



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

MF116539

Lease Type	Control	Basefile	County
Free Royalty	08-030533	150674	REEVES
	Survey	Public School Land	
	Block	C-21	
	Block Name		
	Township		
	Section/Tract	13	
	Land Part		
	Acres	Net: 80.000000	Gross: 80.000000
	Depth Below	Depth Above	Depth Other
	Name	PERMIAN BASIN LAND ASSOCIATES, INC.	
	Lease Date	7/8/2011	
	Primary Term		
	Bonus	\$0.00	
	Lease Royalty	0.06250000	
	Paid Up	NA	

Leasing: _____

Maps: _____

GIS: MC

Scanlab: _____



Contents of Mineral File Number: M-116539

1. Oil & Gas Lease 6/19/14
2. Land Grant info. & plat 6/19/14
3. Assignment 6/19/14
- See #7 in M-114155 for the
Great Divide Horiz. Unit #6833
4. Letter & filing fees

scanned PJ 12-4-14

See MF109915 #15 FY15 Division Order 1/6/16.

scanned PJ 2-23-16

see MF109915 #23 Settlement Agreement 7/16/18

scanned PJ 7-19-2018

see MF114155 #19 Division Order

scanned PJ 9-11-2019

Put in file

EXERCISE OPTION TO EXTEND PRIMARY TERM OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS)
COUNTY OF REEVES)

MF-116539

WHEREAS, on July 8, 2011, NORMA M. KUNZE and JOE F. WHEAT, TRUSTEES of the SCOTT WITTER MARITAL TRUST, ("Lessor"), executed an Oil, Gas and Mineral Lease ("Lease") in favor of PERMIAN BASIN LAND ASSOCIATES, INC., with an address of P O Box 3715, Midland TX 79702 ("Lessee"), recorded in Volume 901, Page 107, of the Official Public Records of Real Property of Reeves County, Texas, covering the following lands:

All of the W/2NW/4 of Section 13, Block C-21, PSL, containing 80.00 acres, more or less, Reeves County, Texas; and

Free Roy

WHEREAS, paragraph 13 of said Lease contains an option to extend the primary term for an additional two (2) year period by payment of an additional bonus consideration for said extension. It is the desire of Resolute Natural Resources Southwest, LLC and FireWheel Energy, Inc., successor Lessee, to extend the primary term of said Lease from three (3) years to five (5) years.

NOW, THEREFORE, in and for the consideration of the bonus set forth in said paragraph 13 of the Lease, the sum of which has been paid to Lessor, Resolute Natural Resources Southwest, LLC and FireWheel Energy, Inc. have extended the primary term from three (3) years to five (5) years from the date of said Lease. This extension shall apply to all of the oil, gas and minerals owned by the Lessor in the lands covered by said Lease. Except as herein amended, the provisions of said Lease, and any recorded instruments effecting said Lease, remain in full force and effect.

IN WITNESS WHEREOF this has been executed this 30th day of JUNE, 2014, but is effective as of the 8th day of July, 2014.

RESOLUTE NATURAL RESOURCES

FIREWHEEL ENERGY, LLC

SOUTHWEST, LLC

[Signature]

[Signature]

By: Bill Alleman
Title: Vice President - Land

By: Alan S. Brown
Title: Sr VP

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 7th day of JULY, 2014 by Bill Alleman, Vice President - Land, RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, a Delaware limited liability company, on behalf of said company.

My Commission expires: 04-30-15



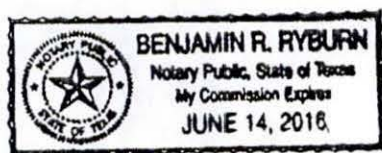
[Signature]
Erin K. Pettigrew, Notary Public in and for the State of Colorado

STATE OF TEXAS)
COUNTY OF Midland)

This instrument was acknowledged before me on this 30th day of June, 2014 by Alan S. Brown as Senior Vice president of FIREWHEEL ENERGY, LLC, a Delaware limited liability company, on behalf of said company.

My Commission expires: 6-14-2016

[Signature]
Notary Public in and for the State of Texas



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

Inst No. 14-07179
DIANNE O. FLOREZ
COUNTY CLERK
2014 Aug 11 at 08:47 AM
REEVES COUNTY, TEXAS
By: ER *[Signature]* DEPUTY

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in Volume 1095 PAGE 700, THRU 700.



I hereby certified on 09/03/2014
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY Amador Garcia DEPUTY

FILE # 6646

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of July, 2011, between Norma M. Kunze and Joe F Wheat, Trustees of the Scott Witter Marital Trust, lessor (whether one or more), whose address is 4544 Post Oak Place, Ste 350, Houston, 77027, and Permian Basin Land Associates, Inc., lessee, whose address is P. O. Box 3715, Midland, Texas 79702, WITNESSETH:

1. Lessor, in consideration of Ten & No/100 (\$10.00) 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 Reeves, State of Texas, and is described as follows:

All of the W/2NW/4 of Section 13, Block C-21, PSL, Reeves County, Texas

****SEE EXHIBIT "A" ATTACHED HERETO FOR FURTHER LEASE PROVISIONS****

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 80.0 acres, 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. This is a paid-up lease and subject to the other provisions herein contained, unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3) 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 **one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **one-fourth (1/4)** 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-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 Five Dollars (\$5.00) 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 will be paid direct to Lessor, or Lessor's heirs, successors or assigns. 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, 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, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; 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 plus 10% acreage tolerance, 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 an 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



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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 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, 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 lessors 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 600 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 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

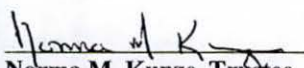
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall 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.

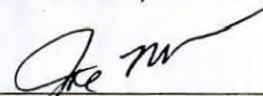
11. If while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, or rule or regulation, (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 such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. If this lease expires or is terminated as to any portions of the said lands, then Lessee shall nevertheless continue to have (i) the right of ingress and egress over, across and through said lands; and (ii) the right to construct, operate and maintain roads, pipelines, power lines and other facilities on, across and over said lands in order to (a) operate wells located on any portion of said lands or on lands pooled therewith; (b) take, receive and transport oil, gas and its constituent products from wells located on said lands or on lands pooled therewith; and (c) further develop any of the retained lands hereunder or lands pooled therewith, in accordance with the other terms of this lease.

13. For the above consideration, Lessee is granted the option to renew and extend the primary term of this lease for an additional period of two (2) years after the end of the primary term provided above, so as to enlarge the primary term from three (3) years to five (5) years, by paying or tendering to Lessor at the address shown above an amount equal to the amount per net mineral acre paid as the initial bonus for this lease for all net mineral acres then covered by this lease, prior to the expiration of the initial primary term of this lease.

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


Norma M. Kunze, Trustee


Joe F. Wheat, Trustee

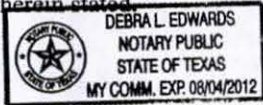


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ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 18th day of July 2011, by Norma M. Kunze, and in the capacities therein stated.



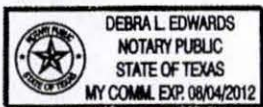
My commission expires: 08/04/2012

Debra L. Edwards
Notary Public in and for the State of Texas
Printed Name: Debra L. Edwards

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 18th day of July 2011, by Joe F. Wheat, and in the capacities therein stated.



My commission expires: 08/04/2012

Debra L. Edwards
Notary Public in and for the State of Texas
Printed Name: Debra L. Edwards



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EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated July 8, 2011, from Norma M. Kunze, Trustee and Joe F. Wheat, Trustee as Lessor, to Permian Basin Land Associates, Inc., as Lessee.

14. LIMITATION OF GRANT: Notwithstanding anything to the contrary contained in this printed lease form, it is understood that the parties expressly limit the grant of this lease to include only oil, gas and other liquefied and gaseous hydrocarbons together with other associated products mined or refined as by-products of or in connection with oil and gas production.

15. SHUT-IN GAS ROYALTY LIMITATION: Notwithstanding anything to the contrary contained in this printed lease form, after the expiration of the primary term, this lease may not be maintained in force and effect for more than two (2) cumulative years solely by the payment of shut-in gas royalty.

16. RETAINED ACREAGE: Notwithstanding anything to the contrary contained in this printed lease form, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon. If at the expiration of the primary term Lessee has drilled a well, or is then drilling a well, on land covered by this lease or pooled therewith, then 180 days after the expiration of the primary term or upon the cessation of Continuous Drilling Operations, whichever is later, this lease shall terminate as to all lands not then either included in a proration unit assigned to a well capable of producing oil or gas in paying quantities or allocated to a drilling well, as well as to all depths below 100 feet below the deepest producing horizon. "Continuous Drilling Operations" shall mean the commencement of actual drilling of an oil or gas well on land covered by this lease, or pooled therewith, within one hundred eighty (180) days after the end of the primary term or within one hundred eighty (180) days after completion of any well which is being drilled at the end of the primary term, whichever is the later date, with no more than 180 days elapsing between the completion of one well and the commencement of the next subsequent well. For the purposes of this paragraph, a "drilling well" shall be deemed to be a well upon which operations for drilling, deepening, completing, recompleting, working, reworking, repairing, side-tracking, testing, logging, or the like are being conducted with no cessation of more than 90 days until production is obtained or the well is finally plugged and abandoned. The term "proration unit" as used herein is intended to be a tract of land the size and shape of which is prescribed or allowed by the Railroad Commission of Texas for production of oil and/or gas under field rules applicable to the area involved herein. Provided, however, if no field rules have been adopted by said Commission or if the records of said Commission do not indicate a definite description of a proration unit, then in either of such events, said proration unit shall be deemed to be forty (40) acres as to oil wells and one hundred sixty (160) acres as to gas wells, plus a tolerance of ten percent (10%).

17. LIMITATION ON ROYALTY DEDUCTIONS: Notwithstanding anything to the contrary contained in this printed lease form, Lessee agrees that all royalties accruing to Lessor under this lease shall be paid without deduction for the cost of producing, transporting, compression, dehydration, treating or otherwise making the oil, gas and other products produced hereunder ready for sale, use, transport or transmission, nor shall any deduction be made from royalty payments to Lessor for bookkeeping, accounting, royalty payment processing, royalty disbursement fee, or any other service of any type by Lessee.

18. OPERATION AND CLOSEOUT: Notwithstanding anything to the contrary contained in this printed lease form, upon partial or total termination of this lease, Lessee agrees to restore, to the extent practical, the surface of the lands to as nearly the same condition as they were in prior to Lessee's operations thereon, and to remove broken or discarded machinery and major debris from the premises. Lessee shall at all times conduct all operations related to this lease consistent with applicable laws and rules. Lessee is responsible for meeting all legal and regulatory requirements regarding plugging dry or abandoned wells, handling of slush or refuse pits, and other applicable environmental requirements. Termination of all or part of this lease by Lessee shall not extinguish or limit any of these responsibilities. Release of any land or horizon under this lease, shall not extinguish or limit any of these responsibilities.

19. POLLUTION: Notwithstanding anything to the contrary contained in this printed lease form, in developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

20. LEASE SECURITY: Notwithstanding anything to the contrary contained in this printed lease form, Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the Lessor royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: , Notwithstanding anything to the contrary contained in this printed lease form, the covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

SIGNED FOR IDENTIFICATION:


Norma M. Kunze, Trustee


Joe F. Wheat, Trustee



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

COLLECTION DRAFT

Upon payor's acceptance, on or before 20 days
after sight and subject to approval of title.

Date: July 11, 2011

PAY TO THE ORDER OF: NORMA M. KUNZE AND JOE D. WHEAT, TRUSTEES OF THE THE SCOTT
WITTER MARITAL TRUST \$ 60,000.00
Sixty Thousand and no/100----- DOLLARS

This draft is drawn to pay for a three (3) year, paid-up, Oil and Gas Lease, dated July 8, 2011 covering
all right, title and interest of payee, above, in W/2NW/4 of Sec. 13, Block C-21, Public School lands,
Reeves County, Texas.

The payee herein agrees to accept the money in case draft is paid any time before same is ordered returned by the
forwarding bank.

Permian Basin Land Associates, Inc. (432-683-9527)
First Capital Bank Midland
310 W. Wall, Suite 100
Midland, Texas 79701
432-686-0044

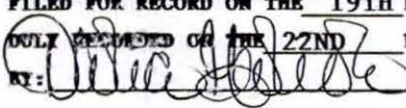
Lee House

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

FILE# 6646

FILED FOR RECORD ON THE 19TH DAY OF SEPTEMBER A.D. 2011 1:37 P.M.

ONLY RECORDED ON THE 22ND DAY OF SEPTEMBER A.D. 2011 9:00 A.M.

BY:  DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS



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

3333

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 901, PAGE 107, THRU 111.

**OFFICIAL PUBLIC
RECORD 6/23/14**

I hereby certified on _____



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Mary Abila DEPUTY
MARY ABILA

EXERCISE OPTION TO EXTEND PRIMARY TERM OF OIL, GAS AND MINERAL LEASE

STATE OF TEXAS)
COUNTY OF REEVES)

WHEREAS, on July 8, 2011, JUNE W. GILLMAN, dealing in her sole and separate property, ("Lessor"), executed an Oil, Gas and Mineral Lease ("Lease") in favor of PERMIAN BASIN LAND ASSOCIATES, INC., ("Lessee"), recorded in Volume 901, Page 112, of the Official Public Records of Real Property of Reeves County, Texas, covering the following lands:

All of the W/2NW/4 of Section 13, Block C-21, PSL, containing 80.00 acres, more or less,
Reeves County, Texas; and

WHEREAS, paragraph 13 of said Lease contains an option to extend the primary term for an additional two (2) year period by payment of an additional bonus consideration for said extension. It is the desire of Resolute Natural Resources Southwest, LLC and FireWheel Energy, Inc., successor Lessee, to extend the primary term of said Lease from three (3) years to five (5) years.

NOW, THEREFORE, in and for the consideration of the bonus set forth in said paragraph 13 of the Lease, the sum of which has been paid to Lessor, Resolute Natural Resources Southwest, LLC and FireWheel Energy, Inc. have extended the primary term from three (3) years to five (5) years from the date of said Lease. This extension shall apply to all of the oil, gas and minerals owned by the Lessor in the lands covered by said Lease. Except as herein amended, the provisions of said Lease, and any recorded instruments effecting said Lease, remain in full force and effect.

IN WITNESS WHEREOF this has been executed this 30th day of JUNE, 2014, but is effective as of the 8th day of July, 2014.

RESOLUTE NATURAL RESOURCES
SOUTHWEST, LLC

By: Bill Alleman
Title: Vice President - Land

FIREWHEEL ENERGY, LLC

By: Alan S. Brown
Title: Sr UP

ACKNOWLEDGEMENTS

STATE OF COLORADO)
CITY & COUNTY OF DENVER)

This instrument was acknowledged before me on this 7th day of July, 2014 by Bill Alleman, Vice President - Land, RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC, a Delaware limited liability company, on behalf of said company.

My Commission expires 04-30-15
ERIN K. PETTIGREW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19904002951
MY COMMISSION EXPIRES 04/30/2015

Erin K. Pettigrew, Notary Public in and for the State of Colorado

STATE OF TEXAS)
COUNTY OF Midland)

This instrument was acknowledged before me on this 30th day of June, 2014 by Alan S. Brown as Senior Vice president of FIREWHEEL ENERGY, LLC, a Delaware limited liability company, on behalf of said company.

My Commission expires: 6-14-2016

Notary Public in and for the State of Texas



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Original filed in
Reeves County
Clerks Office

Inst No. 14-06145
DIANNE O. FLOREZ
COUNTY CLERK
2014 Jul 11 at 03:38 PM
REEVES COUNTY, TEXAS
By: AC Aurora Calancha DEPUTY

2014

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office, found in VOL. 1088
PAGE 119 THRU 119



I hereby certified on 07/25/2014
DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
BY [Signature] DEPUTY

FILE # 6647

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of July, 2011, between June W. Gillman, dealing in her sole and separate property, lessor (whether one or more), whose address is C/O Joe F. Wheat, Attorney, 4544 Post Oak Place, Ste 350, Houston, 77027, and Permian Basin Land Associates, Inc., lessee, whose address is P. O. Box 3715, Midland, Texas 79702. WITNESSETH:

1. Lessor, in consideration of Ten & No/100 (\$10.00) 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 Reeves, State of Texas, and is described as follows:

All of the W/2NW/4 of Section 13, Block C-21, PSL, Reeves County, Texas

****SEE EXHIBIT "A" ATTACHED HERETO FOR FURTHER LEASE PROVISIONS****

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 80.0 acres, 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. This is a paid-up lease and subject to the other provisions herein contained, unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3) 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 one-fourth (1/4) part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one-fourth (1/4) part of such oil at the wells^{as} of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear one-fourth (1/4) of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, one-fourth (1/4) of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of one-fourth (1/4) 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-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 Five Dollars (\$5.00) 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 will be paid direct to Lessor, or Lessor's heirs, successors or assigns. 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, 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, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; 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 plus 10% acreage tolerance, 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



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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 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, 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 lessors 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 600 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 of 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 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. 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, or 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 such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. If this lease expires or is terminated as to any portions of the said lands, then Lessee shall nevertheless continue to have (i) the right of ingress and egress over, across and through said lands; and (ii) the right to construct, operate and maintain roads, pipelines, power lines and other facilities on, across and over said lands in order to (a) operate wells located on any portion of said lands or on lands pooled therewith; (b) take, receive and transport oil, gas and its constituent products from wells located on said lands or on lands pooled therewith; and (c) further develop any of the retained lands hereunder or lands pooled therewith, in accordance with the other terms of this lease.

13. For the above consideration, Lessee is granted the option to renew and extend the primary term of this lease for an additional period of two (2) years after the end of the primary term provided above, so as to enlarge the primary term from three (3) years to five (5) years, by paying or tendering to Lessor at the address shown above an amount equal to the amount per net mineral acre paid as the initial bonus for this lease for all net mineral acres then covered by this lease, prior to the expiration of the initial primary term of this lease.

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

Jayne W. Gillman
Jayne W. Gillman

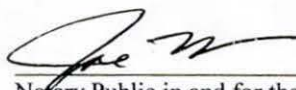


True and Correct
copy of
Original filed in
Reeves County
Clerks Office

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 8th day of August ~~July~~ 2011, by June W. Gillman.



Notary Public in and for the State of Texas
Printed Name: _____

My commission expires: _____



ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this _____ day of July 2011, by

Notary Public in and for the State of Texas
Printed Name: _____

My commission expires: _____



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Reeves County
Clerks Office

EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated July 8, 2011, from June W. Gillman as Lessor, to Permian Basin Land Associates, Inc., as Lessee.

14. LIMITATION OF GRANT: Notwithstanding anything to the contrary contained in this printed lease form, it is understood that the parties expressly limit the grant of this lease to include only oil, gas and other liquefied and gaseous hydrocarbons together with other associated products mined or refined as by-products of or in connection with oil and gas production.

15. SHUT-IN GAS ROYALTY LIMITATION: Notwithstanding anything to the contrary contained in this printed lease form, after the expiration of the primary term, this lease may not be maintained in force and effect for more than two (2) cumulative years solely by the payment of shut-in gas royalty.

16. RETAINED ACREAGE: Notwithstanding anything to the contrary contained in this printed lease form, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon. If at the expiration of the primary term Lessee has drilled a well, or is then drilling a well, on land covered by this lease or pooled therewith, then 180 days after the expiration of the primary term or upon the cessation of Continuous Drilling Operations, whichever is later, this lease shall terminate as to all lands not then either included in a proration unit assigned to a well capable of producing oil or gas in paying quantities or allocated to a drilling well, as well as to all depths below 100 feet below the deepest producing horizon. "Continuous Drilling Operations" shall mean the commencement of actual drilling of an oil or gas well on land covered by this lease, or pooled therewith, within one hundred eighty (180) days after the end of the primary term or within one hundred eighty (180) days after completion of any well which is being drilled at the end of the primary term, whichever is the later date, with no more than 180 days elapsing between the completion of one well and the commencement of the next subsequent well. For the purposes of this paragraph, a "drilling well" shall be deemed to be a well upon which operations for drilling, deepening, completing, recompleting, working, reworking, repairing, side-tracking, testing, logging, or the like are being conducted with no cessation of more than 90 days until production is obtained or the well is finally plugged and abandoned. The term "proration unit" as used herein is intended to be a tract of land the size and shape of which is prescribed or allowed by the Railroad Commission of Texas for production of oil and/or gas under field rules applicable to the area involved herein. Provided, however, if no field rules have been adopted by said Commission or if the records of said Commission do not indicate a definite description of a proration unit, then in either of such events, said proration unit shall be deemed to be forty (40) acres as to oil wells and one hundred sixty (160) acres as to gas wells, plus a tolerance of ten percent (10%).

17. LIMITATION ON ROYALTY DEDUCTIONS: Notwithstanding anything to the contrary contained in this printed lease form, Lessee agrees that all royalties accruing to Lessor under this lease shall be paid without deduction for the cost of producing, transporting, compression, dehydration, treating or otherwise making the oil, gas and other products produced hereunder ready for sale, use, transport or transmission, nor shall any deduction be made from royalty payments to Lessor for bookkeeping, accounting, royalty payment processing, royalty disbursement fee, or any other service of any type by Lessee.

18. OPERATION AND CLOSEOUT: Notwithstanding anything to the contrary contained in this printed lease form, upon partial or total termination of this lease, Lessee agrees to restore, to the extent practical, the surface of the lands to as nearly the same condition as they were in prior to Lessee's operations thereon, and to remove broken or discarded machinery and major debris from the premises. Lessee shall at all times conduct all operations related to this lease consistent with applicable laws and rules. Lessee is responsible for meeting all legal and regulatory requirements regarding plugging dry or abandoned wells, handling of slush or refuse pits, and other applicable environmental requirements. Termination of all or part of this lease by Lessee shall not extinguish or limit any of these responsibilities. Release of any land or horizon under this lease, shall not extinguish or limit any of these responsibilities.

19. POLLUTION: Notwithstanding anything to the contrary contained in this printed lease form, in developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

20. LEASE SECURITY: Notwithstanding anything to the contrary contained in this printed lease form, Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the Lessor royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: , Notwithstanding anything to the contrary contained in this printed lease form, the covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

SIGNED FOR IDENTIFICATION:

June W. Gillman
June W. Gillman

1 of 2



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copy of
Original filed in
Reeves County
Clerks Office

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

FILE# 6647

FILED FOR RECORD ON THE 19TH DAY OF SEPTEMBER A.D. 2011 1:37 P.M.

FULLY RECORDED ON THE 22ND DAY OF SEPTEMBER A.D. 2011 9:00 A.M.

BY: [Signature] DEPUTY

DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

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

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the public records of my office found in VOL. 901

PAGE 112 THRU 115 **OFFICIAL PUBLIC RECORD**

I hereby certified on 6/23/14



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

BY Mary Abila DEPUTY
MARY ABILA

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

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of July, 2011, between June W. Gillman, dealing in her sole and separate property, lessor (whether one or more), whose address is C/O Joe F. Wheat, Attorney, 4544 Post Oak Place, Ste 350, Houston, 77027, and Permian Basin Land Associates, Inc., lessee, whose address is P. O. Box 3715, Midland, Texas 79702. WITNESSETH:

1. Lessor, in consideration of Ten & No/100 (\$10.00) 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 Reeves, State of Texas, and is described as follows:

All of the W/2NW/4 of Section 13, Block C-21, PSL, Reeves County, Texas

SEE EXHIBIT "A" ATTACHED HERETO FOR FURTHER LEASE PROVISIONS

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 80.0 acres, 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. This is a paid-up lease and subject to the other provisions herein contained, unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3) 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 **one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **one-fourth (1/4)** 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-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 Five Dollars (\$5.00) 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 will be paid direct to Lessor, or Lessor's heirs, successors or assigns. 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, 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, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; 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 plus 10% acreage tolerance, 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 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, 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 lessors 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 600 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 of 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 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

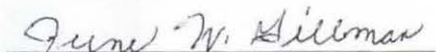
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall 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, or 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 such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. If this lease expires or is terminated as to any portions of the said lands, then Lessee shall nevertheless continue to have (i) the right of ingress and egress over, across and through said lands; and (ii) the right to construct, operate and maintain roads, pipelines, power lines and other facilities on, across and over said lands in order to (a) operate wells located on any portion of said lands or on lands pooled therewith; (b) take, receive and transport oil, gas and its constituent products from wells located on said lands or on lands pooled therewith; and (c) further develop any of the retained lands hereunder or lands pooled therewith, in accordance with the other terms of this lease.

13. For the above consideration, Lessee is granted the option to renew and extend the primary term of this lease for an additional period of two (2) years after the end of the primary term provided above, so as to enlarge the primary term from three (3) years to five (5) years, by paying or tendering to Lessor at the address shown above an amount equal to the amount per net mineral acre paid as the initial bonus for this lease for all net mineral acres then covered by this lease, prior to the expiration of the initial primary term of this lease.

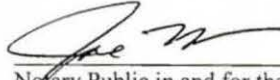
IN WITNESS WHEREOF, this lease is executed on the date first above written.


June W. Gillman

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 8th day of August ~~July~~ 2011, by June W. Gillman.



Notary Public in and for the State of Texas

Printed Name: _____

My commission expires: _____



ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this _____ day of July 2011, by

Notary Public in and for the State of Texas

Printed Name: _____

My commission expires: _____

EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated July 8, 2011, from June W. Gillman as Lessor, to Permian Basin Land Associates, Inc., as Lessee.

14. LIMITATION OF GRANT: Notwithstanding anything to the contrary contained in this printed lease form, it is understood that the parties expressly limit the grant of this lease to include only oil, gas and other liquefied and gaseous hydrocarbons together with other associated products mined or refined as by-products of or in connection with oil and gas production.

15. SHUT-IN GAS ROYALTY LIMITATION: Notwithstanding anything to the contrary contained in this printed lease form, after the expiration of the primary term, this lease may not be maintained in force and effect for more than two (2) cumulative years solely by the payment of shut-in gas royalty.

16. RETAINED ACREAGE: Notwithstanding anything to the contrary contained in this printed lease form, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon. If at the expiration of the primary term Lessee has drilled a well, or is then drilling a well, on land covered by this lease or pooled therewith, then 180 days after the expiration of the primary term or upon the cessation of Continuous Drilling Operations, whichever is later, this lease shall terminate as to all lands not then either included in a proration unit assigned to a well capable of producing oil or gas in paying quantities or allocated to a drilling well, as well as to all depths below 100 feet below the deepest producing horizon. "Continuous Drilling Operations" shall mean the commencement of actual drilling of an oil or gas well on land covered by this lease, or pooled therewith, within one hundred eighty (180) days after the end of the primary term or within one hundred eighty (180) days after completion of any well which is being drilled at the end of the primary term, whichever is the later date, with no more than 180 days elapsing between the completion of one well and the commencement of the next subsequent well. For the purposes of this paragraph, a "drilling well" shall be deemed to be a well upon which operations for drilling, deepening, completing, recompleting, working, reworking, repairing, side-tracking, testing, logging, or the like are being conducted with no cessation of more than 90 days until production is obtained or the well is finally plugged and abandoned. The term "proration unit" as used herein is intended to be a tract of land the size and shape of which is prescribed or allowed by the Railroad Commission of Texas for production of oil and/or gas under field rules applicable to the area involved herein. Provided, however, if no field rules have been adopted by said Commission or if the records of said Commission do not indicate a definite description of a proration unit, then in either of such events, said proration unit shall be deemed to be forty (40) acres as to oil wells and one hundred sixty (160) acres as to gas wells, plus a tolerance of ten percent (10%).

17. LIMITATION ON ROYALTY DEDUCTIONS: Notwithstanding anything to the contrary contained in this printed lease form, Lessee agrees that all royalties accruing to Lessor under this lease shall be paid without deduction for the cost of producing, transporting, compression, dehydration, treating or otherwise making the oil, gas and other products produced hereunder ready for sale, use, transport or transmission, nor shall any deduction be made from royalty payments to Lessor for bookkeeping, accounting, royalty payment processing, royalty disbursement fee, or any other service of any type by Lessee.

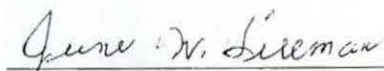
18. OPERATION AND CLOSEOUT: Notwithstanding anything to the contrary contained in this printed lease form, upon partial or total termination of this lease, Lessee agrees to restore, to the extent practical, the surface of the lands to as nearly the same condition as they were in prior to Lessee's operations thereon, and to remove broken or discarded machinery and major debris from the premises. Lessee shall at all times conduct all operations related to this lease consistent with applicable laws and rules. Lessee is responsible for meeting all legal and regulatory requirements regarding plugging dry or abandoned wells, handling of slush or refuse pits, and other applicable environmental requirements. Termination of all or part of this lease by Lessee shall not extinguish or limit any of these responsibilities. Release of any land or horizon under this lease, shall not extinguish or limit any of these responsibilities.

19. POLLUTION: Notwithstanding anything to the contrary contained in this printed lease form, in developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

20. LEASE SECURITY: Notwithstanding anything to the contrary contained in this printed lease form, Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the Lessor royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: , Notwithstanding anything to the contrary contained in this printed lease form, the covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

SIGNED FOR IDENTIFICATION:


June W. Gillman

Certificate of Record

27.80

Recording Fee

Certified Copy Fee

27.80

Total Paid

006647

FILED FOR RECORD

2011 SEP 19 PM 1:07

COUNTY CLERK OF REEVES COUNTY

NG

Return to:

House

COMPARED

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

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

OPR VOL. 901 PAGE 112 DATE RECORDED 09/22/11



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS

By: Carla Shindo Deputy

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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 8th day of July, 2011, between Norma M. Kunze and Joe F Wheat, Trustees of the Scott Witter Marital Trust, lessor (whether one or more), whose address is 4544 Post Oak Place, Ste 350, Houston, 77027, and Permian Basin Land Associates, Inc., lessee, whose address is P. O. Box 3715, Midland, Texas 79702,
WITNESSETH:

1. Lessor, in consideration of Ten & No/100 (\$10.00) 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 Reeves, State of Texas, and is described as follows:

All of the W/2NW/4 of Section 13, Block C-21, PSL, Reeves County, Texas

****SEE EXHIBIT "A" ATTACHED HERETO FOR FURTHER LEASE PROVISIONS****

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 80.0 acres, 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. This is a paid-up lease and subject to the other provisions herein contained, unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3) 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 **one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **one-fourth (1/4)** 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-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 Five Dollars (\$5.00) 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 will be paid direct to Lessor, or Lessor's heirs, successors or assigns. 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, 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, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; 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 plus 10% acreage tolerance, 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 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, 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 lessors 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 600 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 of 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 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. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

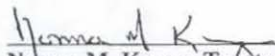
10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall 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, or 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 such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. If this lease expires or is terminated as to any portions of the said lands, then Lessee shall nevertheless continue to have (i) the right of ingress and egress over, across and through said lands; and (ii) the right to construct, operate and maintain roads, pipelines, power lines and other facilities on, across and over said lands in order to (a) operate wells located on any portion of said lands or on lands pooled therewith; (b) take, receive and transport oil, gas and its constituent products from wells located on said lands or on lands pooled therewith; and (c) further develop any of the retained lands hereunder or lands pooled therewith, in accordance with the other terms of this lease.

13. For the above consideration, Lessee is granted the option to renew and extend the primary term of this lease for an additional period of two (2) years after the end of the primary term provided above, so as to enlarge the primary term from three (3) years to five (5) years, by paying or tendering to Lessor at the address shown above an amount equal to the amount per net mineral acre paid as the initial bonus for this lease for all net mineral acres then covered by this lease, prior to the expiration of the initial primary term of this lease.

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


Norma M. Kunze, Trustee

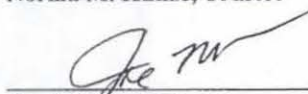

Joe F. Wheat, Trustee

EXHIBIT "A"

Attached to and made part of that certain Oil, Gas and Mineral Lease dated July 8, 2011, from Norma M. Kunze, Trustee and Joe F. Wheat, Trustee as Lessor, to Permian Basin Land Associates, Inc., as Lessee.

14. LIMITATION OF GRANT: Notwithstanding anything to the contrary contained in this printed lease form, it is understood that the parties expressly limit the grant of this lease to include only oil, gas and other liquefied and gaseous hydrocarbons together with other associated products mined or refined as by-products of or in connection with oil and gas production.

15. SHUT-IN GAS ROYALTY LIMITATION: Notwithstanding anything to the contrary contained in this printed lease form, after the expiration of the primary term, this lease may not be maintained in force and effect for more than two (2) cumulative years solely by the payment of shut-in gas royalty.

16. RETAINED ACREAGE: Notwithstanding anything to the contrary contained in this printed lease form, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon. If at the expiration of the primary term Lessee has drilled a well, or is then drilling a well, on land covered by this lease or pooled therewith, then 180 days after the expiration of the primary term or upon the cessation of Continuous Drilling Operations, whichever is later, this lease shall terminate as to all lands not then either included in a proration unit assigned to a well capable of producing oil or gas in paying quantities or allocated to a drilling well, as well as to all depths below 100 feet below the deepest producing horizon. "Continuous Drilling Operations" shall mean the commencement of actual drilling of an oil or gas well on land covered by this lease, or pooled therewith, within one hundred eighty (180) days after the end of the primary term or within one hundred eighty (180) days after completion of any well which is being drilled at the end of the primary term, whichever is the later date, with no more than 180 days elapsing between the completion of one well and the commencement of the next subsequent well. For the purposes of this paragraph, a "drilling well" shall be deemed to be a well upon which operations for drilling, deepening, completing, recompleting, working, reworking, repairing, side-tracking, testing, logging, or the like are being conducted with no cessation of more than 90 days until production is obtained or the well is finally plugged and abandoned. The term "proration unit" as used herein is intended to be a tract of land the size and shape of which is prescribed or allowed by the Railroad Commission of Texas for production of oil and/or gas under field rules applicable to the area involved herein. Provided, however, if no field rules have been adopted by said Commission or if the records of said Commission do not indicate a definite description of a proration unit, then in either of such events, said proration unit shall be deemed to be forty (40) acres as to oil wells and one hundred sixty (160) acres as to gas wells, plus a tolerance of ten percent (10%).

17. LIMITATION ON ROYALTY DEDUCTIONS: Notwithstanding anything to the contrary contained in this printed lease form, Lessee agrees that all royalties accruing to Lessor under this lease shall be paid without deduction for the cost of producing, transporting, compression, dehydration, treating or otherwise making the oil, gas and other products produced hereunder ready for sale, use, transport or transmission, nor shall any deduction be made from royalty payments to Lessor for bookkeeping, accounting, royalty payment processing, royalty disbursement fee, or any other service of any type by Lessee.

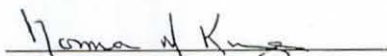
18. OPERATION AND CLOSEOUT: Notwithstanding anything to the contrary contained in this printed lease form, upon partial or total termination of this lease, Lessee agrees to restore, to the extent practical, the surface of the lands to as nearly the same condition as they were in prior to Lessee's operations thereon, and to remove broken or discarded machinery and major debris from the premises. Lessee shall at all times conduct all operations related to this lease consistent with applicable laws and rules. Lessee is responsible for meeting all legal and regulatory requirements regarding plugging dry or abandoned wells, handling of slush or refuse pits, and other applicable environmental requirements. Termination of all or part of this lease by Lessee shall not extinguish or limit any of these responsibilities. Release of any land or horizon under this lease, shall not extinguish or limit any of these responsibilities.

19. POLLUTION: Notwithstanding anything to the contrary contained in this printed lease form, in developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. Without limiting the foregoing, pollution of coastal wetlands, natural waterways, rivers and impounded water shall be prevented by the use of containment facilities sufficient to prevent spillage, seepage or ground water contamination. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties.

20. LEASE SECURITY: Notwithstanding anything to the contrary contained in this printed lease form, Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the Lessor royalties thereon as provided herein on all oil, gas or other hydrocarbons lost by reason of theft.

21. SUCCESSORS AND ASSIGNS: , Notwithstanding anything to the contrary contained in this printed lease form, the covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

SIGNED FOR IDENTIFICATION:

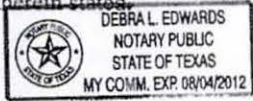

Norma M. Kunze, Trustee


Joe F. Wheat, Trustee

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 18th day of July 2011, by Norma M. Kunze, and in the capacities therein stated.



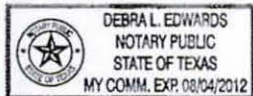
My commission expires: 08/04/2012

Debra L. Edwards
Notary Public in and for the State of Texas
Printed Name: Debra L. Edwards

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on this 18th day of July 2011, by Joe F. Wheat, and in the capacities therein stated.



My commission expires: 08/04/2012

Debra L. Edwards
Notary Public in and for the State of Texas
Printed Name: Debra L. Edwards

Certificate of Record
31.80 Recording Fee
Certified Copy Fee
31.80 Total Paid

006646

FILED FOR RECORDED
2011 SEP 19 10:17

Return to:
1st house

NG
COMPARED

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

THE STATE OF TEXAS, }
COUNTY OF REEVES. }

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

OPR VOL. 901 PAGE 107 DATE RECORDED 09/22/11



DIANNE C. FLORES, COUNTY CLERK
REEVES COUNTY, TEXAS

By: [Signature] Deputy

File No. M-116539
O. & Gas Lease
Date Filed: 6/19/14
Jerry E. Patterson, Commissioner
By me

(1)

**Basefile Number - 150674**

Information for this County -
REEVES COUNTY

[Related ALAMO Record](#)

[Download GIS Data](#)

[Energy Lease Information](#)**IDENTIFICATION NUMBERS**

LAND CLASS NUMBER - 08
CONTROL NUMBER 08-030533

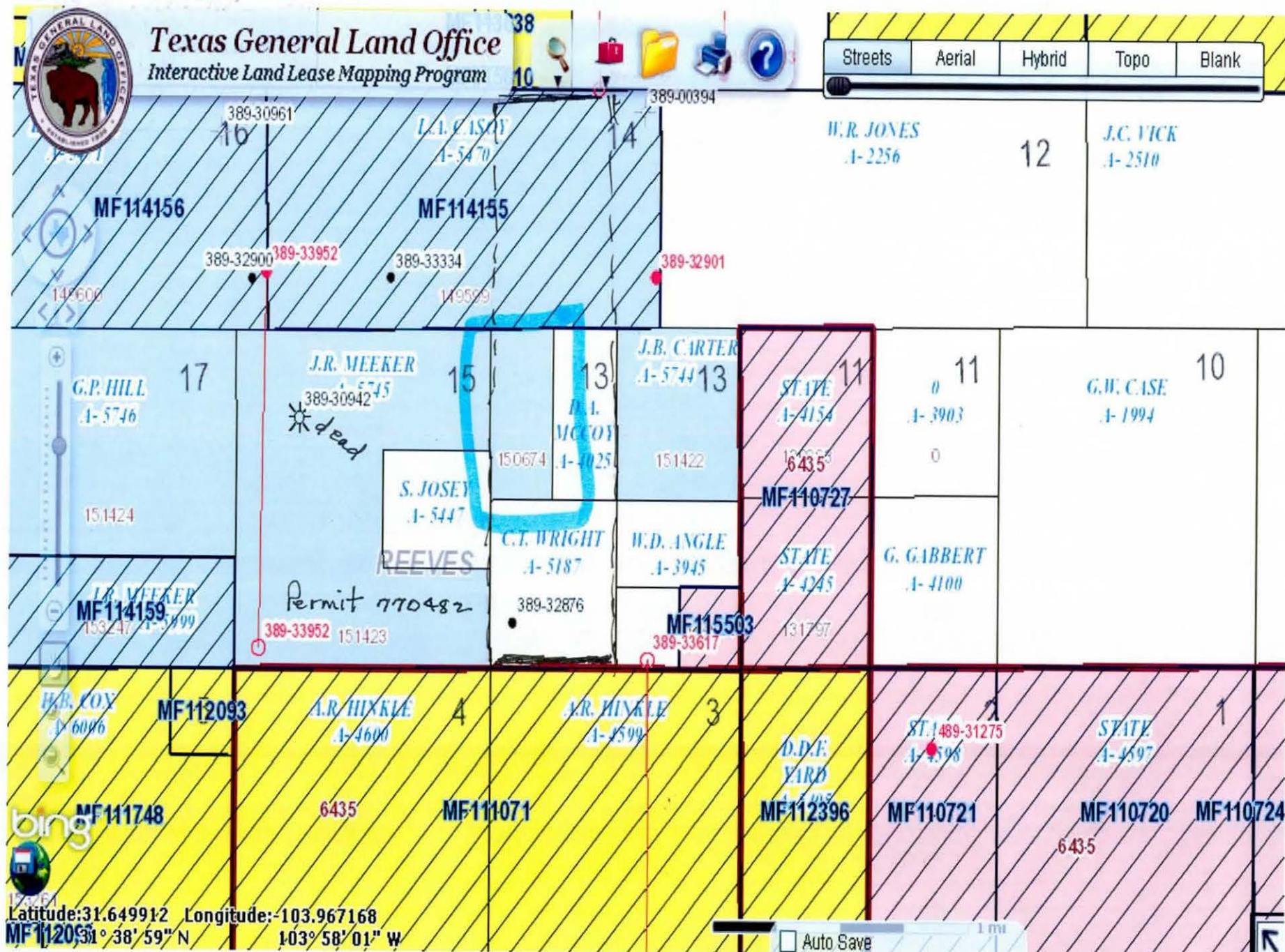
SURVEY INFORMATION

SURVEY NAME - PSL
GRANTEE NAME - Witter, E A
ABSTRACT - 5640
BLOCK - TOWNSHIP - PSL C-21
SECTION NUMBER - 13
SECTION/PART - W/2 OF NW/4 13
CURRENT ACRES - 80.000000
ORIGINAL ACRES - 80.00

PATENT INFORMATION:

PATENTEE NAME - Witter, E A
DISTRICT - Bexar
CLASSIFICATION - School
FILE NUMBER - 150674
PATENT DATE - 10 Oct 1967
CERTIFICATE -
PATENT NUMBER - 371
PATENT VOLUME - 35-B
PAGE - 143

LEASE INFORMATION



File No. M-116539
Land Grant info. & plat
Date Filed: 6/19/14
Jerry E. Patterson, Commissioner
By [Signature]

(2)

ASSIGNMENT OF OIL AND GAS LEASES

12-00519
FILED FOR RECORD
REEVES COUNTY, TEXAS
23, 2012 at 09:41:00 AM

State (situs of land): TEXAS

County (situs of land): REEVES

Assignor: PERMIAN BASIN LAND ASSOCIATES, INC.
P. O. Box 3715
Midland, TX 79705

Assignee: RESOLUTE NATURAL RESOURCES SOUTHWEST, LLC
1675 Broadway, Suite 1950
Denver, CO 80212

Date Executed: October 18, 2011

For Ten Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, sells, conveys and assigns to Assignee all of Assignor's right, title and interest in and to all of the Oil and Gas Leases (the "Leases") described on Exhibit "A", attached hereto and made a part hereof for all purposes, covering all of the lands described therein, located in the county and state named above. It is Assignors intention to convey all of Assignors interest in the Leases, regardless of whether properties described on Exhibit "A" are correct or not. With respect to each Lease, it is understood and agreed that this Assignment shall be effective, as to each such Lease, as of the date of such Lease.

ASSIGNOR:
PERMIAN BASIN LAND ASSOCIATES, INC.

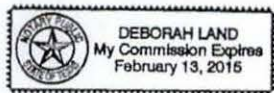
By: [Signature]
CHARLES L. HOUSE, President

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on this 18th day of October 2011, by
CHARLES L. HOUSE, as President on behalf of PERMIAN BASIN LAND ASSOCIATES,
INC., a Texas Corporation.



My commission expires: _____

[Signature]
Notary Public in and for the State of Texas

Printed Name: DEBORAH LAND

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EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Lease dated October 18, 2011, from PERMIAN BASIN LAND ASSOCIATES, INC., to RESOULUTE NATURAL RESOURCES SOUTHWEST, LLC

	Lessor	Lessee	Date	Tract Description	*Recorded Vol/Pg
761.012	Lee Usnick	Permian Basin Land Associates, Inc.	05/13/2011	All of Sec. 4, Block C-21, PSL	885/729
761.013	Bryan Jordan	Permian Basin Land Associates, Inc.	05/13/2011	All of Sec. 4, Block C-21, PSL	885/733
761.014	Thomas Buckley	Permian Basin Land Associates, Inc.	06/01/2011	All of Sec. 4, Block C-21, PSL	885/739
761.015	James J. Buckley	Permian Basin Land Associates, Inc.	06/01/2011	All of Sec. 4, Block C-21, PSL	885/736
761.016	Christine C. Buckley	Permian Basin Land Associates, Inc.	06/01/2011	All of Sec. 4, Block C-21, PSL	899/196
761.017	Norma Williams Trust Agreement	Permian Basin Land Associates, Inc.	08/15/2011	All of Sec. 4, Block C-21, PSL	899/199
1003.001	Robert W. Hanagan	Permian Basin Land Associates, Inc.	08/05/2011	SE/4 of Section 11, Block C-21, PSL	901/93
1003.002	Debra A. Hill Revocable Trust	Permian Basin Land Associates, Inc.	08/05/2011	SE/4 of Section 11, Block C-21, PSL	901/89
1003.003	Betty L Hanagan Residuary Trust	Permian Basin Land Associates, Inc.	08/05/2011	SE/4 of Section 11, Block C-21, PSL	901/91
1003.004	Matthew N Sorenson	Permian Basin Land Associates, Inc.	07/28/2011	SE/4 of Section 11, Block C-21, PSL	901/95
1003.005	Christine V. Merchant	Permian Basin Land Associates, Inc.	07/28/2011	SE/4 of Section 11, Block C-21, PSL	904/239
1003.006	David T. Sorenson	Permian Basin Land Associates, Inc.	07/28/2011	SE/4 of Section 11, Block C-21, PSL	901/103
1003.007	Kellie M Kross	Permian Basin Land Associates, Inc.	07/28/2011	SE/4 of Section 11, Block C-21, PSL	901/99
1004.001	Norma M. Kunze & Joe F. Wheat, Trustees of the Scott Witter Marital Trust	Permian Basin Land Associates, Inc.	07/08/2011	All of W/2NW/4 of Sec. 13, Block C-21, PSL	901/107
1014.002	June W. Gillman	Permian Basin Land Associates, Inc.	07/08/2011	All of W/2NW/4 of Sec. 13, Block C-21, PSL	901/112

FREE
ROY

*NOTE: All recording references are in the Official Public Records of Reeves County, Texas.

12-00513
DIANNE O FLOREZ
COUNTY CLERK
2012 Jan 23 at 08:41 AM
REEVES COUNTY, TEXAS
By *Elinor Long* DEPUTY

AOGLResoluteExhibitA

(3)

M-116539

Assignment

File No.

Date Filed:

6/19/14

Jerry E. Patterson, Commissioner

By



Resolute

September 26, 2014

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

Re: Documents for your files
TX01004.001, TX01004.002

Dear Mr. Reid,

Enclosed please find certified copies from the Reeves County Clerk of two Oil, Gas and Mineral Leases and the Exercise Option to Extend Primary Term of Oil, Gas and Mineral Leases that pertain to the leases in Block C-21, PSL, Section 13: W2NW, Reeves Co, TX. I have yet to receive the Mineral File number for this acreage so it is not referenced here. Could you please email me the Mineral File number for our records?

I have also enclosed our check number 1000088814 in the amount of \$100.00 to cover the filing fees for the certified copies.

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

Sincerely yours,



Lynn Ahlfenger
Lease Analyst

/la
Enclosures

15701642

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

U S BANK TREASURY DIVISION 232
1020

Check No	Check Date	Check Amount
1000088814	09/25/2014	*****\$100.00

Void After 120 Days

PAY *One Hundred Dollars and Zero Cents*
TO
THE
ORDER
OF

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

U. S. Bank

⑈ 1000088814 ⑈

PLEASE DETACH AT PERFORATION ABOVE

PLEASE DETACH AT PERFORATION ABOVE

RESOLUTE NATURAL RESOURCES

1700 Lincoln Street
Suite 2800
Denver CO 80203

Resolute

Check Number 1000088814

Invoice #	Inv. Date	Description	Amount	Discount	Net Amount
06076-091214-CHKREQ	09/12/2014	Document Fees	100.00	0.00	100.00

06076

Owner

Check Date: 09/25/2014

Check Amount

100.00

121

0.50 17

By _____
Date Filed: Sept 30, 2014
Jerry E. Patterson, Commissioner
File No. _____
By _____
Date Filed: Letter & Filing Fees
Jerry E. Patterson, Commissioner
File No. 116539