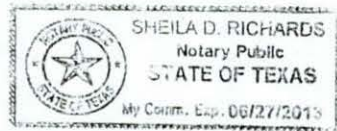
ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF TARRANT

James Robert Hill,
Virginia Glenn Hill Lattimore, and

Before me, the undersigned authority, on this day personally appeared John A. Styrsky, known to me to be the person whose name is subscribed to the foregoing instrument, as Co-Trustees of Houston and Emma Hill Trust Estate and acknowledged to me that they executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Trust.

Given under my hand and seal of office this the 15th day of November, 2010.



Sheila D. Richards
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared, known to me to be the person whose name is subscribed to the foregoing instrument, as of and acknowledged to me that executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

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

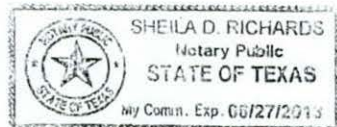
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared, James Robert Hill known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 15th day of November, 2010.



Sheila D. Richards
Notary Public in and for the State of Texas



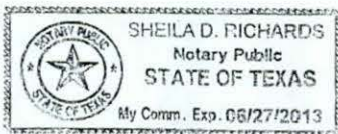
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ACKNOWLEDGEMENT
(individual)

STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared, Virginia Glenn Hill Lattimore
known to me to be the person whose name is subscribed to the foregoing
and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 15th day of November
2010.



Sheila D Richards
Notary Public in and for the State of Texas

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SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust


Nancy Puff Jones Trust
by: Dorothy Jean Keenom
Its: Sole Trustee

Westco Family Limited Partnership
By: Westco Energy, LLC, as general partner
Stephen R. Henson, President



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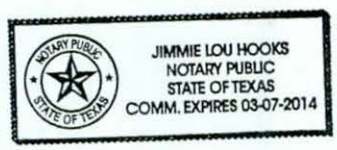
97078

ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF TEXAS
COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared Dorothy Jean Keenom, known to me to be the person whose name is subscribed to the foregoing instrument, as Sole Trustee of the Nancy Puff Jones Trust and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Nancy Puff Jones Trust.

Given under my hand and seal of office this the 15 day of December, 2010.



Jimmie L. Hooks
Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(Corporation)

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF
COUNTY OF

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

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SIGNATURE PAGE

James Robert Hill, individually and as
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Hill Trust Estate

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by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

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RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

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John A. Styrsky, Trustee

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MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by :
Its :



Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President

57076



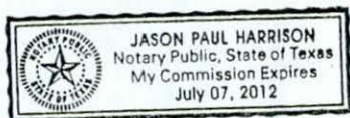
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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF Tx
COUNTY OF Upsher

Before me, the undersigned authority, on this day personally appeared Stephen R. Hanson, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Wastes Energy LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said LLC.

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



Jason Paul Harrison
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

57076



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SIGNATURE PAGE

James Robert Hill, individually and as
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Hill Trust Estate


Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by :
Its :

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President



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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

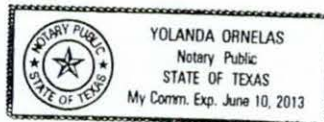
STATE OF
COUNTY OF Williamson

Before me, the undersigned authority, on this day personally appeared Alan Hill, known to me to be the person whose name is subscribed to the foregoing instrument, as President of Casady Enterprises, LLC, general partner and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Hill Investments, Ltd.

Given under my hand and seal of office this the 23 day of November, 2010.

Yolanda Ornelas
Notary Public in and for the State of TEXAS

ACKNOWLEDGEMENT
(Corporation)



STATE OF
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas



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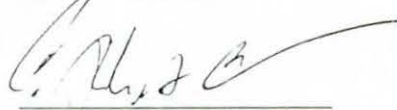
57.07.6

HILL - ENRIGEN #3

SIGNATURE PAGE

James Robert Hill, individually and as
Trustee of the Houston and Emma
Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President



Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

Houston and Emma Hill Trust Estate
John A. Styrsky, Trustee

PetroHill Resources, LLC
Michael S. Waltrip, Member, as agent for
Waltrip Marital Trust
MSW Revocable Trust
MLH Revocable Trust

Nancy Puff Jones Trust
by : _____
Its : _____

Westco Family Limited Partnership
By : Westco Energy, LLC, as general partner
Stephen R. Henson, President



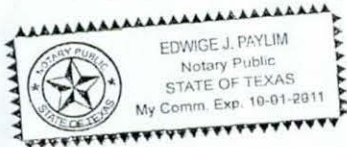
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ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

HILL - ENERGEN #3

STATE OF TX
COUNTY OF TRAVIS



Before me, the undersigned authority, on this day personally appeared E. ROBERTS HARRIS, JR., known to me to be the person whose name is subscribed to the foregoing instrument, as managing member of ENERGEN #3 LP, and acknowledged to me that He executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said LP.

Given under my hand and seal of office this 29 day of NOVEMBER, 2010.

[Signature]
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____, known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

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

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas



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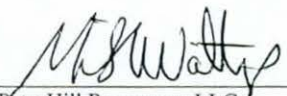
James Robert Hill, individually and as
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Hill Trust Estate

Hill Investments, Ltd.
by Casody Enterprises, LLC
its General Partner
Alan M. Hill, President

Virginia Glenn Hill Lattimore
Individually and as Trustee of the
Houston and Emma Hill Trust Estate

H-S Minerals & Realty, Ltd.
RC Star, LLC General Partner
E. Robert Shepard, Jr.
Managing Member

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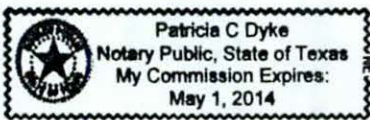
57.97.6

ACKNOWLEDGEMENT
(Company, LP, Ltd., LLC, Trust)

STATE OF Texas
COUNTY OF Tarrant

Before me, the undersigned authority, on this day personally appeared Michael S. Waltrip, known to me to be the person whose name is subscribed to the foregoing instrument, as Member of PetroHill Resources, LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said PetroHill Resources, LLC

Given under my hand and seal of office this the 15th day of November, 2010.



Patricia C Dyke
Notary Public in and for the State of

ACKNOWLEDGEMENT
(Corporation)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing instrument, as _____ of _____ and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas

ACKNOWLEDGEMENT
(individual)

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared, _____ known to me to be the person whose name is subscribed to the foregoing and acknowledged to me that _____ executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the _____ day of _____, 2010.

Notary Public in and for the State of Texas



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EXHIBIT 'A'

Attached to and made a part of Oil, Gas and Mineral Lease dated 12-01-10 by and between **Houston and Emma Hill Trust Estate, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

Public School Land Survey, Block 45

Section 38 : South 426.67 acres
only below 2900 feet

T & P Railroad Company Survey, Block 57, Township 3

Section 30 : All

Public School Land Survey, Block C-21

Section 17 : North 426.67 acres

T & P Railroad Company Survey, Block 56, Township 3

Section 20 : All
Only below the base of the Delaware formation

being 2133.34 gross acres
all in Reeves County, Texas

(Hill – Energen Lease #3)

51076



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EXHIBIT 'B'

Attached to and made a part of Oil, Gas and Mineral Lease dated 12-01-10 by and between **Houston and Emma Hill Trust Estate, et al**, Lessor, and **Energen Resources Corporation**, Lessee.

It is understood and agreed by all parties that the language on this Exhibit "A" supersedes any provisions to the contrary in the printed lease hereof.

11. Subject to paragraph #20 hereto, at the expiration of the primary term of this lease, each producing well drilled hereon will hold only the acreage allocated to said well by the proper governmental authority having jurisdiction as a proration unit. All other acreage except that included in a proration unit will be released and the lease will automatically terminate as to that acreage outside each producing well's proration unit or pooled unit. In the absence of field rules, 40 acres will be deemed to be a proration unit for an oil well and 160 acres will be deemed to be a proration unit for a gas well. Further, it is understood and agreed that Lessee shall earn depths as to each proration unit or pooled unit only to 100' below the deepest depth drilled and/or 100' below the base of the deepest formation in the case of a lateral or horizontal completion from which oil and/or gas is then being produced on such proration unit or pooled unit at the expiration of the primary term of this lease, and that this lease will terminate at such time as to all depths below such depth or formation. Producing as used in this lease means producing in paying quantities.

12. ANYTHING HEREIN TO THE CONTRARY notwithstanding, the royalties to be paid Lessor on production shall be Twenty Five Percent (25%), and wherever the word One-eighth appears in this lease, the same is hereby amended to read Twenty Five Percent (25%).

13. FAILURE TO PAY ROYALTY under the terms of this lease, and under the provisions of Texas Statutes can result in termination of this lease. Should oil and gas royalties not be received within the time prescribed by Texas Statutes, Lessor will provide notice to Lessee of Lessee's breach of royalty obligation, and should Lessee fail to make proper payment within 30 days of receipt of such written notice, Lessor may, at its option, demand payment including statutory interest. Lessee or his assigns shall pay or cause to be paid to Lessor, all of Lessor's proportionate part of his royalty revenues from the sale of hydrocarbons, associated gas and or natural gas from lands covered by this lease on a monthly basis; however, if Lessor's royalty revenues are less than \$25.00 for a month, then they may be accumulated to \$25.00 before distribution. All royalties must be paid at least once per annum.

14. ANYTHING HEREIN TO THE CONTRARY notwithstanding, this lease shall cover only oil, gas and other hydrocarbons, and all reference to other minerals contained herein is hereby deleted.

15. ANYTHING HEREIN TO THE CONTRARY notwithstanding, if at any time after the expiration of the primary term, Lessee shall have completed a well or wells on the above Leased Premises (or on land with which the said Premises or any part thereof may be pooled) which well or wells are capable of producing gas in commercial quantities but are shut-in with the result that gas is not produced or sold or used, Lessee may pay as royalty to Lessor for each such shut-in well on or before the expiration of ninety (90) days after (i) the date of completion of such gas well as evidenced by Well Completion Report filed with the appropriate state or other governmental regulatory agency or commission having jurisdiction, or (ii) the date such gas ceased to be sold or used, as the case may be, an amount equal to Fifty (\$50.00) per acre of land covered by this Lease which shall be attributed to the producing unit upon which the well or wells are located and upon making said payment it will be considered that each such well is producing gas in paying quantities within the meaning of this Lease for a period of one (1) year after the expiration of said ninety (90) day period. In like manner and upon like payments, being made annually on or before the expiration of the last preceding year for which such payment or tender has been made, it will be considered that said well or wells are producing gas in commercial quantities for successive periods of one (1) year each; provided that this Lease may not be maintained in force solely by payment of shut-in gas well royalty for any well under this paragraph for more than 18 consecutive months after the effective date of the first such payment, or for shorter periods, at various intervals not to exceed in the aggregate three (3) years in all.

16. ANYTHING HEREIN TO THE CONTRARY notwithstanding, it is expressly understood and agreed that Lessor shall have the option, but not the obligation, to take in kind Lessor's share of the royalty on production, and to market and dispose of its share of the production upon such terms as Lessor may desire at Lessor's risk and expense, and to hold Lessee harmless from any liability due to Lessor taking in kind.

17. IT IS EXPRESSLY UNDERSTOOD and agreed that Lessee is granted the privilege and right to assign all or part of the lands covered by this Lease, provided notice of any such assignment is given Lessor within sixty (60) days of recording said assignment.

18. LESSOR OR ANY of their representatives or employees, at their own risk, may have access to the derrick floor during drilling operations and shall receive copies of daily drilling reports by email to _____ and electric logs, tests, cores and completion reports within thirty (30) days, upon written request from the Lessor. All information provided to Lessor under the terms of this paragraph shall be held in strict confidence by Lessor and shall not be divulged to any third party until such confidential information is released to the public by Lessee. Upon full termination of this lease, all information provided to Lessor by lessee, and not by then made public by Lessee, shall then be considered as non-confidential.

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19. LESSEE SHALL NOTIFY Lessor within fourteen (14) days of the location and commencement of all drilling operations upon this lease or upon any acreage with which any or all of this Lease may be pooled. A copy of the permit and plat shall be forwarded to Lessor within thirty (30) days after spudding.

20. If at the expiration of the initial primary term and/or the expiration of the extension of the primary term as defined in paragraph # 43 of this agreement, Lessee has completed a well(s) or Lessee is then engaged in drilling, reworking, or other operations reasonably calculated to obtain or restore production, Assignee shall have the option to commence a continuous development program on said lease and this lease shall remain in full force and effect during such time as said continuous drilling program on the lands covered by this lease is conducted by Lessee. "Continuous Drilling Program" is defined herein to mean the continuous development of the leased premises by Lessee with no more than one hundred eighty (180) days elapsing between the completion of one (1) well and commencement of actual drilling operations of a succeeding well. For purposes of interpretation of this provision, a well should be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well should be determined to be commenced when such well is spudded. The termination of rights hereunder shall be the sole liability or penalty for the failure to drill any well or wells acquired or permitted hereunder. Upon cessation of such continuous drilling program this lease shall terminate as to all lands covered hereby, except as to each well capable of producing oil or gas in paying quantities, together with the proration unit (to be selected by Lessee) allocated thereto by the Texas Railroad Commission as of the date of such termination from the surface down to the depth of one hundred feet (100') below the deepest producing formation. Thereafter, Lessee shall promptly execute and deliver to Lessors a release of this lease as to all lands covered hereby, save and except to each such producing proration unit, and to all depths of such producing proration units except from the surface down to the depth of one hundred feet (100') below the deepest producing formation.

21. AT THE TERMINATION of this Lease, as to any part of the leased premises, Lessee, his heirs or assigns, at Lessee's sole expense, shall prepare and publicly record a release, and shall provide one (1) copy of release to Lessor.

22. LESSEE AGREES TO INDEMNIFY, defend and hold Lessor harmless from all claims, fines, or penalties, including but not limited to governmental or administrative environmental cleanup or compliance orders, which result or are related to Lessee's operations on the premises.

23. IF LESSOR FILES a legal action to enforce any express or implied obligation of this lease and receives a favorable judgment from a court of competent jurisdiction, then Lessor shall be reimbursed for all costs of such legal proceedings including reasonable attorney's fees.

24. IT IS AGREED THAT, all royalties accruing under this lease (including those paid in kind) shall be without deduction, directly or indirectly, to the point of sale, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

25. LESSEE is granted the right to pool under the terms of this lease; however, LESSEE agrees to provide LESSOR a copy of any pooling agreement, unitization agreement and or amendments prepared or executed by LESSEE which includes any land covered by this lease, within 60 days of recordation or effective date of said pooling agreement, unit agreement or amendment, whichever is the later date.

26. ANYTHING HEREIN to the contrary notwithstanding, this Lease covers only those lands described in this Lease and does not cover or include any land owned or claimed by Lessor that is adjacent or contiguous to the land described in this Lease.

27. LESSEE SHALL adequately protect the oil and gas under premises from drainage from adjacent lands or leases, including lands leased at a lesser royalty. If oil or gas should be produced in paying quantities from a well draining the leased premises, lessee shall, within (60) sixty days after notice from Lessor of such producing well, begin in good faith and pursue diligently operations leading to the drilling of an offset well and such offset shall be drilled to such depth as may be necessary to prevent drainage of the premises, and Lessee shall use all means necessary in a good faith effort to make such offset well produce oil or gas in paying quantities.

28. LESSEE'S right hereunder to prospect for oil and gas from the premises is exclusive, with the exception that Lessor expressly retains and reserves the concurrent right to grant third parties seismic, geophysical and geological permits and to enter into other agreements with third parties, which permits or agreements shall allow such third parties to conduct geophysical, geological or seismic surveys on, over, under, through or across the land covered herein during the term of this lease. Such seismic, geophysical or geological surveys shall not unreasonably interfere with Lessee's drilling or production activities on the lease.

29. LESSOR does warrant title to the mineral rights under the leased premises by, through and under but not otherwise. In the event all or part of the Lessor's title should fail, then Lessor shall have no



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liability for such failure other than refunding that portion of the bonus paid for this lease attributable to the interest as to which title has failed.

30. Lessee is granted the right to use existing roads on the leased premises for ingress and egress, and agrees to maintain, restore and keep roads in usable condition so long as this lease is in force and effect.

31. Lessee shall notify Lessor a minimum of 24 hours before cutting any new road, if necessary, into or on the leased premises.

32. Lessee shall install and maintain cattle guards at every fence crossing, said cattle guards to remain upon premises as Lessor's property at the expiration of this lease.

33. Lessee will bury and maintain all pipelines and electrical transmission lines 24 inches below the surface only in the event that topographic or ground conditions allow for lines being buried to the set out depth. Lessee may further use temporary poly flowlines with the written permission of the Lessor.

34. Lessee may use no more of the surface of the leased premises than is reasonably necessary to use for the purposes of which this lease is granted, and it shall exercise all rights granted to it herein with due regard for the rights of the owners of the surface.

35. It is further agreed that Lessee, its successors and assigns, shall not erect any buildings or houses on the leased premises and that only those structures which are reasonably necessary for production facilities or tank batteries shall be erected on the surface of the leased premises.

36. Lessee agrees to pay Lessor for damages as prescribed in Rate and Damages Schedule of the University of Texas System.

37. It is expressly understood that Lessee will not pollute any water aquifers or fresh water in, upon or under the leased premises, and Lessee agrees to notify Lessor in writing if fresh water is encountered during drilling or if a fresh water formation is penetrated.

38. Lessee further agrees to maintain all drill sites and other portions of the surface used or occupied by Lessee, its successors or assigns, free and clear of weeds and noxious vegetation and will maintain the same in reasonable manner to prevent additional damage to Lessor's other land and crops.

39. Upon written demand by Lessor, Lessee shall build and maintain fences around its slush, sump and drainage pits and tank batteries to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drill site of all rubbish thereon.

40. It is understood and agreed that, notwithstanding the foregoing, Lessee shall have a period of 180 days from and after the termination of this lease to remove casing and fixtures from the premises, and in the event Lessee fails to remove such property, casing and/or fixtures within 180 days, the ownership of same shall vest in Lessor, its heirs and assigns, upon the expiration of 180 days from and after the date of termination of this lease. Lessor may require the removal of said equipment.

41. Lessee further agrees that in the event of a dry hole or production from a well which production ceases and the abandonment of such well, or upon the abandonment of any well location, drill site, tank battery site or roadway, Lessee will restore the premises as nearly as reasonably possible to its former condition at the costs and expense of lessee, it being the intention of the parties hereto that the Lessee shall restore the surface to as nearly the state that it is in at the time of execution of this lease. In addition, Lessee agrees to restore the surface, whether coastal or native grasses, back to its original condition and agrees to re-sprig or reseed accordingly.

42. Lessee shall not use any existing water, whether from wells, tanks, ponds or reservoirs, from Leased premises without the prior written consent of Lessor as owner of the surface estate. Lessee, its successors and assigns, may itself drill a water well and then use the potable water from that well for drilling operations that are conducted on the Leased Premises or lands pooled therewith. However, lessee shall have no right to the use of potable water from the Leased Premises for water flooding or secondary recovery operations without the prior written consent of Lessor as the owner of the surface estate. In the event Lessee drills a new well and encounters non-potable water which is certified as not suitable for human, animal or agricultural use, Lessee may use same for its drilling, water flooding, or secondary recovery operations. Lessee may not drill a new well within 500 feet of an existing water well located on the leased premises without Lessor's prior written consent. In the event Lessee drills a water well on the Leased Premises and completes its use of same, upon termination of Lessee's use of said water well, Lessee will give Lessor a thirty (30) day written notice as to Lessee's intention to plug and abandon said water well. Lessor may during said thirty (30) day notice period, provide to Lessee a written request as to Lessor's election to take over the ownership of said water well and in such event, Lessee agrees upon receipt of a written request by Lessor to transfer said water well to Lessor as owners of the surface estate, upon Lessee's execution of a written transfer instrument that includes Lessor's agreement to accept the water well "AS IS" without any warranty and Lessor's agreement to assume all rights, responsibilities and liabilities, if any, for the operation and maintenance of said water well, including but not limited to plugging of the well in accordance with any regulations of applicable governmental agency or agencies.

51.01.8



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43. Lessee is hereby given the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of seven hundred fifty dollars (\$ 750.00) per net mineral acre direct to to Lessor at the above address. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. Lessee is also given the exclusive option to renew only a portion of the lease acreage and thereafter release the remaining acreage to the Lessor. This payment may be made by the check or draft of Lessee mailed or delivered to Lessor or to said bank at any time during the original primary term hereof. If, at the time this payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

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

FILE# 155

FILED FOR RECORD ON THE 11TH DAY OF JANUARY

A.D. 2011 10:35 AM.

DULY RECORDED ON THE 20TH DAY OF JANUARY

A.D. 2011 9:00 A.M.

BY:

[Signature] DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



TRUE & CORRECT
COPY OF
ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

51.07.0

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File No. MF 114159
County
Date Filed: 12/21/15
George P. Bush, Commissioner
By: TRAVIS MATTHEWS

CERTIFICATE OF RECORD

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

Date Filed 1/11/11 File # 155 Vol. 863 Page 335



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: N. Jimenez Deputy

3.70.15