

MF114165

<i>State Lease</i>	<i>Control</i>	<i>Base File</i>	<i>County</i>
MF114165	65-902205		TARRANT

EXPIRED
 DATE 6/5/2013
 LEASING JM
 MAPS JH
 GIS KW

<i>Survey</i>	TARRANT COUNTY ROADS	
<i>Block</i>		
<i>Block Name</i>		
<i>Township</i>		
<i>Section/Tract</i>		
<i>Land Part</i>	PARTS OF EAST BERRY STREET AND TARR	
<i>Part Description</i>		
<i>Acres</i>	0.331	
<i>Depth Below</i>	<i>Depth Above</i>	<i>Depth Other</i>
		See Lease
<i>Name</i>	CHESAPEAKE EXPLORATION, LLC	
<i>Lease Date</i>	6/5/2012	
<i>Primary Term</i>	1 yrs	
<i>Bonus (\$)</i>	\$4,965.00	
<i>Rental (\$)</i>	\$0.00	
<i>Lease Royalty</i>	0.2500	

Leasing: GH
Analyst: GH
Maps: JH
GIS: ZC
DocuShare: _____



CAUTION

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

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

Thank you for your assistance.

Archives and Records Staff

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



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CONTENTS OF FILE NO. MF 114165

1. Application and checklist	5/11/12
2. Lease	6/5/12
3. Cover letter, fees, and bonus	5/11/12
4. Plat	"
5. Affidavit of Highest Consideration	"
6. Project Details	"
7. Final Letter	6/25/12

Scanned 1-24-13 PJC
 See M#105814#32, A#10291
 Chouffe et al (40) Total 6-26-17
 Scanned PJ 7-10-2017



RECEIVED
5/11/12

GLO USE ONLY
STATE LEASE
MF- _____

A

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

LESSEE Chusapeake Exploration, LLC

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

HIGHEST ADJACENT BONUS PER ACRE PAID \$ 15,000.00

TOTAL CONSIDERATION TO COMMISSIONER OF GENERAL LAND OFFICE

0.331 [net acres] \$ 4,965.00 Paid 5-7-12 [date]

TERM 1 year (the time remaining on terms of adjoining leases – use longest term remaining not to exceed 3 yrs)

HIGHEST ADJACENT LEASE ROYALTY RATE 25%

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

TOTAL GROSS ACRES IN LEASE 0.331 TOTAL NET ACRES IN LEASE 0.331

COUNTY Tarrant

ALL NAMES OF ROAD/HIGHWAY/STREET BEING LEASED:
East Berry Street

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

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

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

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

Robert R. Ramsey
Survey, A-1342



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE

Revised May 2011

CHECKLIST

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

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

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

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

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

For questions about pooling:

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

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File No. 114165

App. Checklist

Date Filed: 5/11/12

Jerry E. Patterson, Commissioner

By GH

114165

APR 25 2012

2.11.12

102

The State of Texas



Austin, Texas

PAID-UP
OIL AND GAS LEASE NO. (MF 114165)
GENERAL LAND OFFICE
AUSTIN, TEXAS

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

1. Lessor, in consideration of **Four Thousand Nine Hundred Sixty Five and 00/100 (\$ 4,965.00)**, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease, and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, and all other hydrocarbons, produced from the land covered hereby. The land covered hereby, herein called "said land" is located in the County of **Tarrant**, State of Texas, and is described as follows:

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

For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain **0.331 acres**, whether actually containing more or less, and the above recital of acreage shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. PRIMARY TERM: This lease, which is a "paid up" lease requiring no rentals, shall remain in force for a term of **one year**, from **June 5th, 2012** hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. ROYALTIES: As royalty Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its well, the equal **25 %** part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such **25 %** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear none of the cost of treating oil to render it marketable pipe line oil;

(b) To pay Lessor on gas and casing head gas produced from said land (1) when sold by lessee 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 25% of such gas and casing head gas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

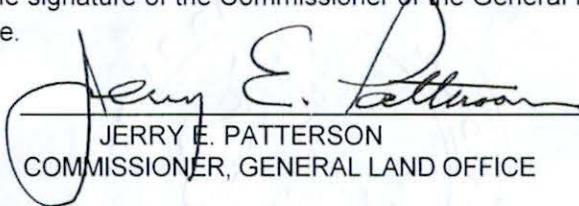
13. SURFACE: Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional well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

14. COMPENSATORY ROYALTY: Lessee shall pay a compensatory royalty if this lease is not being held by production on the leased premises, by production from a pooled unit, or by payment of shut-in royalties in accordance with the terms of this lease, and if oil or gas is sold or delivered in paying quantities from a well located within 2,500 feet of the leased premises and completed in a producible reservoir underlying the area leased hereunder or in any case in which drainage is occurring. Such compensatory royalty shall be paid at the royalty rate provided in this lease based on the value of production from the well as provided in the lease on which such well is located. The compensatory royalty shall be paid in the same proportion that the acreage of this lease has to the acreage of the proration unit surrounding the draining well plus the acreage of this lease. The compensatory royalty shall be paid monthly to the Commissioner of the General Land Office on or before the last day of the month after the month in which the oil or gas is sold and delivered from the well causing the drainage or from the well located within 2500 feet of the leased premises and completed in a producible reservoir under this lease. Notwithstanding anything herein to the contrary, compensatory royalty payable hereunder shall

be no less than an amount equal to double the shut-in, and shall maintain this lease in effect for so long as such payments are made as provided herein.

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

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


JERRY E. PATTERSON
COMMISSIONER, GENERAL LAND OFFICE

Approved:
ML: 
DC: 
CC: 

Exhibit A

0.331 acres of land, more or less, being parts of East Berry Street and Tarrant Road, all within the Bill Pickett Unit, Tarrant County, Texas.

Tract 1: (East Berry Street)

0.331 acres of land, more or less, being a tract of land out of the Robert R. Ramey Survey, Abstract No. 1342, Tarrant County, Texas, being a part of a 3 acre tract of land as recorded in Block 11, Volume 1699, Page 279, in the Deed Records of Tarrant County, Texas, and being the same tract of land more particularly described by metes and bounds in that certain Special Warranty Deed, dated the 13th day of December, 1960, by and between F.M. Marsh and wife, Maggie Marsh, as Grantor, and City of Fort Worth, as Grantee, recorded in Volume 3515, Page 308, of the Deed Records of Tarrant County, Texas.



Highway Right-of-Way Plat of
 East Berry St.
 MF114165
 0.331 acres
 Tarrant County, Texas



500 250 0 500 Feet

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



Map Generated by:
 Zeke Guillen
 IS/BAS/GIS
 July 2012

2

File No. 124165

Lease

Date Filed: 6/5/12

Jerry E. Patterson, Commissioner

By GH



Dale Property Services, LLC

500 Taylor Street, Suite 600
Annex Building

FORT WORTH, TX 76102

(817) 451-5353

May 4, 2012

Mr. George Martin
Texas General Land Office
Lease Administration
1700 North Congress Avenue, Room 600
Austin, Texas 78701

Re: Application by Dale Property Services, L.L.C. to acquire Oil and Gas Lease, 0.331 acres, more or less, being the East Berry Street R-O-W, Tarrant County, Texas. Said application is on behalf of **Chesapeake Exploration, L.L.C.**, an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496.

Dear George:

The following described land designates the R-O-W for East Berry Street:

(Please refer to the attached Exhibit "A")

Dale Property Services, L.L.C. ("Dale") has researched the aforementioned R-O-W and discovered that Tarrant County and/or the State of Texas own a portion of it. Dale and/or Chesapeake Exploration, L.L.C. ("Chesapeake") owns oil and gas leases on either side of said R-O-W. Therefore, it is necessary for Dale to acquire an oil and gas lease covering the same in order for Chesapeake to drill a horizontal well from an off-site location. We are requesting that the State of Texas grant Chesapeake an oil and gas lease covering said land. If granted the lease, Chesapeake will combine this lease with their present leases in a concerted plan of development for the Bill Pickett prospect area.

Dale is currently offering in the range of \$1,500-\$2,500 per net mineral acre for consideration for other mineral leases in the immediate area of the above described lands. Please see the enclosures for details pertaining to the highest bonus per acre, longest term, highest royalty, and highest shut-in royalty of the leases adjacent to the aforementioned R-O-W.

Thank you for your assistance, and please call me with any questions.

A handwritten signature in blue ink, appearing to read 'Jean Paul Beebe'.

Jean Paul Beebe
P: 817-507-1802
F: 817-496-3822
jeanb@dale-resources.com



Memo

To: Whom It May Concern
From: Jay Herbst
CC: Jean-Paul Beebe
Date: 4/18/2012
Re: Southeast Fort Worth Prospect, Bill Pickett Unit, East Berry St and Tarrant Road

This memo is in regard to research performed on East Berry Street and Tarrant Road, all being within what has been designated as the Bill Pickett Unit, and being more particularly described as:

0.331 acres of land, more or less, being parts of East Berry Street and Tarrant Road, all within the Bill Pickett Unit, Tarrant County, Texas.

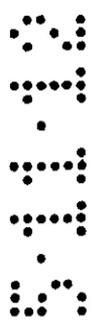
Tract 5: (East Berry Street)

0.331 acres of land, more or less, being a tract of land out of the Robert R. Ramey Survey, Abstract No. 1342, Tarrant County, Texas, being a part of a 3 acre tract of land as recorded in Block 11, Volume 1699, Page 279, in the Deed Records of Tarrant County, Texas, and being the same tract of land more particularly described by metes and bounds in that certain Special Warranty Deed, dated the 13th day of December, 1960, by and between F.M. Marsh and wife, Maggie Marsh, as Grantor, and City of Fort Worth, as Grantee, recorded in Volume 3515, Page 308, of the Deed Records of Tarrant County, Texas.

Research for this project was conducted using Tarrant County Deed Card records, Tarrant County Official Public Records, Tarrant County Historical Society records, Tarrant County Appraisal District records, Chesapeake title plant records, Texas Department of Transportation records and records held by the Fort Worth Transportation Department. Research stopped at 6:00 p.m. on April 18, 2012.

Some conveyances, both deeds and certain condemnations, were unable to be found by both myself and county and state employees. Individuals in the Fort Worth Transportation Department and the Tarrant County Historical Society records both were able to refer to maps of the City of Fort Worth from as early as the late 1800s through the time that Tarrant Road had obviously already been created. No information was found that would refer to any creation documents for the said street. I was unable to locate any widenings for the south parts of Lots 4-9 in the Meadowlawn addition. The original road was Richardson Street and it was dedicated in the plat provided.

Frequently, early title to surveys in the State of Texas is vague. In Tarrant County, some records were destroyed by the 1876 Court House fire or misplaced and never filed of record. Consequently, Tarrant County records may not show certain transactions in title to the current owner(s) and title may be clouded by the absence of such records.



Dale Property Services, L.L.C.
500 Taylor St., Suite 600
Annex Building
Fort Worth, TX 76102
(817) 451-5353

OWNERSHIP REPORT

PROSPECT: SEFW

REPORT DATE: April 18, 2012

RECORD DATE: April 11, 2012

COUNTY OF: Tarrant

STATE OF: Texas

DESCRIPTION

0.331 acres of land, more or less, being parts of East Berry Street and Tarrant Road, all within the Bill Pickett Unit, Tarrant County, Texas.

Tract 1: (East Berry Street)

0.331 acres of land, more or less, being a tract of land out of the Robert R. Ramey Survey, Abstract No. 1342, Tarrant County, Texas, being a part of a 3 acre tract of land as recorded in Block 11, Volume 1699, Page 279, in the Deed Records of Tarrant County, Texas, and being the same tract of land more particularly described by metes and bounds in that certain Special Warranty Deed, dated the 13th day of December, 1960, by and between F.M. Marsh and wife, Maggie Marsh, as Grantor, and City of Fort Worth, as Grantee, recorded in Volume 3515, Page 308, of the Deed Records of Tarrant County, Texas.

Surface Owner(s): State of Texas

Phone Number:

Tenant:



Mineral Ownership Report X

MINERAL OWNERSHIP

Southeast Fort Worth Prospect - Bill Pickett Unit

MINERAL OWNER	INTEREST	ACREAGE	LEASE INFORMATION
City of Fort Worth Tract 1	100%	0.331, more or less	Leased to: Date: Term: NO LEASE FOUND OF Royalty: RECORD Vol/Pg:
TOTALS FOR MINERAL OWNERSHIP	100%	0.331, more or less	

This Acreage is Subject to the Following Agreements (O/A's, Com. Agmts., Pooling, etc.):

Liens or Encumbrances:

Title Curative Required:

Additional Lands Covered by Lease(s):

LEASEHOLD OWNERSHIP

Southeast Fort Worth Prospect - Bill Pickett Unit

Interest Owners	Working Interest	Net Revenue Interest	Comments
	100%		
WORKING INTEREST TOTALS	100%		
Royalty: Overriding Royalty:			
TOTAL ROYALTY BURDENS			
ALL LEASEHOLD TOTALS	100%	1.000000	

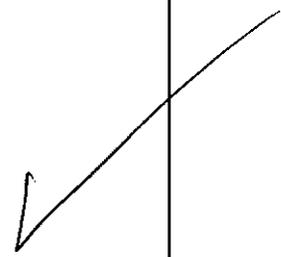
12711434

0008019 TX GENERAL LAND OFFICE

No. 1776066



VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0571070	04/24/12	042412G	BARNETT CORE PR LSE BNS 0.331	4965.00
Total for check				\$4,965.00



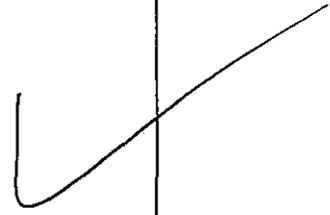
12711436

0008019 TX GENERAL LAND OFFICE

No. 1776068



VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0571161	04/24/12	0424121	BARNETT CORE PR DRAFT FEE	74.48
Total for check				\$74.48



File No. 114165

Cover Letters @ Bonus @ Fees

Date Filed: 5/11/12

Jerry E. Paterson, Commissioner

By GH

2012



STRONG

AVE.

COLLARD

BISHOP

FORBES

C B THOMAS SUB 41830

AVE.

THANNISCH

ENGLEWOOD HTS ADDN 12820

AVE.

T E MILLER SUB 26120

F L NORRIS 28300

B W McCULLOUGH 27420

BURTON

LITTLE

CAMPBELL

BRIGHT

SYDNEY

4

9

10

26

28

Tract 1: 0.331 acres of land, more or less.

DERRY-BERRY 9720

TARRANT

TARRANT RD

AVE.

GAONA PLACE 15033A 1

BRANTS SUB 1 3300

B DENTON 9700

EAST

BERRY

ST.

MEADOW LAWN ADDN 25435

3

ROBERT R RAMEY A-1342

WATKIN ADDN 45270

6A

LOIS ST.

LOIS ST.

PRINCE HALL GRAND LODGE OF TEXAS 33023

McCLEDON HTS. 7300

BRIGHT

ST.

WATKIN ADDN 45270

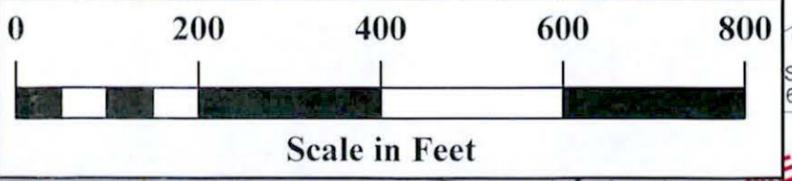
MEADOW LAWN 25435

5

J R BURLESON 5930

McCLEDON HTS 7300

WATKIN ADDN 45270

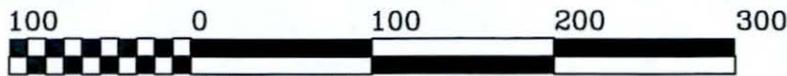


MEADOW 7

J.R. BURLESON ADDN

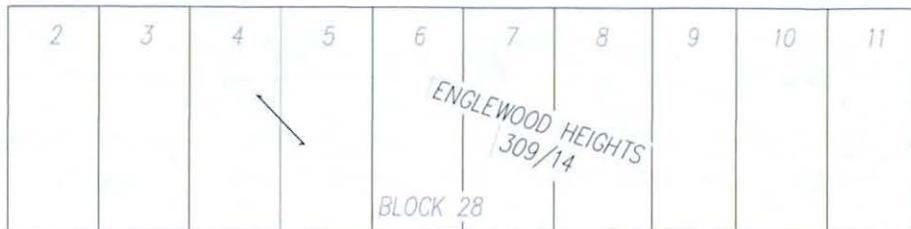
GHT ST

NEY ST



GRAPHIC SCALE - FEET

BEARINGS AND COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM OF 1927, NORTH CENTRAL ZONE (4202), AS OBTAINED BY GPS OBSERVATIONS.



TARRANT ROAD

CAMBELL STREET

ENGLEWOOD HEIGHTS
THIRD FILING
309/34

R. R. RAMEY
SURVEY, A-1342

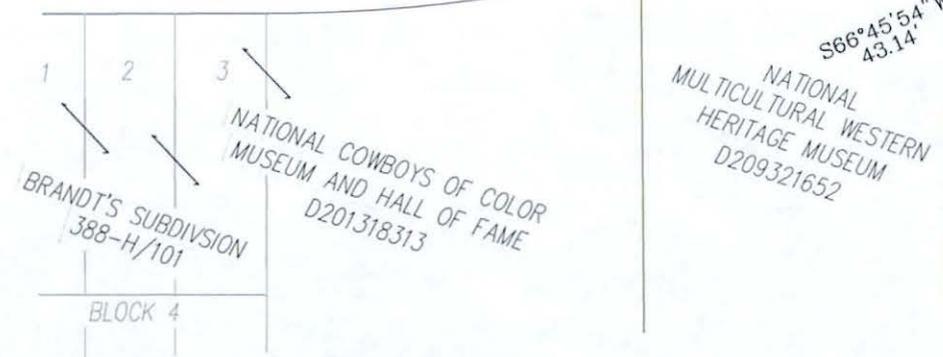


BERRY STREET

S00°38'20"E
43.33' CITY OF FORT WORTH
3515/304

S00°20'26"E
43.42'

CURVE DATA				
CURVE	RAD	LENGTH	CHORD	BEARING
C1	774.44'	104.21'	104.13'	N70°37'11"E
C2	854.44'	136.25'	136.11'	S71°19'59"W



8426/1795

**0.33 ACRE-TRACT 1851
PORTION OF EAST BERRY STREET
INCLUDED IN THE BILL PICKETT UNIT
CHESAPEAKE OPERATING, INC.**

CITY OF FORT WORTH
TARRANT COUNTY, TEXAS

4/19/2012

Title furnished by CHESAPEAKE OPERATING, INC.

Prepared from a partial on the ground survey, prior unit plats, deeds and other instruments furnished by CHESAPEAKE OPERATING, INC.

29

File No. 114165

Pat

Date Filed: 5/11/12

Jerry E. Patterson, Commissioner

By G-H

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

STATE OF TEXAS

COUNTY OF Tarrant

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

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

That his/her name is Tara Harlan. And that, Affiant is personally familiar with and knowledgeable of the terms and conditions of the oil and gas lease(s) which adjoin(s) East Berry Street [common name(s) of highway/roadway] situated in Tarrant County, Texas, said highway/roadway being described on Exhibit "A" attached hereto and made a part hereof. And that the highest and best terms for any lease adjoining lands described in Exhibit "A" are as follows:

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

Primary Term: 5 years

Royalty Rate: 25%

Delay Rentals: \$ N/A

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

Further, Affiant sayeth not.

Tara Harlan
[signature of affiant]

Tara Harlan
[printed or typed name of affiant]

State of Texas
County of Tarrant

Sworn to and subscribed before me on the 7th day of May, 20 12, by Tara Harlan (name of Affiant).

J.P. Beebe
Notary Public's Signature



Exhibit A

**Coordinating
Map & Lease
Number**

- | | | |
|----------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Oil and Gas Lease
Lessor: Shirley & Ted Norwood
Lessee: Dale Property Services, LLC
Recording Info: D208262441 | Bonus Per Acre: \$15,000.00
Acreage: 0.254
Primary Term: 5
Royalty: 25.00%
Shut-In Royalty: \$1.00 |
| 2 | Oil and Gas Lease
Lessor: Raymond & Barbara Ward
Lessee: Dale Property Services, LLC
Recording Info: D206342754 | Bonus Per Acre: N/A
Acreage: 3.00
Primary Term: 3
Royalty: 25.00%
Shut-In Royalty: \$1.00 |

⑤

File No. 114165

Highest Consideration

Date Filed: 5/11/12

Jerry E. Patterson, Commissioner

By GA

308

Instrument No. 82205-150

125—WARRANTY DEED

TEXAS STANDARD FORM

The State of Texas, } \$2205-150
County of Tarrant } Know All Men by These Presents:

That we, F.M. Marsh and wife, Maggie Marsh

of the County of Tarrant State of Texas for and in consideration
of the sum of -----TEN AND NO/100-----
-----(\$10.00)----- DOLLARS
and other good and valuable considerations
to us in hand paid by

City of Fort Worth, a municipal corporation as follows:

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



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

of the County of Tarrant State of Texas all that certain
lot, tract or parcel of land, described as follows, to-wit:

Being a 14,286 square foot (0.328 acre) tract of land out of a 3 acre
tract in Block 11, R.R. RAMEY SURVEY, described in deed recorded in Vol.
1699, page 279, of the Deed Records of Tarrant County, Texas, and more
particularly described as follows:

BEGINNING at the Northeast corner of said 3 acre tract, said corner being
in the present South right-of-way of Tarrant Road;

THENCE South 128.8 feet with the East line of said 3 acre tract;

THENCE South 67 degrees 11 minutes West 43.2 feet to the P.C. of a curve
to the right having a central angle of 8 degrees 56 minutes and a radius
of 854.44 feet;

THENCE in a Southwesterly direction along said curve 133.1 feet to a point
in the West line of said 3 acre tract;

THENCE North 82.7 feet with said West line to the P.C. of a curve having
a central angle of 7 degrees 27 minutes and a radius of 774.44 feet;

3 5 1 5 0 3 0 8

THENCE beginning with a tangent bearing North 74 degrees 38 minutes East in a northeasterly direction 100.62 feet along said curve to the P.T. thereof;

THENCE North 67 degrees 11 minutes East 76.8 feet to a point in the East property line of said 3 acre tract;

THENCE North 9 degrees 28 minutes West 42.6 feet to a point in the North line of said 3 acre tract and in the South line of Tarrant Road;

THENCE South 69 degrees 49 minutes East 7.0 feet with said North line of said 3 acre tract to the place of beginning, and containing 14,266 square feet (0.328 acres) of land, more or less.

TO HAVE AND TO HOLD, the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said City of Fort Worth, its successors

and assigns forever and We do hereby bind ourselves, our heirs, executors and administrators, to Warrant and Forever Defend; all and singular the said premises unto the said City of Fort Worth, its successors

and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Fort Worth, Texas, this 13th day of December 1960

Witness at request of Grantor: F.M. Marsh, Maggie Marsh

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS, COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared F.M. Marsh 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 23rd day of December A.D. 1960 (L.S.) Notary Public in and for Tarrant County, Texas

WIFE'S SEPARATE ACKNOWLEDGMENT

THE STATE OF TEXAS, COUNTY OF Tarrant

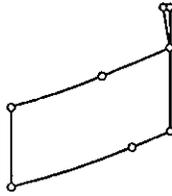
BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Maggie Marsh wife of F.M. Marsh known to me to be the person whose name is subscribed to the foregoing instrument, and having been examined by me privily and apart from her husband, and having the same fully explained to her, she the said Maggie Marsh acknowledged said instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of December A.D. 1960 (L.S.) Notary Public in and for Tarrant County, Texas

FILED ACKNOWLEDGMENT

Filed for Record DEC 29 1960 at 3:31 PM And Received JAN 4 1961 at 3:12 PM Instrument No. 32205 MELVIN 'MEL' FAULK County Clerk, Tarrant County, Texas By [Signature] Deputy

3515 0309



Title:

Date: 02-21-2011

Scale: 1 inch = 200 feet

File: Tract 5I (3515-308).des

Tract 1: 0.327 Acres: 14256 Sq Feet: Closure = s19.2751e 0.79 Feet: Precision = 1/781: Perimeter = 614 Feet

001=s0e 128

004=n0e 82.7

007=n09.2800w 42.6

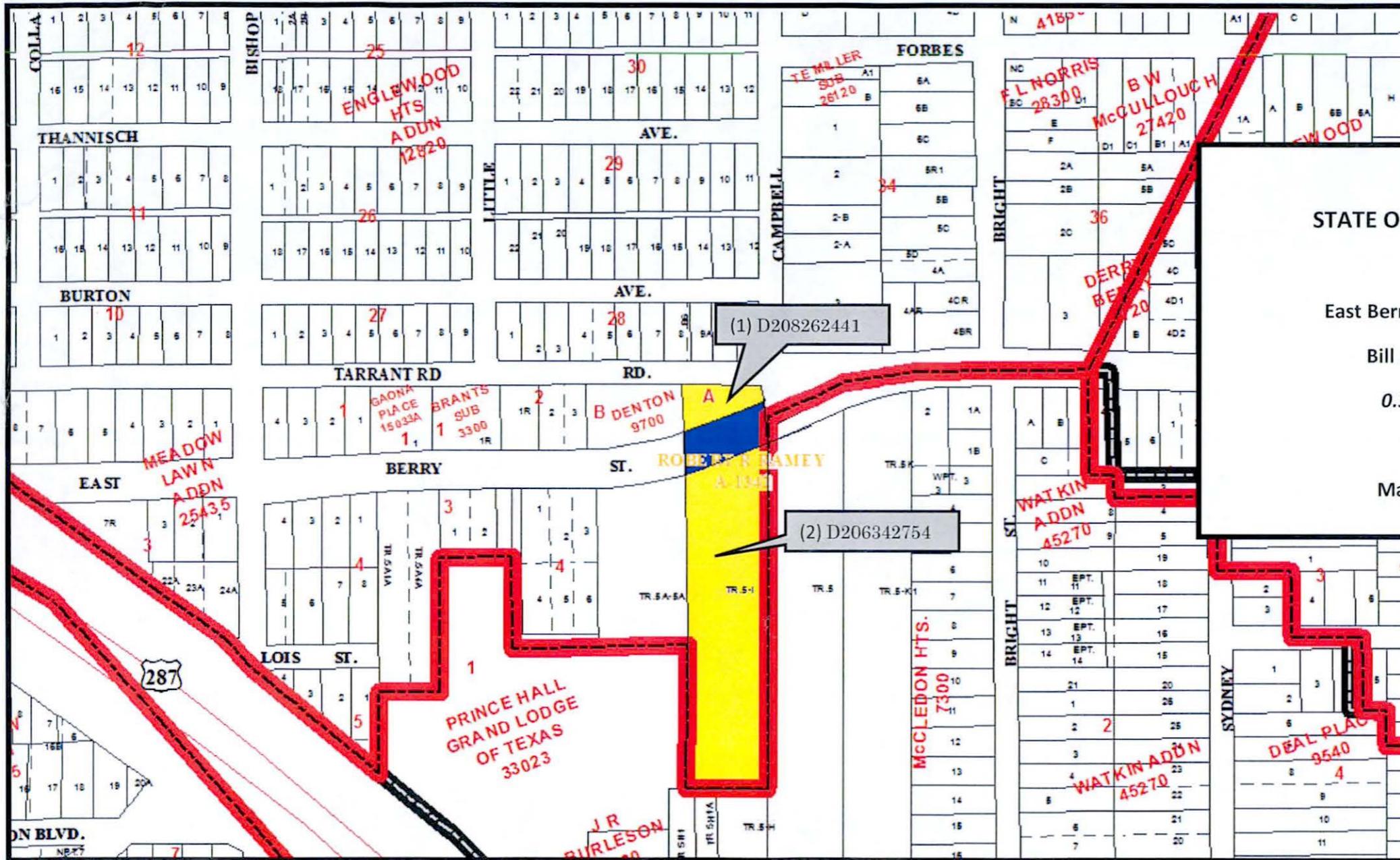
002=s67.1100w 43.2

005: Lt, R=774.44, Arc=100.62, Delta=07.27
T=n74.38e

008=s89.4900e 7

003: Rt, R=854.44, Arc=133.1, Delta=08.5600

006=n67.1100e 76.8



STATE OF TEXAS LEASE

East Berry Street R-O-W

Bill Picket Unit

0.331 acres

May 7, 2012

(1) D208262441

(2) D206342754

	<p>Dale Property Services, LLC Leasehold</p>		<p>East Berry Street R-O-W</p>
--	----------------------------------------------	--	--------------------------------

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

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

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

THIS LEASE AGREEMENT is made this 14th day of June, 2008, by and between
Ted Norwood Jr and wife Shirley Norwood

whose address is 629 Blake Drive Arlington Texas 76001 as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

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

.254 ACRES OF LAND, MORE OR LESS, BEING LOT(S) NA, BLOCK A
OUT OF THE Depton ADDITION, AN ADDITION TO THE CITY OF
Fort Worth TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME 288-57, PAGE 388 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

In the County of Tarrant State of TEXAS, containing .254 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

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

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

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

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

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

D208262441



DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 07/08/2008 12:18 PM
Instrument #: D208262441
LSE 3 PGS \$20.00

By: _____



D208262441

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

Printed by: MC

4
Notice of Confidential Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your social security number or your driver's license number.

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 27th day of October, 2006, between Raymond Ward, acting by and through his duly authorized agent and attorney-in-fact, Barbara Ward and wife, Barbara Ward, Lessor (whether one or more), whose address is 3534 East Berry Street, Fort Worth, Texas, 76105, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

3.0 acres of land, more or less, out of the R. Ramey Survey, Abstract 1342, Tarrant County, Texas, being more particularly described by metes and bounds in that certain deed dated June 10, 1993, by and between Maggie Marsh Drennan, as Grantor, and Raymond Ward and wife, Barbara Ward, as Grantee, and recorded in Volume 11116, Page 170, of the Official Public Records of Tarrant County, Texas.

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

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

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

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

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

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

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

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

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

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

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

SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF

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

Barbara Ward Barbara Ward
Raymond Ward, acting by and through his duly authorized agent and attorney-in-fact, Barbara Ward Barbara Ward

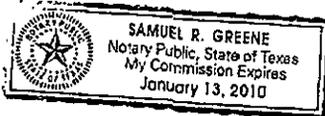
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 27th day of October, 2006

by Raymond Ward, acting by and through his duly authorized agent and attorney-in-fact, Barbara Ward.



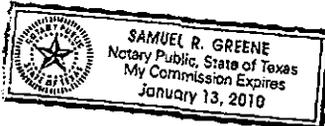
Samuel R. Greene
Notary Public, State of
Notary's name (printed):
Notary's commission expires:

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 27th day of October, 2006

by Barbara Ward.



Samuel R. Greene
Notary Public, State of
Notary's name (printed):
Notary's commission expires:

Exhibit "A"

ATTACHED TO AND MADE PART OF THAT CERTAIN PAID UP OIL, GAS AND MINERAL LEASE DATED October 27, 2006 BETWEEN RAYMOND WARD, ACTING BY AND THROUGH HIS DULY AUTHORIZED AGENT AND ATTORNEY-IN-FACT, BARBARA WARD, AND WIFE, BARBARA WARD, AS LESSOR, AND DALE RESOURCES, L.L.C., AS LESSEE.

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

12. Surface Drillsites:

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

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

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

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

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

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

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

(F) Notwithstanding anything to the contrary, due to the fact that the Lease Premises do not provide Lessee with an adequate amount of acreage to build a sufficient size drilling and completion pad site, Lessee will be required to use additional lands adjacent to the Lease Premises for its operations. Therefore, the above overriding royalty to be paid to Lessor shall be reduced proportionately based on the number of acres contributed by Lessor divided by the total number of acres comprising the drilling and completion pad site. For example, if the drilling and completion pad site is 4 acres in size, and 2 acres of the Lease Premises are contributed to such pad site, then Lessor's proportionate part shall be 50% of the overriding royalty attributable to such well.

13. Lessee agrees to pay surface damage for the specific operations stated below, as follows:

Well Locations: \$25,000.00 for each operations site constructed on the leased premises. Such well location damages shall include the tank battery, meter runs, flow lines, power lines, telephone lines, electric lines and such additional equipment as may be necessary for the normal production of oil and gas for the initial well drilled on the leased premises. Lessee shall pay Lessor \$10,000 for each additional well drilled from said operations site.



DALE RESOURCES
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 11/01/2006 12:55 PM
Instrument #: D206942754
QPR 8 PGS \$28.00

By: _____



D206942754

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

6

File No. 14165

Project Details

Date Filed: 5/11/12

Jerry E. Patterson, Commissioner

By GP

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

June 25, 2012

Mr. Jean Paul Beebe
Dale Property Services, LLC
Agent for Chesapeake Exploration, LLC
500 Taylor Street, Suite 600
Ft. Worth, TX 76102

Dear Mr. Beebe,

Re: State of Texas HROW Lease # MF 114165

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

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

Please have your client provide the GLO with a copy of the Unit Designation after this lease has been added and the unit designation has been recorded.

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

Best regards,

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

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

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

www.glo.state.tx.us

File No. 11-1165

(7)

Final Letter

Date Filed: 6/25/12

Jerry E. Patterson, Commissioner

by GU