

#7641 i Nut 11031 *State Lease* *Control* *Base File* *County*
~~Unit 9743~~ i Nut 11032 MF115351 65-902205 TARRANT
 Unit 10832

EXPIRED
 DATE 9-21-15
 LEASING JM
 MAPS SA
 GIS MI

expired in error

Leasing: MA.
 Analyst: _____
 Maps: _____
 GIS: LG
 DocuShare: _____

Survey TARRANT COUNTY ROADS
 Block
 Block Name
 Township
 Section/Tract
 Land Part RUTAN STREET
 Part Description
 Acres 0.764
 Depth Below Depth Above Depth Other
 Name CHESAPEAKE EXPLORATION, LLC
 Lease Date 6/4/2013
 Primary Term 1 yrs
 Bonus (\$) \$7,640.00
 Rental (\$) \$0.00
 Lease Royalty 0.2500



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



CONTENTS OF FILE NO. MF-115351

- 1 Application & Checklist 4/25/13 - M.A.
- 2 Oil & Gas Lease 6/4/13 - M.A.
- 3 Cover letter, bonus, fees 4/25/13 - M.A.
- 4 Plat 4/25/13 - M.A.
- 5 Affidavit of Highest Consideration 4/25/13 - M.A.
- 6 Source Deeds Record 4/25/13 - M.A.
- 7 Adjacent lease schedule 4/25/13 - M.A.
- 8 Final Letter 6/19/13 - M.A.
9. Waiver letter 4/25/13 M.A.

Scanned sm 12/18/14
EXPIRED LEASE 9-21-15

scanned PJ 10-26-15
See MF105814 #32 Assn #1029
Chesapeake (to) Total 6-26-17

(See MF117634 item # 7
for Buckslip Unit 7641)

(See MF119744 item # 6 for
Buckslip Unit 9743 "Vaguero Unit")

(See MF112142, item #8, Division Order)

scanned PJ 5-21-2019

(See MF112142 item # 9 for
Buckslip 10832 Amended
Vaguero Unit)

scanned PJ 10-8-2020

(See MF112142 items #
10 & 11 for iNuts 11031
& 11032)

scanned PJ 4-12-2021



RECEIVED
4/25/13

GLO USE ONLY
STATE LEASE
MF-115351

APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE

Revised Sept 2011

LESSEE Chesapeake Exploration, L.L.C.

ADDRESS P.O. Box 18496, Oklahoma City, OK 73154

[Lessee name and address must be written as they will appear on the Lease.]

HIGHEST ADJACENT BONUS PER ACRE PAID \$ 10,000.00 NET ACRES 0.207

TOTAL CONSIDERATION TO COMMISSIONER OF GENERAL LAND OFFICE

\$ 7,640.00 Paid 4-23-2013 \$ 114.60 Paid 4-23-2013
[bonus amount] [date] [sales fee] [date]

TERM [General Land Office will determine the Term based on remaining term of adjacent leases] ~~3 years~~ 1 year

HIGHEST ADJACENT LEASE ROYALTY RATE 25%

HIGHEST ADJACENT LEASE SHUT-IN ROYALTY ~~\$100~~ \$1200/well
[Note: Shut-in royalty will be highest in adjacent leases with a minimum of \$1200/well.]

TOTAL GROSS ACRES IN PROPOSED LEASE 0.764 TOTAL NET ACRES IN PROPOSED LEASE 0.764

COUNTY Tarrant

ALL NAMES OF ROAD/HIGHWAY/STREET BEING LEASED:
Rutan Street

Rutan Street

FULL DESCRIPTION [Abstract, Block, Township, Section]
C.T. Hilliard A-715

Do you control all minerals or leasehold adjacent to the highway/roadway? Yes No
If no, what percent of minerals or leasehold adjacent to the roadway do you control? _____

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

C.T. Hilliard Survey,
A-715



APPLICATION & CHECKLIST FOR HIGHWAY RIGHT OF WAY LEASE

Revised Sept 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. Check to Commissioner of General Land Office for total consideration.
- 6. Check to Commissioner of General Land Office for 1-1/2% sales fee.
- 7. Executed Waivers of Preferential Right to Lease, if necessary.
- 8. Executed Affidavit of Consideration
- 9. Copies of all highway deeds, clipped together
- 10. 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.
- 11. Exhibit “A” to be attached to the lease describing the area being leased (see Guidelines 8.)

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

File No. MF 115351
Application & Checklist

Date Filed: 4/25/13
Jerry E. Paterson, Commissioner
By M.A.

4023

The State of Texas



Austin, Texas

**PAID-UP
OIL AND GAS LEASE NO. MF 115351
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, L.L.C.**, whose address is **P.O. Box 18496, Oklahoma City, OK 73154** hereinafter called "Lessee".

1. Lessor, in consideration of **Seven Thousand Six Hundred Forty Dollars and 00/100s (\$ 7,640.00)**, 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:

0.764 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 **0.764** 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 4, 2013** 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**. 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.

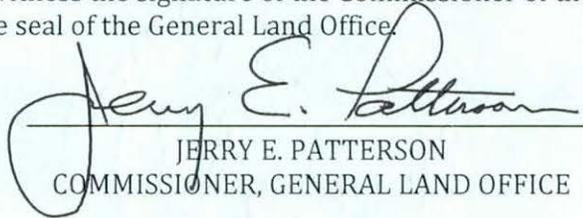
13. **Surface:** Notwithstanding anything herein to the contrary, it is agreed that Lessee will not conduct any exploration or drilling on the surface of the leased premises or use the surface in the exercise of any rights herein granted. Any development of said land shall be by means of a directional 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: Sam

DC: GLR

CC: [Signature]

EXHIBIT "A"

0.764 acres of land, more or less, situated in the C.T. Hilliard Survey, Abstract No. 715, being part of the right-of-way designated as Rutan Street, lying within what has been designated as the Vaquero Unit, in Tarrant County, Texas, and being described in the following metes and bounds description:

LEGAL DESCRIPTION

RUTAN STREET RIGHT-OF-WAY:

Being a tract of land situated in the C. T. Hilliard Survey, Abstract No. 715, City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in warranty deed to the City of Fort Worth, as recorded in Volume 2252, Page 96 of the Deed Records of Tarrant County, Texas, also being part of Rutan Street (50-foot wide right-of-way) and being more particularly described as follows:

BEGINNING at a point for the northeast corner of said City of Fort Worth tract and the northwest corner of Blocks 4, 5, and 6 of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-J, Page 69 of the Plat Records of Tarrant County, Texas (P.R.T.C.T), said corner being on the south line of Homewood Addition, an addition to the City of Fort Worth, as recorded in Volume 388-A, Page 126, P.R.T.C.T., and the east right-of-way line of said Rutan Street;

THENCE South 00 degrees 02 minutes 38 seconds East, with the east right-of-way line of said Rutan Street, with the east line of said City of Fort Worth tract and with the west line of said Blocks 4, 5, and 6 of Kaywood Heights Addition, a distance of 665.66 feet to a point for the southwest corner of said Block 4, 5, and 6 of Kaywood Heights Addition and the southeast corner said City of Fort Worth tract, said corner being on the north line of Blocks "A" and "B" Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-41, Page 30, P.R.T.C.T.;

THENCE South 89 degrees 57 minutes 22 seconds West, departing said east right-of-way line of Rutan Street, over and across said Rutan Street and with the south line of said City of Fort Worth tract and with said north line of Blocks "A" and "B" Kaywood Heights Addition, a distance of 50.00 feet to a point for the southwest corner of said City of Fort Worth tract and the southeast corner of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-H, Page 207, P.R.T.C.T. , said corner being on the west right-of-way line of said Rutan Street;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said north line of Blocks "A" and "B" Kaywood Heights Addition, with the west line of said City of Fort Worth tract, with the east line of said Kaywood Heights Addition and with said west right-of-way line of Rutan Street, a distance of 665.71 feet to a point for the northwest corner of said City of Fort Worth tract and the northeast corner of said Kaywood Heights Addition, said corner also being on the south line of said Homewood Addition;

THENCE South 89 degrees 59 minutes 39 seconds East, departing said west right-of-way line of Rutan Street and over and across said Rutan Street, with the north line of said City of Fort Worth tract and with the south line of said Homewood Addition, a distance of 50.00 feet to the POINT OF BEGINNING AND CONTAINING 33,284 square feet or 0.764 acres of land, more or less.

Collin St.

Chickasaw Street

Rutan Street

Kaywood St.

CLAIBORNE
T HILLIARD
A-715

Knox St.

TARRANT
County

DALLAS
County

Highway Right-of-Way
Plat of Rutan St.
MF115351
0.764 acres
Tarrant County, Texas

250 125 0 250 Feet



Exhibit B

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
May 2013

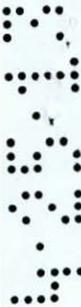
File No. MF 15351
Oil & Gas Lease

Date Filed: 6/4/13
Jerry E. Patterson, Commissioner
By: M.A.

13709895

0008019 COMMISSIONER OF TX GENERAL

No. 5005040



VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458842	04/15/13	041513	BARNETT CORE PR LSE BNS .764	7640.00
Total for check				X \$7,640.00

121

X \$7,640.00

13709895

0008019 COMMISSIONER OF TX GENERAL

No. 5005040

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458842	04/15/13	041513	BARNETT CORE PR LSE BNS .764	7640.00
Total for check				\$7,640.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PANTOGRAPH

CHESAPEAKE OPERATING, INC.
P.O. Box 18496, Oklahoma City, OK 73154-0496
(877) 245-1427

Comerica Bank

13709895

5005040

APRIL 19, 2013

Vendor No. 0008019

SEVEN THOUSAND SIX HUNDRED FORTY 00 /100 DOLLARS *****

\$7,640.00

PAY TO THE ORDER OF
COMMISSIONER OF TX GENERAL
LAND OFFICE
1700 N CONGRESS AVE RM 600
AUSTIN TX 78701

VOID AFTER 90 DAYS
NO THIRD PARTY ENDORSEMENTS

Jennifer M. Amisberg

THIS DOCUMENT HAS A THERMOCHROMIC INK WITH A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

0005005040

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458843	04/15/13	041513A	BARNETT CORE PR 1.5 SALES TAX	114.60
			Total for check	+ \$114.60



121

+

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458843	04/15/13	041513A	BARNETT CORE PR 1.5 SALES TAX	114.60
Total for check				+ \$114.60

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND WITH VOID PANTOGRAPH

CHESAPEAKE OPERATING, INC.
P.O. Box 18496, Oklahoma City, OK 73154-0496
(877) 245-1427

Comerica Bank

13709896

5005041

APRIL 19, 2013

Vendor No. 0008019

■ ONE HUNDRED FOURTEEN 60 /100 DOLLARS *****

\$114.60

PAY TO THE ORDER OF COMMISSIONER OF TX GENERAL
LAND OFFICE
1700 N CONGRESS AVE RM 600
AUSTIN TX 78701

VOID AFTER 90 DAYS
NO THIRD PARTY ENDORSEMENTS

Jennifer M. Amisberg

THIS DOCUMENT HAS A THERMOCHROMIC INK WITH A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

13709897

0008019 COMMISSIONER OF TX GENERAL

No. 5005042

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458837	04/15/13	041513B	BARNETT CORE PR REC FEE	500.00
Total for check				\$500.00

121

13709897

0008019 COMMISSIONER OF TX GENERAL

No. 5005042

VOUCHER NUMBER	INVOICE DATE	INVOICE NUMBER	DESCRIPTION OR GROSS AMOUNT DISCOUNT	NET AMOUNT
0458837	04/15/13	041513B	BARNETT CORE PR REC FEE	500.00
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121

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THIS DOCUMENT HAS A THERMOCHROMIC INK WITH A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.

⑈ 000500504 2⑈



Dale Property Services, LLC

500 Taylor Street, Suite 600
Annex Building

FORT WORTH, TX 76102

(817) 451-5353

April 23, 2013

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, 0.764 acres, more or less, being the Rutan 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 Rutan 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, the City of Fort Worth 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 SEFW 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.

Jean Paul Beebe

P: 817-507-1802

jeanb@dale-resources.com

01504



Dale Property Services, LLC

Memo

To: Whom It May Concern
From: Jean-Paul Beebe
CC: Curt Roberts
Date: April 12, 2013
Re: SEFW Prospect, Vaquero Unit, Rutan Street

This Memo is in regard to research performed on a portion of Rutan Street, all being within what, at the time of the creation of this Memo, has been designated as being within the Vaquero Unit, and being more particularly described as:

0.764 acres of land, more or less, situated in the C.T. Hilliard Survey, Abstract No. 715, being part of the right-of-way designated as Rutan Street, lying within what has been designated as the Vaquero Unit, in Tarrant County, Texas, and being described in the following metes and bounds description:

LEGAL DESCRIPTION

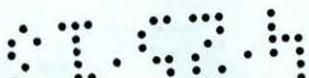
RUTAN STREET RIGHT-OF-WAY:

Being a tract of land situated in the C. T. Hilliard Survey, Abstract No. 715, City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in warranty deed to the City of Fort Worth, as recorded in Volume 2252, Page 96 of the Deed Records of Tarrant County, Texas, also being part of Rutan Street (50-foot wide right-of-way) and being more particularly described as follows:

BEGINNING at a point for the northeast corner of said City of Fort Worth tract and the northwest corner of Blocks 4, 5, and 6 of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-J, Page 69 of the Plat Records of Tarrant County, Texas (P.R.T.C.T), said corner being on the south line of Homewood Addition, an addition to the City of Fort Worth, as recorded in Volume 388-A, Page 126, P.R.T.C.T., and the east right-of-way line of said Rutan Street;

THENCE South 00 degrees 02 minutes 38 seconds East, with the east right-of-way line of said Rutan Street, with the east line of said City of Fort Worth tract and with the west line of said Blocks 4, 5, and 6 of Kaywood Heights Addition, a distance of 665.66 feet to a point for the southwest corner of said Block 4, 5, and 6 of Kaywood Heights Addition and the southeast corner said City of Fort Worth tract, said corner being on the north line of Blocks "A" and "B" Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-41, Page 30, P.R.T.C.T.;

THENCE South 89 degrees 57 minutes 22 seconds West, departing said east right-of-way line of Rutan Street, over and across said Rutan Street and with the south line of said City of Fort Worth tract and with said north line of Blocks "A" and "B" Kaywood Heights Addition, a distance of 50.00 feet to a point for the southwest corner of said City of Fort Worth tract and the southeast corner of Kaywood Heights Addition, an addition to the





Dale Property Services, LLC

City of Fort Worth, as recorded in Volume 388-H, Page 207, P.R.T.C.T. , said corner being on the west right-of-way line of said Rutan Street;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said north line of Blocks "A" and "B" Kaywood Heights Addition, with the west line of said City of Fort Worth tract, with the east line of said Kaywood Heights Addition and with said west right-of-way line of Rutan Street, a distance of 665.71 feet to a point for the northwest corner of said City of Fort Worth tract and the northeast corner of said Kaywood Heights Addition, said corner also being on the south line of said Homewood Addition;

THENCE South 89 degrees 59 minutes 39 seconds East, departing said west right-of-way line of Rutan Street and over and across said Rutan Street, with the north line of said City of Fort Worth tract and with the south line of said Homewood Addition, a distance of 50.00 feet to the POINT OF BEGINNING AND CONTAINING 33,284 square feet or 0.764 acres of land, more or less.

Metes and bounds description was provided by Vasileios Kalogirou of HALFF Associates, Inc.

As is frequently the case, early title to surveys in the State of Texas is sometimes vague. In the case of Tarrant County, some records were burned in the destruction of the Court House by fire in 1876, or else misplaced and never filed for record. Therefore, the records of Tarrant County do not show some transactions in title to the present owners, and may be clouded by the absence of the records.

Research for this project was conducted using Tarrant County records, Tarrant County Appraisal District Records, records of the Chesapeake Title Plant, Tarrant County Tax Records, and Tarrant County Deed Records. Research stopped at 5:00 P.M. on April 12, 2013. At such time, Tarrant County records were posted through April 5, 2013.

All maps, plats, and illustrations submitted with the runsheet(s) are intended for the sole purpose of assisting the examiner in visualizing the property.



Dale Property Services, LLC
1300 S. University Drive, Suite 300
Fort Worth, Texas 76107
(817) 451-5353

OWNERSHIP REPORT

PROSPECT: **SEFW**

REPORT DATE: **April 12, 2013**

UNIT: **Vaquero**

RECORD DATE: **April 5, 2013**

TARRANT COUNTY

STATE OF TEXAS

DESCRIPTION OF PROPERTY

0.764 acres of land, more or less, situated in the C.T. Hilliard Survey, Abstract No. 715, being part of the right-of-way designated as Rutan Street, lying within what has been designated as the Vaquero Unit, in Tarrant County, Texas, and being described in the following metes and bounds description:

LEGAL DESCRIPTION

RUTAN STREET RIGHT-OF-WAY:

Being a tract of land situated in the C. T. Hilliard Survey, Abstract No. 715, City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in warranty deed to the City of Fort Worth, as recorded in Volume 2252, Page 96 of the Deed Records of Tarrant County, Texas, also being part of Rutan Street (50-foot wide right-of-way) and being more particularly described as follows:

BEGINNING at a point for the northeast corner of said City of Fort Worth tract and the northwest corner of Blocks 4, 5, and 6 of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-J, Page 69 of the Plat Records of Tarrant County, Texas (P.R.T.C.T), said corner being on the south line of Homewood Addition, an addition to the City of Fort Worth, as recorded in Volume 388-A, Page 126, P.R.T.C.T., and the east right-of-way line of said Rutan Street;

THENCE South 00 degrees 02 minutes 38 seconds East, with the east right-of-way line of said Rutan Street, with the east line of said City of Fort Worth tract and with the west line of said Blocks 4, 5, and 6 of Kaywood Heights Addition, a distance of 665.66 feet to a point for the southwest corner of said Block 4, 5, and 6 of Kaywood Heights Addition and the southeast corner said City of Fort Worth tract, said corner being on the north line of Blocks "A" and "B" Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-41, Page 30, P.R.T.C.T.;

THENCE South 89 degrees 57 minutes 22 seconds West, departing said east right-of-way line of Rutan Street, over and across said Rutan Street and with the south line of said City of Fort Worth tract and with said north line of Blocks "A" and "B" Kaywood Heights Addition, a distance of 50.00 feet to a point for the southwest corner of said City of Fort Worth tract and the southeast corner of Kaywood Heights Addition, an addition to

the City of Fort Worth, as recorded in Volume 388-H, Page 207, P.R.T.C.T. , said corner being on the west right-of-way line of said Rutan Street;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said north line of Blocks "A" and "B" Kaywood Heights Addition, with the west line of said City of Fort Worth tract, with the east line of said Kaywood Heights Addition and with said west right-of-way line of Rutan Street, a distance of 665.71 feet to a point for the northwest corner of said City of Fort Worth tract and the northeast corner of said Kaywood Heights Addition, said corner also being on the south line of said Homewood Addition;

THENCE South 89 degrees 59 minutes 39 seconds East, departing said west right-of-way line of Rutan Street and over and across said Rutan Street, with the north line of said City of Fort Worth tract and with the south line of said Homewood Addition, a distance of 50.00 feet to the POINT OF BEGINNING AND CONTAINING 33,284 square feet or 0.764 acres of land, more or less.

MINERAL OWNERSHIP

Name of Mineral Owner(s)	Interest	Net Acres	Leasehold and Expiration Date
City of Fort Worth Tract 1	100%	About 0.764 acres, more or less	NO LEASE FOUND OF RECORD
TOTALS FOR MINERAL OWNERSHIP		About 0.764 acres, more or less	

**SEFW PROSPECT
VAQUERO UNIT
Rutan Street**

About 0.764 acres of land, more or less, being a portion of Rutan Street created by the following source deeds.

Mineral Title has been researched from Sovereignty/Patent to R-O-W Creation

Prepared By: *Jean-Paul Beebe*

1. Patent - PAT	4. Royalty Deed - RD	7. Oil Gas & Mineral Lease - OGML	10. Miscellaneous - MISC	13. Mortgage - MTG	16. Ratification - RAT	19. ___	22. ___
2. Warranty Deed - WD	5. Quitclaim Deed - QCD	8. Assignment - ASSG	11. Probate - PRO	14. Field Notes - FN	17. Deed of Trust - DT	20. ___	23. ___
3. Mineral Deed - MD	6. Release - REL	9. Amendment - AMEND	12. Suit	15. Subordination - SUB	18. Extension - EXT	21. ___	24. ___
Volume/Page	Instrument Type	Grantor/Lessor	Grantee/Lessee	Acres	Instr Date/Eff Date	Filing Date	Remarks/Comments
Abstractor Notes: NMR stands for No Mineral Reservation.							

Tract 1

2252/96	Warranty Deed	J.M. Runnels, and wife Iva Ida Runnels	City of Fort Worth	0.764	9-29-1950	11-1-1950	Grants a portion of Rutan Street to the grantee. NMR
---------	---------------	---	--------------------	-------	-----------	-----------	--

File No. MF 115351
Cover letter, bonus, fees

Date Filed: 4/25/13
Jerry E. Patterson, Commissioner
By M.A.

HROW Plat Transmittal Slip

Date to GIS 5/21/2013

SLB Date 6/4/2013

Aprox Due Date 5/28/2013

Lease Number MF 115351

County Tarrant

Road Name Rutan St.

Acreage 0.764

Abtract

1) C.T. Hilliard Survey, A-715

2) _____

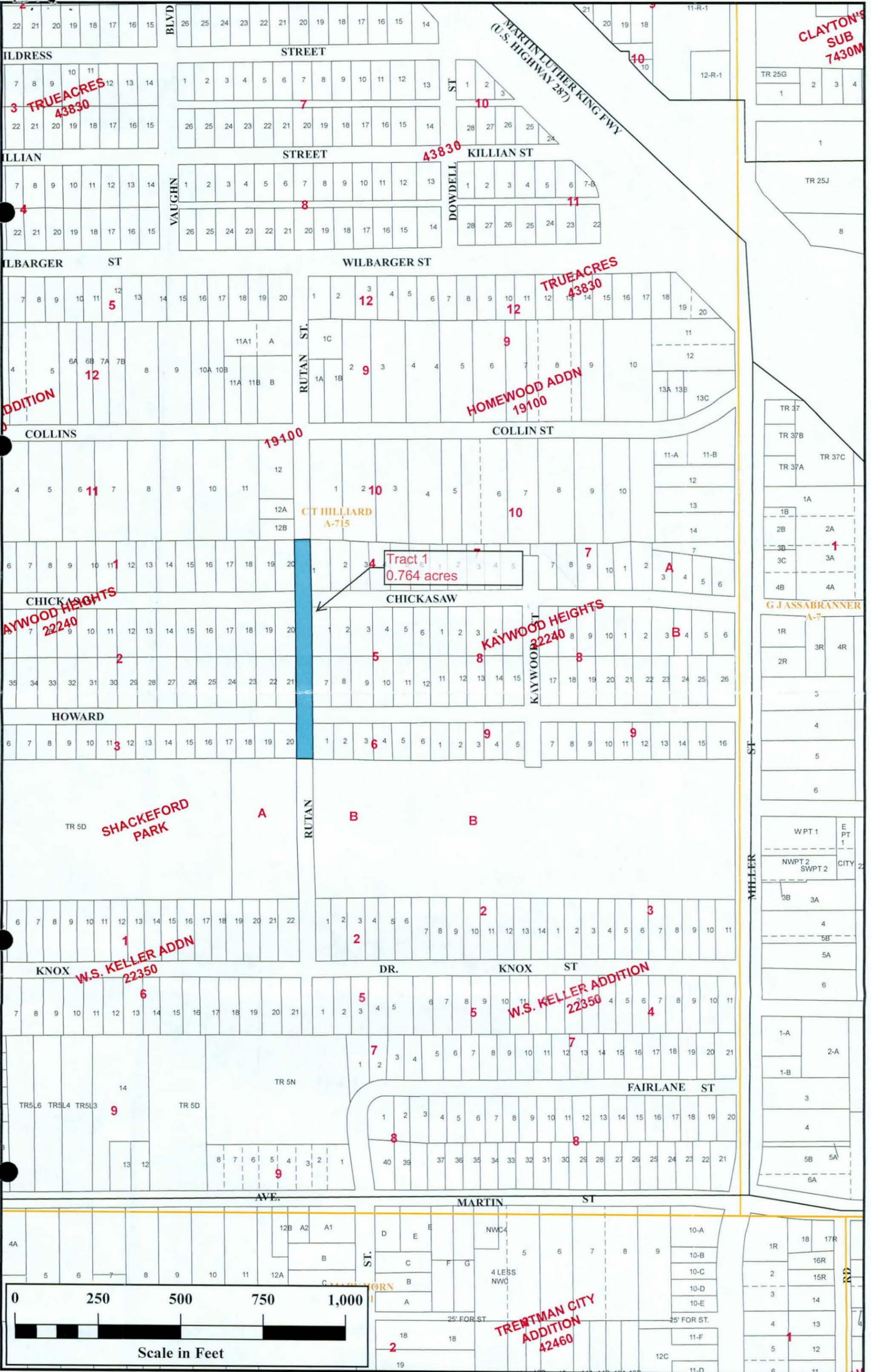
3) _____

4) _____

Completed by _____ T Drive date _____

Proofed by GIS ZB

Proofed by Energy [Signature]



CLAYTON'S
SUB
7430M

3 TRUEACRES
43830

43830

TRUEACRES
43830

ADDITION

HOMWOOD ADDN
19100

19100

KAYWOOD HEIGHTS
22240

KAYWOOD HEIGHTS
22240

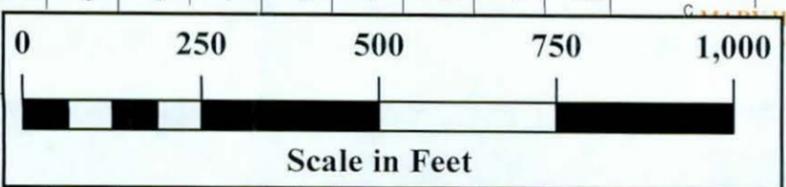
SHACKEFORD
PARK

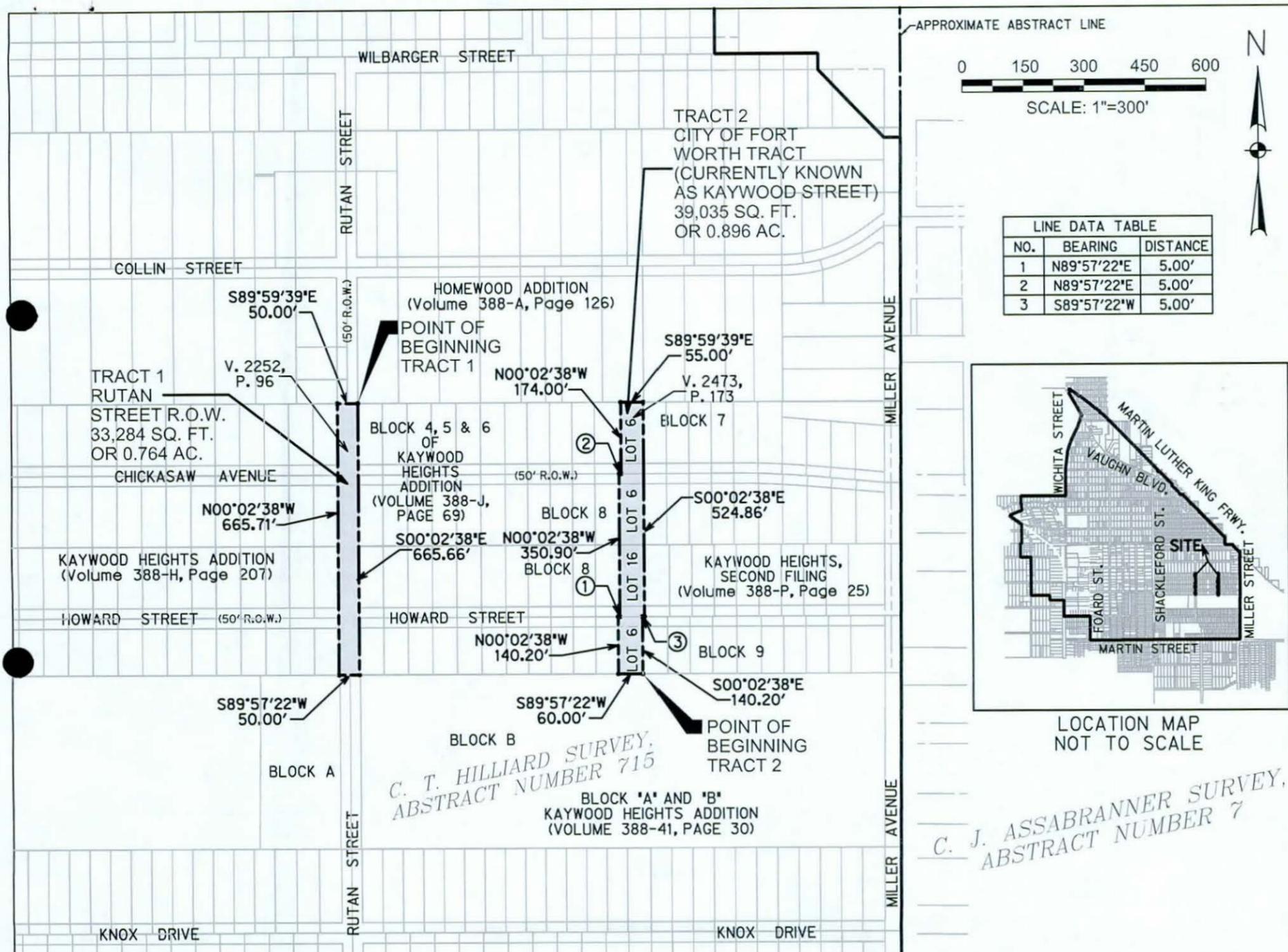
W.S. KELLER ADDN
22350

W.S. KELLER ADDITION
22350

TRETMAN CITY
ADDITION
42460

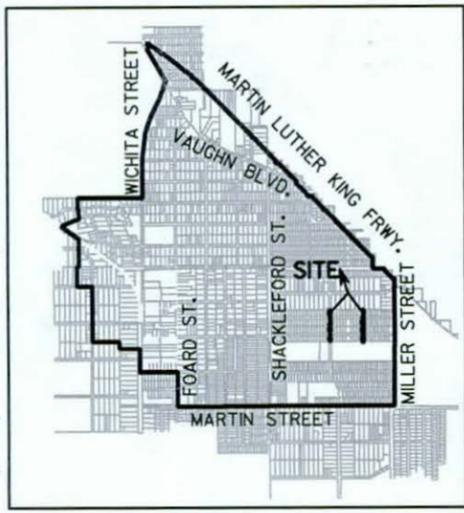
Tract 1
0.764 acres





LINE DATA TABLE

NO.	BEARING	DISTANCE
1	N89°57'22"E	5.00'
2	N89°57'22"E	5.00'
3	S89°57'22"W	5.00'



LEGAL DESCRIPTION

KAYWOOD STREET: TRACT 2

Being a tract of land situated in the C. T. Hilliard Survey, Abstract No. 715, City of Fort Worth, Tarrant County, Texas, being all of Lot 6, Block 7, Lots 6 and 16, Block 8 and Lot 6, Block 9 of Kaywood Heights Addition, Second Filing, an addition to the City of Fort Worth, as recorded in Volume 388-P, Page 25 of the Plat Records of Tarrant County, Texas (P.R.T.C.T.), being all of that tract of land described in warranty deed to the City of Fort Worth, as recorded in Volume 2473, Page 173 of the Deed Records of Tarrant County, Texas, being part of Howard Street (50-foot wide right-of-way), being part of Chickasaw Avenue (50-foot wide right-of-way) and being all of what is currently known as Kaywood Street (a variable width right-of-way) and being more particularly described as follows:

BEGINNING At a point for the southeast corner of said Lot 6, Block 9 and the southwest corner of Lot 7 of said Block 9, said corner being on the north line of Blocks "A" and "B" Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-41, Page 30, P.R.T.C.T.

THENCE South 89 degrees 57 minutes 22 seconds West, with said north line of Blocks "A" and "B" Kaywood Heights Addition and with the south line of said Lot 6, Block 9, a distance of 60.00 feet to a point for the southwest corner of said Lot 6, Block 9 and the southeast corner of Lot 5 of said Block 9;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said north line of Blocks "A" and "B" Kaywood Heights Addition and with the east line of said Lot 5 and the west line of said Lot 6, Block 9 and over and across said Howard Street, a distance of 140.20 feet to a point for corner on the centerline of said Howard Street;

THENCE North 89 degrees 57 minutes 22 seconds East, with said centerline of Howard Street, a distance of 5.00 feet to a point for corner;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said centerline of Howard Street, over and across said Howard Street and with the west lines of said Lots 16 and 6, Block 8 and with the east lines of Lots 15 and 5 of said Block 8, and over and across said Chickasaw Avenue, a distance of 350.90 feet to a point for corner on the centerline of said Chickasaw Avenue;

THENCE North 89 degrees 57 minutes 22 seconds East, with said centerline of Chickasaw Avenue, a distance of 5.00 feet to a point for corner;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said centerline of Chickasaw Avenue, over and across said Chickasaw Avenue and with the east line of Lot 5 of said Block 7 and with the west line of said Lot 6, Block 7, a distance of 174.00 feet to a point for the northwest corner of said Lot 6, Block 7 and the northeast corner of said Lot 5, Block 7, said corner being on the south line of Homewood Addition, an addition to the City of Fort Worth, as recorded in Volume 388-A, Page 126, P.R.T.C.T.;

THENCE South 89 degrees 59 minutes 39 seconds East, with said south line of Homewood Addition and with the north line of said Lot 6, Block 7, a distance of 55.00 feet to a point for the northeast corner of said Lot 6, Block 7 and the northwest corner of Lot 7 of said Block 7;

THENCE South 00 degrees 02 minutes 38 seconds East, departing said south line of Homewood Addition, and with the east line of said Lot 6, Block 7, over and across said Chickasaw Avenue, with the west line of said Lot 7, Block 7, with the east lines said Lots 6 and 16 of Block 8 and with the west lines of Lots 7 and 17 of Block 8 and over and across said Howard Street, a distance of 524.86 feet to a point for corner on the centerline of said Howard Street;

THENCE South 89 degrees 57 minutes 22 seconds West, with said centerline of Howard Street, a distance of 5.00 feet to a point for corner;

THENCE South 00 degrees 02 minutes 38 seconds East, departing said centerline of Howard Street, over and across said Howard Street, with the east line of said Lot 6, Block 9 and with the west line of said Lot 7, Block 9, a distance of 140.20 feet to the POINT OF BEGINNING AND CONTAINING 39,035 square feet or 0.896 acres of land, more or less.

LEGEND

- AREA INCLUDED IN LEGAL DESCRIPTION FOR WILBARGER STREET
- UNIT LINE
- PROPERTY LINE/PLAT LINE
- FIR FOUND IRON ROD
- (C.M.) CONTROL MONUMENT
- CITY OF FORT WORTH TRACT RECORDED VOLUME AND PAGE DEED RECORDS OF TARRANT COUNTY, TEXAS

BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM (NAD27), NORTH CENTRAL ZONE (4202), BASED UPON GPS MEASUREMENTS FROM TRIANGULATION STATION "ARLINGTON RRP" (NATIONAL GEODETIC SURVEY (NGS) PID# AF9536), AND "ZFW A" (NGS PID# AA3134), CONVERGENCE ANGLE AT "ARLINGTON RRP" IS +00 DEGREES 47 MINUTES 06.8 SECONDS AS COMPUTED BY CORPSCON VERSION 4.11, COMBINED SCALE FACTOR (CSF) = 1.00014166230, SURFACE COORDINATES = TEXAS COORDINATE SYSTEM X CSF.

LEGAL DESCRIPTION

RUTAN STREET RIGHT-OF-WAY: TRACT 1

Being a tract of land situated in the C. T. Hilliard Survey, Abstract No. 715, City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in warranty deed to the City of Fort Worth, as recorded in Volume 2252, Page 96 of the Deed Records of Tarrant County, Texas, also being part of Rutan Street (50-foot wide right-of-way) and being more particularly described as follows:

BEGINNING At a point for the northeast corner of said City of Fort Worth tract and the northwest corner of Blocks 4, 5, and 6 of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-J, Page 69 of the Plat Records of Tarrant County, Texas (P.R.T.C.T.) said corner being on the south line of Homewood Addition, an addition to the City of Fort Worth, as recorded in Volume 388-A, Page 126, P.R.T.C.T., and the east right-of-way line of said Rutan Street;

THENCE South 00 degrees 02 minutes 38 seconds East, with the east right-of-way line of said Rutan Street, with the east line of said City of Fort Worth tract and with the west line of said Blocks 4, 5, and 6 of Kaywood Heights Addition, a distance of 665.66 feet to a point for the southwest corner of said Block 4, 5, and 6 of Kaywood Heights Addition and the southeast corner said City of Fort Worth tract, said corner being on the north line of Blocks "A" and "B" Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-41, Page 30, P.R.T.C.T.;

THENCE South 89 degrees 57 minutes 22 seconds West, departing said east right-of-way line of Rutan Street, over and across said Rutan Street and with the south line of said City of Fort Worth tract and with said north line of Blocks "A" and "B" Kaywood Heights Addition a distance of 50.00 feet to a point for the southwest corner of said City of Fort Worth tract and the southeast corner of Kaywood Heights Addition, an addition to the City of Fort Worth, as recorded in Volume 388-H, Page 207, P.R.T.C.T., said corner being on the west right-of-way line of said Rutan Street;

THENCE North 00 degrees 02 minutes 38 seconds West, departing said north line of Blocks "A" and "B" Kaywood Heights Addition, with the west line of said City of Fort Worth tract, with the east line of said Kaywood Heights Addition and with said west right-of-way line of Rutan Street, a distance of 665.71 feet to a point for the northwest corner of said City of Fort Worth tract and the northeast corner of said Kaywood Heights Addition, said corner also being on the south line of said Homewood Addition;

THENCE South 89 degrees 59 minutes 39 seconds East, departing said west right-of-way line of Rutan Street and over and across said Rutan Street, with the north line of said City of Fort Worth tract and with the south line of said Homewood Addition, a distance of 50.00 feet to the POINT OF BEGINNING AND CONTAINING 33,284 square feet or 0.764 acres of land, more or less.

EXHIBIT OF
RUTAN STREET & KAYWOOD STREET

IN THE
CITY OF FORT WORTH, TARRANT COUNTY, TEXAS
FOR
CHESAPEAKE OPERATING, INC.

DATED: 4/2/2013
BY



1201 NORTH BOWSER ROAD, RICHARDSON, TEXAS 75081
SCALE 1"=300' (214)618-4570 AVO: 26724



File No. MF 115351
Plat

Date Filed: 4/25/13
Jerry F. Patterson, Commissioner
By JFA

**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

Jean Paul Beebe (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 Jean Paul Beebe. And that, Affiant is personally familiar with and knowledgeable of the terms and conditions of the oil and gas lease(s) which adjoin(s) Rutan 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): \$ 10,000.00

Primary Term: 3 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.


[signature of affiant]

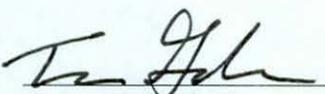
Jean Paul Beebe

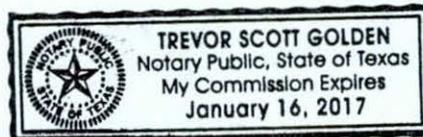
[printed or typed name of affiant]

State of Texas

County of Tarrant

Sworn to and subscribed before me on the 23rd day of April, 2013, by
Jean Paul Beebe (name of Affiant).


Notary Public's Signature



07.504

Exhibit A

Coordinating
Map & Lease
Number

1	Oil and Gas Lease Lessor: Rosa Cassio Lessee: Dale Property Services, LLC Recording Info: D210104002 Legal Description: Blk 1 Lot 20 Kaywood Heights	Bonus Per Acre: \$2,000.00 Acreage: 0.213 Primary Term: 5 Royalty: 25% Shut-In Royalty: \$1.00
2	Oil and Gas Lease Lessor: Edward and Jasmina Gould Lessee: Dale Resources, LLC Recording Info: D207005764 Legal Description: Blk 2 Lot 20 Kaywood Heights	Bonus Per Acre: \$1,744.19 Acreage: 0.172 Primary Term: 5 Royalty: 22.5% Shut-In Royalty: \$1.00
3	Oil and Gas Lease Roldan Rodriguez Morales and Magdalena Lessor: Vazquez Lessee: Dale Property Services, LLC Recording Info: D208024153 Legal Description: Blk 2 Lot 21 Kaywood Heights	Bonus Per Acre: \$2,906.98 Acreage: 0.172 Primary Term: 5 Royalty: 25% Shut-In Royalty: \$1.00
4	Oil and Gas Lease Lessor: Robert Pounds Lessee: Paloma Barnett, LLC Recording Info: D208051072 Legal Description: Blk 2 Lot 20 Kaywood Heights *Lease and Memo provided	Bonus Per Acre: \$5,000.00 Acreage: 0.132 Primary Term: 5 Royalty: 20% Shut-In Royalty: \$1.00
5	Oil and Gas Lease Lessor: Juan Carlos Morales Lessee: Dale Property Services, LLC Recording Info: D208226367 Legal Description: Blk 4 Lot 1 Kaywood Heights	Bonus Per Acre: \$10,000.00 Acreage: 0.207 Primary Term: 5 Royalty: 25% Shut-In Royalty: \$1.00
6	Oil and Gas Lease Lessor: Juan Lorenzo Morales and Ana Aguilar Morales Lessee: Dale Property Services, LLC Recording Info: D208045168 Legal Description: Blk 5 Lot 1 Kaywood Heights	Bonus Per Acre: \$3,000.00 Acreage: 0.206 Primary Term: 5 Royalty: 25% Shut-In Royalty: \$1.00
7	Oil and Gas Lease Lessor: Angelina C. Bosquez Lessee: Dale Property Services, LLC Recording Info: D208141610 Legal Description: Blk 5 Lot 7 Kaywood Heights	Bonus Per Acre: \$3,000.00 Acreage: 0.172 Primary Term: 5 Royalty: 25% Shut-In Royalty: \$1.00



8

Oil and Gas Lease

Lessor: Jose Mulgado

Lessee: Glencrest Resources, LLC

Recording Info: D207124089

Legal Description: Blk 6 Lot 1 Kaywood Heights

Bonus Per Acre: N/A

Acreage: 0.132

Primary Term: 3

Royalty: N/A

Shut-In Royalty: N/A

D207124089

File No. MF 15351
Affidavit of Highest
Consideration
 Date Filed: 4/25/13
 Jerry E. Patterson, Commissioner
 By M.A.

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 GERTRUDE ALDRIDGE (formerly Gertrude Thomas), her heirs 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 GERTRUDE ALDRIDGE (formerly Gertrude Thomas), her heirs 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 30th day of October, 1950.

~~WITNESS OUR HANDS AND SEALS OF OFFICE:~~

Mrs. Lorraine Bales
H. R. Bales

Notary Public in and for _____ County, Texas

JOINT 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 H. R. Bales and Lorraine Bales, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Lorraine Bales, wife of the said H. R. Bales having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Lorraine Bales acknowledged such 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 the 30th day of October A. D. 1950.

(L. S.)

Notary Public in and for Tarrant County, Texas

NOTARIAL SEAL
impressed

Filed for Record NOV 1 1950 at 9:13 A.M.

And Recorded NOV 2 1950 at 1:20 A.M.

Instrument No. 55584 MELVIN "MEL" FAULK, County Clerk
Tarrant County, Texas

By *E. S. ...* Deputy

ABC/mcc GF-18633 23072 HS/1b
55584

Marrantly Bred

FROM
J. M. RUNNELS ET UX
TO
THE CITY OF FORT WORTH

FILED FOR RECORD
This ... day of ... A. D. 19 ...
at ... o'clock ... M.

MELVIN "MEL" FAULK
COUNTY CLERK
TARRANT COUNTY, TEXAS
In Book ...
In Book ...
By ...
Recording Fee \$...

This instrument should be filed immediately with the County Clerk for record. RETURN TO:
Tarrant County Clerk's Office
Rattikin Title Company
510 1st Natl. Bank Bldg.
Fort Worth, Texas

The Judge Company, Publishers, Dallas

NOTARY

120-WARRANTY DEED MCC

TEXAS STANDARD FORM

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

That we, J. M. RUNNELS and wife, IVA IDA RUNNELS,

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 consideration
to us in hand paid by THE CITY OF FORT WORTH, a municipal corporation,
the receipt of which is hereby fully acknowledged; xxxxxxxx

have Granted, Sold, and Conveyed, and by these presents do Grant, Sell and Convey, unto the said
THE 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 50 feet wide East and West, and 666.6 feet long North and South,
out of the C. T. Hilliard Survey in Tarrant County, Texas, and being
all that tract of land shown as "Ruton Street" on the plat of KAYWOOD
HEIGHTS, an Addition to the City of Fort Worth, Tarrant County, Texas,
recorded in Vol. 388-H, page 207, Deed Records of Tarrant County,
Texas; said street is bounded on the West by Blocks 1, 2 and 3, and
on the East by Blocks 4, 5, and 6, of said Kaywood Heights Addition;

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
THE CITY OF FORT WORTH, a municipal corporation, 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 THE CITY OF FORT WORTH, a municipal corporation, 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 29th day of September, 19 50.

Witnessed at Fort Worth, Texas

J. M. Runnels
Iva Ida Runnels

98

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF Tarrant

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. M. Runnels and Iva Ida Runnels, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Iva Ida Runnels, wife of the said J. M. Runnels, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Iva Ida Runnels, acknowledged such 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 the 29th day of September, A. D. 19 50.

NOTARIAL SEAL
impressed

Melvin Faulk
Notary Public in and for Tarrant County, Texas.

Filed for Record NOV 1 1950 at 9:15 A.M.

And Recorded NOV 2 1950 at 9:01 A.M.

Instrument No. 5558 MELVIN "MEL" FAULK, County Clerk.
Tarrant County, Texas

By *J. E. Spaw* Deputy

GF-23072 55586
Tarrant County Clerk

FROM
J. M. RUNNELS and wife,
IVA IDA RUNNELS
TO
J. FRED SMITH

FILED FOR RECORD
This day of A. D. 19
at o'clock M.
By *MELVIN FAULK* County Clerk.
Deputy.
In Book 2252 Page 117
J. FRED SMITH
County Clerk.
By *J. E. Spaw* Deputy.
Recording Fee \$
This instrument should be filed immediately with the County Clerk for record. Return to:
J. FRED SMITH
3114-A East Rosedale St.
Fort Worth 5, Texas

The Older Company, Publishers, Dallas

128 - WARRANTY DEED - BT

TEXAS STANDARD FORM

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

That we, J. M. RUNNELS and wife, IVA IDA RUNNELS,

of the County of Tarrant, State of Texas, for and in consideration of the sum of TWENTY-TWO HUNDRED AND NO/100 (\$2,200.00) DOLLARS

to us in hand paid by J. FRED SMITH, the receipt of which is hereby acknowledged;

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

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

Being a tract or parcel of land out of the C. T. HILLIARD SURVEY, in TARRANT COUNTY, TEXAS, and more particularly described as follows: BEGINNING at a point in the East line of Rutan Street, said point being 50 feet East of the Northeast corner of Lot 20, in Block 1, Kaywood Heights Addition, and being the Southwest corner of Lot 1, in Block 10, Homewood Addition; THENCE East 360 feet to a point for corner; THENCE South 666.6 feet to a point for corner; THENCE West 360 feet to a point in the East line of Rutan Street, and being 50 feet East of the Southeast corner of Lot 20, in Block 3, of Kaywood Heights Addition; THENCE North 666.6 feet to the place of beginning; and containing 5.5 acres of land;

File No. MF 115351
Souva Deeds Record

Date Filed: 4/25/13
Jerry E. Patterson, Commissioner
By M.A.

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 28th day of April, 2010, by and between Rosa Cassio, a married person herein not joined by spouse whose address is 811 North Street, Mansfield, Texas 76063 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:

.213 acres of land, more or less, being all of Lot 20, Block 1, of the Kaywood Heights Addition, an addition to the City of Fort Worth, Tarrant County Texas, according to that certain plat recorded in Volume 388-H, Page 207 of the Plat Records of Tarrant County, Texas.

in the County of Tarrant, State of TEXAS, containing .213 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 one-fourth (1/4) 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 one-fourth (1/4) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from 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 there from 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 there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

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

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

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

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

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

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

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

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

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

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

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

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

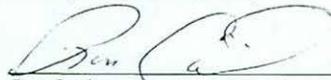
16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

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

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

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

LESSOR (WHETHER ONE OR MORE)



Rosa Cassio

ACKNOWLEDGMENT

STATE OF Texas
COUNTY OF Tarrant

This instrument was acknowledged before me on the 28th day of April, 2010, by: Rosa Cassio, a married person herein not joined by spouse

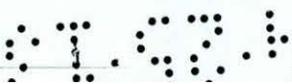


Notary Public, State of _____
Notary's name (printed): _____
Notary's commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2010, by: _____

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



SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

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

Submitter: DALE RESOURCES LLC

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

Filed For Registration: 5/4/2010 2:16 PM

Instrument #: D210104002

LSE

3

PGS

\$20.00

By:

Suzanne Henderson

D210104002

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.

Prepared by: SLDAVES

01.02.11

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

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

OIL, GAS AND MINERAL LEASE
(NO SURFACE USE)

THIS AGREEMENT made this 12th day of DECEMBER, 2006, between
Edward Gould And wife JAMESINA Gould
Lessor (whether one or more), whose address is
3828 Chickasaw Fort Worth, Texas 76119
and Dale Resotirces, 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:

.172 acres of land, more or less, being all of Lots(s) 20 Block 2 of the
KAYWOOD HEIGHTS Addition, an addition to the City of Fort Worth, Tarrant County, Texas.

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

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

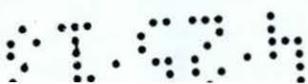
3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal **twenty-two and one half percent (22.5%)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee,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

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

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

Revised on 11/13/2006

ORIGINAL



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

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

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

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

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

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

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

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

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

Edward L. Gould Jr.
Edward Gould

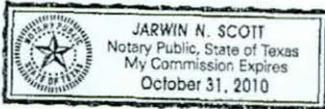
Jamesina Gould
JAMESINA GOULD

ORIGINAL

ACKNOWLEDGMENTS

STATE OF TEXAS
COUNTY OF TARRANT

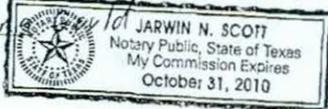
This instrument was acknowledged before me on the 12 day of December, 2006
by Edward Gould



John W. Scott
Notary Public, State of TEXAS
Notary's name (printed):
Notary's commission expires:

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 12 day of December, 2006
by Jamesina Gould



John W. Scott
Notary Public, State of TEXAS
Notary's name (printed):
Notary's commission expires:





DALE RESOURCES
2100 ROSS AVE
STE 1870
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 01/05/2007 07:37 AM
Instrument #: D207005764
OPR 3 PGS \$20.00

By: _____



D207005764

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



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY 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 (4/76) Revised Paid Up
With 640 Acres Pooling Provision

OIL, GAS AND MINERAL LEASE
(NO SURFACE USE)

2
THIS AGREEMENT made this 17th day of January, 2008, between Roldan Rodriguez Morales and wife, Magdalena M. Vazquez Lessor (whether one or more), whose address is 3829 Howard Street Fort Worth Texas 76119 and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

.172 acres of land, more or less, being all of Lot 21, Block 2, of the Kaywood Heights Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-4, Page 207, of the Plat Records of Tarrant County, Texas.

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

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

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

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment, and the term "horizontal completion" means an oil or gas well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder. 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 unlifted 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. After the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

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

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

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

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

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

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

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

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

By Roldan Rodriguez Morales
By Roldan Rodriguez Morales

By Magdalena H. Vazquez
By Magdalena H. Vazquez

ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

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

By Roldan Rodriguez Morales and wife, Magdalena M. Vazquez



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

STATE OF

COUNTY OF

This instrument was acknowledged before me on the ___ day of _____, 2008,

By _____

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





DALE RESOURCES LLC
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 01/23/2008 02:50 PM
Instrument #: D208024153
LSE 3 PGS \$20.00

By: _____



D208024153

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

Printed by: WD



Suzanne Henderson

Suzanne Henderson

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.

MEMORANDUM OF OIL, GAS AND MINERAL LEASE

State: Texas

County: Tarrant

Lessor: **ROBERT POUNDS**, whose address is 3828 Howard St, Fort Worth, TX 76119

Lessee: **PALOMA BARNETT, LLC**, whose address is 1021 Main Street, Houston, Texas 77002

Effective Date: August 9, 2007

For adequate consideration, Lessor, named above, has granted, leased, and let to Lessee, named above, for the purpose of investigating, exploring, prospecting, drilling, mining for, and producing oil and gas, including other liquid and gaseous hydrocarbons, as well as such other minerals or substances as may be produced incidental to and as a part of or mixed with oil, gas and other liquid or gaseous hydrocarbons, laying pipelines, building roads, tanks, power stations, telephone lines and other structures, and producing, saving, take care of, treating, transporting, and owning oil and gas, all on or from the following lands (the "Lands") in the county and state named above:

SEE EXHIBIT "A" ATTACHED HERE TO AND MADE A PART HERE OF THIS CERTAIN OIL AND GAS LEASE

The Oil and Gas Lease (the "Lease") is for a primary term of five (5) years from the Effective Date stated above, and is effective as long thereafter as oil, gas, or other minerals are produced in paying quantities from the Lands, or other lands pooled with the Lands, according to and by the terms and provisions of the Lease between Lessor and Lessee. The Lease, with all of its terms, covenants, and other provisions, is referred to and incorporated into this Memorandum for all purposes. This Memorandum is placed of record for the purpose of giving notice of the Lease. The original of the Lease is maintained in the office of the Lessee.

This Memorandum is signed by Lessor as of the date of acknowledgment of Lessor's signature, but is effective for all purposes as of the Effective Date stated above.

LESSOR

Robert Pounds

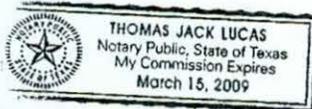
Robert Pounds

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on 8/29/07, 2007 by
Robert Pounds.

Thomas Jack Lucas
Notary Public, State of Texas



D208051072

2154

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED AUGUST 23, 2007 BETWEEN, ROBERT POUNDS, AS LESSOR, AND PALOMA BARNETT, LLC, AS LESSEE, COVERING 0.975 ACRES OF LAND, MORE OR LESS, OUT OF THE D. DULANEY SURVEY, A-411, C.T. HILLARD SURVEY, A-715 AND J.L. PURVIS SURVEY, A-1228, IN TARRANT COUNTY, TEXAS.

0.975 acres of land, more or less, described as follows:

Tract one:

0.322 acres of land, more or less, out of the D. Dulaney Survey, Abstract No. 411, Tarrant County, Texas, being Lot Seven (7), in Block Number Five (5), Walter Willi, addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 1013, Page 7, Deed Records, Tarrant County, Texas, and bearing the street address of 1819-1821 Dillard Street, Fort Worth, Texas, 76105 and being further described in the certain Warranty Deed dated February 7, 1997, from GARRETT MIDDLEBROOK to ROBERT POUNDS, and recorded in Volume 12665, Page 590, of the Official Public Records of Tarrant County, Texas.

Tract two:

0.158 acres of land, more or less, out of the C.T. Hillard Survey, Abstract No. 715, Tarrant County, Texas, being Lot 19, in Block 3, of Kaywood Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Map or Plat thereof recorded in Volume 388-H, Page 207, of the Map Records of Tarrant County, Texas, and being further described in the certain Special Warranty Deed dated October 19, 1990, from BANCPLUS MORTHAHE CORPORATION to ROBERT L. POUNDS, and recorded in Volume 10079, Page 510, of the Official Public Records of Tarrant County, Texas.

Tract three:

0.132 acres of land, more or less, out of the C.T. Hillard Survey, Abstract No. 715, Tarrant County, Texas, being Lot 20, Block 3, of Kaywood Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-H, Page 207, Plat Records of Tarrant County, Texas, and being further described in the certain Warranty Deed dated June 19, 1990, from LONIE POUNDS to ROBERT POUNDS, and recorded in Volume 9963, Page 898, of the Official Public Records of Tarrant County, Texas.

Tract four:

0.363 acres of land, more or less, out of the J.L. Purvis Survey, Abstract No. 1228, Tarrant County, Texas, being Lot 12, Galbreaths Subdivision of Block 7 of Murfy Hill addition, and addition to the city of Fort Worth, Tarrant County, Texas, according to Plat recorded in Volume 309, Page 31 Deed Records, Tarrant County, Texas; Save and except the North 25 feet conveyed by Warranty Deed Recorded in Volume 1553, Page 14, Deed records, Tarrant County, Texas, being further described in the certain Special Warranty Deed dated June 28, 1995, from HENRY G. CISNEROS, SECRETARY OF HOUSING URBAN DEVELOPMENT, OF WASHINGTON D.C. to ROBERT POUNDS, and recorded in Volume 12012, Page 1992, of the Official Public Records of Tarrant County, Texas.

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 (7-69)-Paid Up
With Pooling Provision

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 23rd day of August, 2007, between ROBERT POUNDS, 3828 Howard St, Fort Worth, TX 76119, Lessor, and PALOMA BARNETT, LLC, 1021 Main Street, Suite 2600, Houston, Texas 77002, Lessee,

WITNESSETH:

1. Lessor, in consideration of Ten Dollars, 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, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Tarrant, State of Texas, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERE TO AND MADE A PART HERE OF THIS CERTAIN OIL AND GAS LEASE.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.975 acres of land, whether actually containing more or less, and the above recital of acreage in any tract 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. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 5 years from the date hereof, 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. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 20.00% 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 20.00% 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 20.00% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee 20.00% 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 20.00% of such gas and casinghead gas; (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-ins, 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 payable to Lessor at Lessor's address above, 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 such 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 owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right 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, so as to establish units containing not more than 80 surface acres; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. 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, 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) that 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 therefrom 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 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.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for 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, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

0 1 2 3 4

6. Whenever used in this lease the word "operations" shall mean operations for 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, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. 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 cancelled 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. 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 moneys 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. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. 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 hereof 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.

See attached Addendum for additional provisions.

IN WITNESS WHEREOF, THIS INSTRUMENT IS EXECUTED ON THE DATE FIRST ABOVE WRITTEN.

Robert Pounds
Robert Pounds

ACKNOWLEDGMENT

STATE OF TEXAS

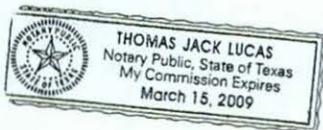
COUNTY OF TARRANT

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This instrument was acknowledged before me on the 29th day of August 2007 by Robert Pounds.

Thomas Jack Lucas
Notary Public, State of TEXAS
Notary's Printed Name:

Commission Expires: 3/15/09



21504

ADDENDUM

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED AUGUST 23, 2007 BETWEEN ROBERT POUNDS, AS LESSOR, AND PALOMA BARNETT, LLC, AS LESSEE, COVERING 0.322 ACRES OF LAND, MORE OR LESS, OUT OF THE D. DULANEY SURVEY, A-411, IN TARRANT COUNTY, TEXAS.

12. At the expiration of five (5) years after the primary term of this lease (as the same may be extended pursuant to any paragraph hereof) or at the end of the extended period of continuous development provided below, whichever is later, this lease shall terminate SAVE AND EXCEPT for 1) eighty (80) acres of land surrounding each producing oil well; six hundred and forty (640) acres of land surrounding each producing or commercial shut-in gas well producing or capable of producing gas in paying or commercial quantities, or 2) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas or any successor agency, or other governmental authority having jurisdiction. If a part of the lands covered hereby are included in a pooled unit or units on which a producing well or wells capable of producing in commercial quantities is located then the lease shall terminate as set forth above SAVE AND EXCEPT for that part of the lands covered hereby which are included in such unit, and further SAVE AND EXCEPT for the rights granted by this lease in and to the oil and gas and constituent hydrocarbons in and under each such excepted tract from the surface of the ground to a depth of 100 feet below the stratigraphic equivalent of the base of the deepest zone or horizon producing or capable of producing. Each such tract shall be in as near the form of a square or rectangle as practicable with the well located thereon being a sufficient distance from the boundary lines of such tract as to comply with the rules and regulations of the Railroad Commission of Texas and shall conform, as near as practicable, with the lease lines; provided, however, if, on the date(s) the partial release(s) called for herein becomes effective, Lessee is then engaged in the actual drilling of a well in search of oil or gas on the land covered hereby or pooled herewith or has drilled a well thereon within a period of ninety (90) days prior to the expiration of such period, then the provisions of this paragraph shall not be applicable until a period of more than one hundred and twenty (120) days elapses between the termination of drilling or reworking operations on a well and the actual commencement of drilling or reworking operations on a subsequent well on the lands covered hereby or lands pooled therewith.

It is further provided that if Lessee shall, in the conduct of drilling operations hereunder after the expiration of the primary term, commence the actual drilling of any next succeeding well within less than the time interval specified for same in the provisions of this paragraph, and thus speeds up the development of the leased premises, Lessee shall have credit in time for such accelerated development and Lessee may, subsequently in the conduct of drilling operations, take advantage of such credit in time on a cumulative basis, and thus extend the time for the commencement of the actual drilling of any subsequent well or wells required to be drilled under the terms of this paragraph in order to prevent termination of this lease and the limitation provisions hereof shall be extended accordingly. Lessee shall notify Lessor promptly after the happening thereof, in writing, of the date of commencement of the actual drilling of each well on the leased premises, the date of termination of drilling operations of each well as defined in this lease, and also the time of credit claimed by Lessee, if any, in connection with each succeeding well. If Lessee shall fail to so notify Lessor as above provided, Lessee shall not be entitled to any credit in time for accelerated development as provided herein. The foregoing provision with respect to accumulation of time assumes that only one well will be drilled at a time, but in the event that Lessee may undertake the drilling of two or more wells at the same time, allowance for time will be made for the drilling of each said well to the end that Lessee shall receive credit for time accumulated for each well drilled with like effect as if each of said wells had been drilling consecutively.

Following expiration of such period or periods of time hereinabove provided for, Lessee shall execute and deliver said written release, releasing all portions of this lease not then so developed. The acreage retained under this lease as to each producing unit, as hereinabove provided, shall be selected by Lessee in a contiguous form of a square or in another shape conforming as close as possible to square and contiguous acreage, except as modified by boundary lines of leased premises.

Notwithstanding a partial termination of this lease under the above provisions, it is agreed that Lessee shall have and retain such easements of ingress and egress over those lands originally covered hereby as shall be necessary to enable Lessee to develop and operate the portion or portions of this lease then in effect for the production of oil or gas there from and it is further agreed that it shall not be necessary for Lessee to remove or relocate any pipelines, tank batteries or other surface equipment or installations from any portions of this lease which have terminated for so long as same continue to be used for the development of and operations on such portions of this lease as continued in force and effect.

2154

13. Lessee agrees to indemnify, protect and hold Lessor (and surface owner, if different from Lessor) harmless of and from any and all claims, demands, losses and causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of any property or improvements caused by operations conducted hereunder by Lessee, its agents, employees, servants, contractors or any person acting under its direction or contract. Further, neither Lessor nor surface owner shall ever be liable for any claims, demands, costs, expenses, damages, losses and causes of action or suits for damages because of injury to persons or property arising out of acts or omissions of Lessee, its agents, employees, servants, contractors, or any person acting under its direction and control in the conduct of operations hereunder on said lands.

14. All notices required to be given under the terms of this lease shall be given to the following persons who are designated Lessor's and Lessee's respective agents:

TO LESSEE:

Paloma Barnett, LLC
1021 Main Street, Suite 2600
Houston, Texas 77002

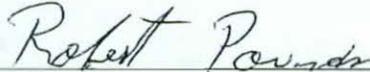
ATTENTION: Land Department

TO LESSOR:

Robert Pounds
1819 Dillard St
Fort Worth, TX 76105

15. Either party hereto may from time to time designate in writing a different address or agent for the giving of any notice hereunder.

16. It is hereby understood and agreed by and between Lessor and Lessee that at any time during the final year of the primary term as described in paragraph 2, Lessee may, at Lessee's option, extend the primary term for an additional term of five (5) years by paying to Lessor the amount equal to the original bonus amount.



Robert Pounds

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED AUGUST 23, 2007 BETWEEN, ROBERT POUNDS, AS LESSOR, AND PALOMA BARNETT, LLC, AS LESSEE, COVERING 0.975 ACRES OF LAND, MORE OR LESS, OUT OF THE D. DULANEY SURVEY, A-411, C.T. HILLARD SURVEY, A-715 AND J.L. PURVIS SURVEY, A-1228, IN TARRANT COUNTY, TEXAS.

0.975 acres of land, more or less, described as follows:

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0.322 acres of land, more or less, out of the D. Dulancy Survey, Abstract No. 411, Tarrant County, Texas, being Lot Seven (7), in Block Number Five (5), Walter Willi, addition, an addition to the City of Fort Worth, Tarrant county, Texas, according to the Plat recorded in Volume 1013, Page 7, Deed Records, Tarrant County, Texas, and bearing the street address of 1819-1821 Dillard Street, Fort Worth, Texas, 76105 and being further described in the certain Warranty Deed dated February 7, 1997, from GARRETT MIDDLEBROOK to ROBERT POUNDS, and recorded in Volume 12665, Page 590, of the Official Public Records of Tarrant County, Texas.

Tract two:

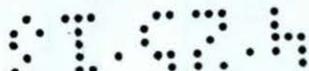
0.158 acres of land, more or less, out of the C.T. Hillard Survey, Abstract No.715, Tarrant County, Texas, being Lot 19, in Block 3, of Kaywood Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Map or Plat thereof recorded in Volume 388-H, Page 207, of the Map Records of Tarrant County, Texas, and being further described in the certain Special Warranty Deed dated October 19, 1990, from BANCPLUS MORTHAHE CORPORATION to ROBERT L. POUNDS, and recorded in Volume 10079, Page 510, of the Official Public Records of Tarrant County, Texas.

Tract three:

0.132 acres of land, more or less, out of the C. T. Hillard Survey, Abstract No.715, Tarrant County, Texas, being Lot 20, Block 3, of Kaywood Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-H, Page 207, Plat Records of Tarrant County, Texas, and being further described in the certain Warranty Deed dated June 19, 1990, from LONIE POUNDS to ROBERT POUNDS, and recorded in Volume 9963, Page 898, of the Official Public Records of Tarrant County, Texas.

Tract four:

0.363 acres of land, more or less, out of the J.L. Purvis Survey, Abstract No.1228, Tarrant County, Texas, being Lot 12, Galbreaths Subdivision of Block 7 of Murry Hill addition, and addition to the city of Fort Worth, Tarrant County, Texas, according to Plat recorded in Volume 309, Page 31 Deed Records, Tarrant County, Texas; Save and except the North 25 feet conveyed by Warranty Deed Recorded in Volume 1553, Page 14, Deed records, Tarrant County, Texas, being further described in the certain Special Warranty Deed dated June 28, 1995, from HENRY G. CISNEROS, SECRETARY OF HOUSING URBAN DEVELOPMENT, OF WASHINGTON D.C. to ROBERT POUNDS, and recorded in Volume 12012, Page 1992, of the Official Public Records of Tarrant County, Texas.



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)**

2

THIS LEASE AGREEMENT is made this 10 day of June, 2008, by and between Juan Carlos Morales, a married person herein not joined by Spouse whose address is 3900 Chickasaw St, Fort Worth, Texas, 76119 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:

.207 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 1, BLOCK 4
OUT OF THE Haywood Heights ADDITION, AN ADDITION TO THE CITY OF
Fort Worth, TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME 388-3, PAGE 69 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the County of Tarrant State of TEXAS, containing .207 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 (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 (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee, provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

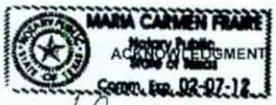
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove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

LESSOR (WHETHER ONE OR MORE)

By: Juan Morales
Juan Morales

By: _____

STATE OF Texas
COUNTY OF Tarrant



This instrument was acknowledged before me on the 10 day of June, 2008, by Juan Carlos Morales, a married person herein not joined by spouse

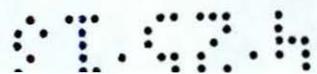


Notary Public, State of Texas
Notary's name (printed): _____
Notary's commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2008, by: _____

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





DALE RESOURCES LLC
2100 ROSS AVE SUITE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 06/13/2008 09:17 AM
Instrument #: D208226367
LSE 3 PGS \$20.00

By: _____



D208226367

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: MV

01074

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

OIL, GAS AND MINERAL LEASE
(NO SURFACE USE)

THIS AGREEMENT made this 24th day of January, 2008, between Juan Lorenzo Morales and wife, Ana Aguilar Morales Lessor (whether one or more), whose address is 3900 Chickasaw Avenue, Fort Worth, Texas 76119 and Dale Property Services, LLC, 2100 Ross Avenue, Suite 1870, LB-9, Dallas, TX 75201, Lessee, WITNESSETH:

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

2.0 acres of land, more or less, being all of Lot 1, Block 5, of the Haywood Heights Addition, an addition to the City of Fort Worth, Tarrant County, Texas, according to that certain plat recorded in Volume 388-3, Page 69, of the Plat Records of Tarrant County, Texas.

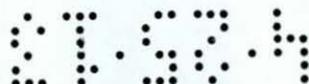
This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

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

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

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

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



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

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

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

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

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

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

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

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

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

By Juan L. Morales
Juan Lorenzo Morales

By Ana Morales
Ana Aguilar Morales

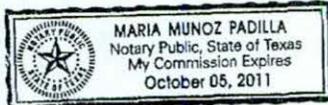
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on the 2th day of January, 2008.

By Juan Lorenzo Morales and wife, Ana Aguilar Morales



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

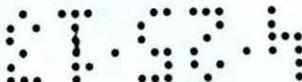
STATE OF

COUNTY OF

This instrument was acknowledged before me on the ___ day of _____, 2008.

By _____

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





DALE RESOURCES LLC
2100 ROSS AVE # 1870 LB 9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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

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

Filed For Registration: 02/07/2008 04:14 PM
Instrument #: D208045168
LSE 3 PGS \$20.00

By: _____



D208045168

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

Printed by: CA

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2. 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.3

PAID UP OIL AND GAS LEASE
(No Surface Use)

THIS LEASE AGREEMENT is made this 9 day of April, 2008, by and between Angelina C. Bosquez, a single person, whose address is 3901 Highway Street, Fort Worth, Texas 76119, 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:

.172 ACRES OF LAND, MORE OR LESS, BEING Block 5, Lot 7, OUT OF THE Kaywood Heights Addition, AN ADDITION TO THE CITY OF Ft. Worth, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THAT CERTAIN PLAT RECORDED IN VOLUME 388-1, PAGE 69 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT, State of TEXAS, containing .172 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, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

LESSOR (WHETHER ONE OR MORE)

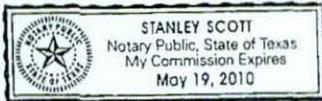
Signature: Angelina C. Bosquez
Printed Name: Angelina C. Bosquez

Signature: _____
Printed Name: _____

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the 9 day of April, 2008, by Angelina C. Bosquez



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

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the _____ day of _____, 2008, by _____

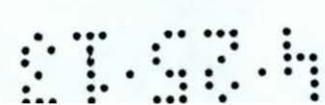
Notary Public, State of Texas
Notary's name (printed):
Notary's commission expires:

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TARRANT

This instrument was acknowledged before me on the _____ day of _____, 2008, by _____ of _____ a _____ corporation, on behalf of said corporation.

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





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: 04/18/2008 03:05 PM
Instrument #: D208141610
LSE 3 PGS \$20.00

By: _____



D208141610

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

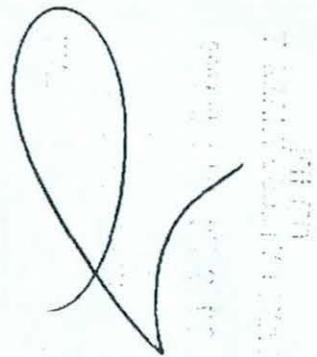
Printed by: CN

0754

100

MEMORANDUM OF OIL AND GAS LEASE

State: Texas
County: Tarrant
Lessor: See Exhibit A
Lessee: Glencrest Resources, LLC
2016 Evans Avenue
Fort Worth 76104
Effective Date: December 1, 2007



For adequate consideration, Lessors, named in Exhibit A (attached), hereby grant and lease exclusively unto Lessee, for the purpose of investigating, exploring, prospecting, drilling in the lands described on Exhibit A (the "Land"), and mining for, and producing oil, gas and all other minerals, all of the interest of Lessor to produce, save, take care of, treat, transport, and own said products located thereon or therein, and to inject gas, water and other fluids and air into subsurface strata therein.

The lease shall be in force for a term of three (3) years from the date hereof (the "Primary Term") and shall continue in force for so long thereafter as oil, gas, or other minerals are produced in paying quantities from the Land or lands pooled with the Land or a portion thereof.

This Memorandum is effective for all purposes as of the Effective Date stated above.

Lessee:
Glencrest Resources, LLC

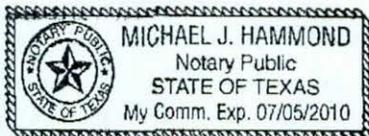
By:

Its:

Leonard Briscoe
President

ACKNOWLEDGEMENT

SWORN AND SUBSCRIBED TO BEFORE ME, THE UNDERSIGNED AUTHORITY, by *Leonard Briscoe*, in the capacity stated above, on the *10th* day of *April*, 2007, after presentation of proper photographic identification.



Michael J. Hammond
NOTARY PUBLIC

Oil, Gas and Mineral Leases

Lease ID	Lessor	Address	City	Zip Code	Legal	Add./Sub.	Acreage*
587	Hammon, Gwendolyn M.	4824 Ollie	FW	76119	L 10R, B 27	Glen Park Add.	0.1707
588	Gonzalez, Reynaldo Gonzalez, Enevelia	3216 Little John	FW	76105	L 5, B 3	Englewood Heights Add.	0.1515
589	Johnson, Parkinson A.	3240 Little John M - 3655 Reed	FW	M - 76119	L 11 & S Pt. 11, B 3	Englewood Heights Add.	0.1363
590	Johnson, Parkinson A.	3232 Little John M - 3655 Reed	FW	M - 76119	L 9, B 3	Englewood Heights Add.	0.1515
591	Valdez, Izidra	3312 Little John	FW	76105	L 4, B 16	Englewood Heights Add.	0.1515
592	Acosta, Rogelio Acosta, Martha	3325 Burton Ave. M - 3540 Strong Ave.	FW	76105	L 10, 10 Less. 10'x10' & 11, B 11	Englewood Heights Add.	0.1515
593	De Macias, Pilar	4828 Vinetta Dr.	FW	76119	L 6, B 16	Glen Park Add.	0.1501
594	Diaz, Ramiro Diaz, Maricela	3548 Vinetta Dr. M - 9033 Quarter Horse Lane	FW	M - 76123	L 22, B 8	Glen Park Add.	0.1666
595	Perez, Efren Salazar, Francisca	3525 Vinetta Dr.	FW	76119	L 5, B 12	Glen Park Add.	0.1666
596	Martinez, Gerardo L.	4821 Vinetta Dr.	FW	76119	L 7, B 15	Glen Park Add.	0.1501
597	Gonzalez, Carlos Gonzalez, Imelda	3516 Vinetta Dr. 4962 Vinetta Dr.	FW	76119	L 30, B 8	Glen Park Add.	0.1887
598	Moreno, Alejandro	M - 3324 Pecos St.	FW	76119	L 22, B 11	Glen Park Add.	0.1446
599	Sanchez, Maria	3545 Vinetta Dr.	FW	76119	L 10, B 12	Glen Park Add.	0.1666
600	Rodriguez, Lara, I.	4901 Vinetta Dr.	FW	76119	L 1, B 14	Glen Park Add.	0.1251
601	Hernandez, Marilu C. Hernandez, Gelacio	3541 Vinetta Dr.	FW	76119	L 9, B 12	Glen Park Add.	0.1666
602	Mulgado, Jose	3900 Howard M - 4101 Chickasaw	FW	76119	L 1, B 6	Kaywood Heights Add.	0.132
603	Halloway, Dorothy	4105 Garrison Ave.	FW	76119	L 17, B 4	Pleasant Glade Add.	0.1652
604	Martinez, Felisa Martinez, Luis O.	3103 Strong Ave.	FW	76105	L 9, B 10	Burchill Add.	0.1606



GLENCREST RESOURCES
2016 EVANS AVE

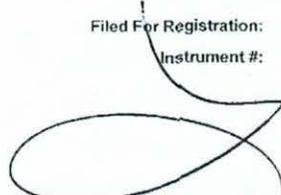
FT WORTH TX 76104

Submitter: BRADLEY & CAIN

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

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Filed For Registration: 04/10/2007 02:06 PM
Instrument #: D207124089
LSEM 101 \$412.00
PGS

By: 



D207124089

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.

File No. MF 15351

Adjacent case schedule

Date Filed: 4/25/13

Jerry E. Patterson, Commissioner

By: M.A.

4.25.13



June 19, 2013

Mr. Jean Paul Beebe
Dale Property Services, LLC
500 Taylor St.
Suite 600
Fort Worth, TX 76102

Re: State of Texas HROW Lease # MF 115351 *(please make reference to this number in all correspondence with the GLO regarding your lease)*

Dear Mr. Beebe,

Enclosed you will find an original executed Highway Right of Way lease in Tarrant County. We ask you assist us in two important ways:

- **Please proofread the lease before filing of record.** Notify the GLO of any errors so that we may promptly make the appropriate corrections.
- **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 filed of record.

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

Best regards,

Mark Adams
Energy Resources
Mineral Leasing
512-463-5669
mark.adams@glo.state.tx.us

Enclosure

File No. MF 115351
Final letter

Date Filed: 6/19/13
Jerry E. Patterson, Commissioner
By M.A.

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

April 25, 2013

Jean Paul Beebe
Dale Property Services, LLC
500 Taylor Street, Suite 600
Fort Worth, TX 76102

Re: .764 acres described as being a portion of Rutan Street within the C.T. Hilliard Survey, A-715, in Tarrant County, Texas

Dear Mr. Beebe:

Your client, Chesapeake Exploration, L.L.C., has filed an application with the General Land Office (GLO) to take an oil and gas lease on the highway right of way under the referenced lands. The applicant has paid the applicable lease bonus, sales fee and filing fee. The applicant has provided all the data required to process the highway right of way lease.

As the lessee of oil and gas leases covering lands adjoining the subject highway right of way, under Natural Resources Code Section 32.201, Chesapeake Exploration, L.L.C. has a preferential right to obtain an oil and gas lease covering the right of way.

The GLO staff has recommended approval of the application by the School Land Board which will meet June 4, 2013.

Please advise if you need additional information.

Sincerely yours,

A handwritten signature in blue ink that reads "George Martin". The signature is written in a cursive style.

George Martin
Mineral Leasing, Energy Resources
512-475-1512
512-475-1543 (fax)
george.martin@glo.texas.gov

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. MF 15351
Waiver letter

Date Filed: 4/25/13
Jerry E. Patterson, Commissioner
By M.A.