

MF116927

TERMINATION

DATE 8/5/17
 LEASING 11/5/30/18
 MAPS X
 GIS MC

Lease Type
 RAL

Control

07-130623

Basefile

138581

County

REEVES

Survey

Public School Land

Block

59

Block Name

Township

Section/Tract

7

Land Part

N/2, SW/4

Acres

Net: 480.000000 Gross: 480.000000

Depth Below

Depth Above Depth Other

Name

WINNE LAND & MINERALS, INC.

Lease Date

8/5/2014

Primary Term

5 years

Bonus

\$780,000.00

Lease Royalty

0.12500000

Paid Up

No

Leasing: QMaps: XGIS: MC

Scanlab: _____

**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

F1055948

Contents of Mineral File Number: 116927

1. RAL Review 04/24/14

2. Bonus, fee, ltr 09/08/14

3. Lease 08/17/15

4. Ltr from Common Resources 08/17/15

5. Final ltr 11/03/15

Scanned sm 2/23/16

6) ~~TERMINATION LETTER~~ 9/19/17

Scanned PJ 6-1-2018

RAL REVIEW SHEET

Working File #: RAL146031

MF:

Lessor: Lowe Royalty Partners, LP

Lease Date: 04/25/2014

UI: No

Lessee: ~~Ponderosa Resources, LLC~~
Winneland

Gross Acres: 480.00

Net Acres: 480.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block	Twp	Survey	Abst No
Reeves	07-130623	138581	N/2 & SW/4	7	59		Public School Land	4934

TERMS OFFERED

Primary Term:	3 Years			
Bonus / Acre:	\$3,000.00			
Rental / Acre:	2nd Yr	3rd Yr	4th Yr	5th Yr
	0.00	0.00		
Royalty	0.250000			

TERMS RECOMMENDED

Primary Term:	3 Years			
Bonus / Acre:	\$3,250.00			
Rental / Acre:	2nd Yr	3rd Yr	4th Yr	5th Yr
	0.00	0.00		
Royalty	0.250000			

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre				Royalty	Distance
Pending	Energen Resources	02/10/2014	3 yr	\$3,250.00	\$0.00	0.00			0.250000	2.000000 North

Comments:

Paid Up

Approved:

(Signature) R 4.25.14

RELINQUISHMENT ACT LEASE APPLICATION

Texas General Land Office

Jerry Patterson, Commissioner

TO: Jerry Patterson, Commissioner
Larry Laine, Chief Clerk
Bill Warnick, General Counsel
Louis Renaud, Deputy Commissioner

FROM: Robert Hatter, Director of Mineral Leasing

Applicant: Ponderosa Resources, LLC

County: Reeves

Prim. Term: 3 Years

Bonus/Acre: \$3,250.00

Royalty: 0.25000000

Rental/Acre 2nd Yr: \$0.00

3rd Yr: \$0.00

4th Yr: \$0.00

5th Yr: \$0.00

Consideration

Recommended: RJA

Date: 4/30/14

Not Recommended: _____

Comments: Paid Up

Lease Form

Recommended: RJA

Date: 4/30/14

Not Recommended: _____

Comments: _____

Louis Renaud, Deputy Commissioner

Recommended: CLR

Date: 5.9.14

Not Recommended: _____

Bill Warnick, General Counsel

Recommended: WTW

Date: 5/16/14

Not Recommended: _____

Larry Laine, Chief Clerk

Approved: [Signature]

Date: 5/15/14

Not Approved: _____

Jerry Patterson, Commissioner

Approved: [Signature]

Date: 5/20/14

Not Approved: _____

RAL REVIEW SHEET

Working File #: RAL146592

MF:

Lessor: Lowe Royalty Partners, LP

Lease Date: 08/05/2014

UI: No

Lessee: Winne Land & Minerals, Inc.

Gross Acres: 480.00

Net Acres: 480.00

LEASE DESCRIPTION

County	Control #	Base File No	Part	Sec	Block Twp	Survey	Abst No
Reeves	07-130623	138581	N/2, SW/4	7	59	Public School Land	4934

TERMS OFFERED

Primary Term:	5 Years			
Bonus / Acre:	\$3,250.00			
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:	0.00	0.00	3,250.00	0.00
Royalty	0.250000			

TERMS RECOMMENDED

Primary Term:				
Bonus / Acre:				
	2nd Yr	3rd Yr	4th Yr	5th Yr
Rental / Acre:				
Royalty				

COMPARISONS

Lease No	Lessee	Lease Date	Primary Term	Bonus/Acre	Rental/Acre	Royalty	Distance

Comments:

paid up 2nd & 3rd yr, 4th yr rental \$3250.00 per ac., pays up 5th yr

Approved:

File No. 116927

RAL Review

Date Filed: 04/24/14

Jerry E. Patterson, Commissioner

By 

WINNE LAND & MINERALS, INC.

NORTH TEXAS LEASE ACCOUNT
10330 LAKE ROAD, BLDG 26
HOUSTON, TEXAS 77070

CHASEWOOD BANK

P.O. BOX 90888 • HOUSTON, TEXAS 77290
www.chasewoodbank.com

15700325 1311

9/2/2014

PAY TO THE
ORDER OF State of Texas

\$ **780,000.00

Seven Hundred Eighty Thousand and 00/100*****

DOLLARS

State of Texas
1700 North Congress Avenue
Austin, Texas 78701



[Handwritten Signature]
AUTHORIZED SIGNATURE

MEMO

Lease Bonus Consideration

⑈001311⑈

WINNE LAND & MINERALS, INC.

State of Texas

9/2/2014

1311

Lease Bonus Consideration
Date of Lease: 8/05/14
480.0 Ac, N/2 of SW/4,
Sec 7, Blk 59, PSL Survey
A-4934, Reeves Co, Tx
(Lowe Royalty Partners, LP)

X 780,000.00

15700325

WLMI - North Texas L Lease Bonus Consideration

780,000.00



WINNE LAND & MINERALS, INC.

10330 LAKE ROAD, BLDG 26
HOUSTON, TEXAS 77070

CHASEWOOD BANK

P.O. BOX 90868 • HOUSTON, TEXAS 77290
www.chasewoodbank.com

15700326 8165

9/2/2014

PAY TO THE
ORDER OF State of Texas

\$ **125.00

One Hundred Twenty-Five and 00/100*****

DOLLARS

State of Texas
1700 North Congress Avenue
Austin, Texas 78701



[Handwritten Signature]
AUTHORIZED SIGNATURE

MEMO
Processing and Filing Fee

⑈008165⑈

WINNE LAND & MINERALS, INC.

State of Texas

9/2/2014

8165

Processing and Filing Fees
State of Texas Lease
dated 8/05/14
covering 480.0 Ac
Reeves County, Texas
(Lowe Royalty Partners, LP)

X 125.00

12/15700326

Chasewood Bank Che Processing and Filing Fee

125.00

New
Drew Reid - Re: Offer Approval / Multi Section / Block 59 / Reeves County

From: <john.c.richert@aol.com>
To: <Drew.Reid@GLO.TEXAS.GOV>
Date: 4/23/2014 9:41 AM
Subject: Re: Offer Approval / Multi Section / Block 59 / Reeves County
Attachments: LOWE_ROYALTY_PARTNERS_LEASE_FORM.doc

Mr. Reid,

Attached is my lease with Lowe Royalty Partners in Section 7 Block 59, PSL. They have accepted \$3,000.00. Please let me know if Paragraph 3 will be acceptable (I copied it below). I took this from a previous GLO lease form I found in another section.

That is the only change I made to the lease form since we are doing a 3 year lease with no delay rentals. If I need to add any additional language please let me know.

PAID-UP LEASE This is a paid-up lease and no further delay rentals shall be due. The bonus paid herunder is consideration for this lease and shall not be allocated as mere rental for a period. The \$5.00 per acre delay for the 2nd and 3rd years were paid as part of the \$3,000.00 per acre bonus.

Respectfully
John Richert
Landman
Cell: 918-378-0488

-----Original Message-----

From: Drew Reid <Drew.Reid@GLO.TEXAS.GOV>
 To: john.c.richert <john.c.richert@aol.com>
 Sent: Wed, Apr 23, 2014 9:35 am
 Subject: Re: Offer Approval / Multi Section / Block 59 / Reeves County

\$3000.00 should work but \$3250.00 would be approved for sure.
 This is not an approval, I can not do a work up until I know you have made contact with the surface owner and they have accepted the offer. I need a copy of the lease to start the process.
 Drew

>>> <john.c.richert@aol.com> 4/23/2014 8:20 AM >>>
 Mr. Reid,

My name is John Richert. I work for Jonathan Vogel at Ponderosa Resources, LLC.

Will \$3,000/ac conform with market rates? If you would like me to send one email per section moving forward please let me know.

Block 59, Section 7 (Basefile # 138581)

Block 59, Section 7 (Basefile # 149129)

Block 59, Section 9 (Basefile # 101449)

Block 59, Section 19 (Basefile # 138582)

I appreciate the help!

Respectfully

John Richert

Landman

Cell: 918-378-0488

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From: <john.c.richert@aol.com>
To: <Drew.Reid@GLO.TEXAS.GOV>
Date: 4/23/2014 10:49 AM
Subject: Re: Offer Approval / Multi Section / Block 59 / Reeves County
Attachments: Lowe Royalty Partners Exhibit.doc

Attached is Lowe's Exhibit. I am waiting for final approval on the exhibit from my boss. I am not as familiar with Seismic so I wanted to know if that was all standard information to give out, before I sent her the lease form with that attached.

Yes, I had told her \$3,000 had been previously approved in the area. We will wait to hear from you for the final price, once we have the signed lease forms.

Respectfully
 John Richert
 Landman
 Cell: 918-378-0488

-----Original Message-----

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 To: john.c.richert <john.c.richert@aol.com>
 Sent: Wed, Apr 23, 2014 10:41 am
 Subject: Re: Offer Approval / Multi Section / Block 59 / Reeves County

John,
 Paragraph 3. will work.
 Where is the addendum that Lowe Royalty puts on all of there Mineral Classified leases?
 I spoke with Kathy at Lowe Royalty earlier this morning and she ask if I had approved the \$3000.00 per ac. because she was told that it had been approved. I'm sure you said the \$3000.00 had been approved in the area, which is correct. Like I said earlier \$3250.00 has also been approved in the area. I will start a work up and let you know, check back early next week.
 Drew

>>> <john.c.richert@aol.com> 4/23/2014 9:41 AM >>>
 Mr. Reid,

Attached is my lease with Lowe Royalty Partners in Section 7 Block 59, PSL. They have accepted \$3,000.00. Please let me know if Paragraph 3 will be acceptable (I copied it below). I took this from a previous GLO lease form I found in another section.

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Mr. Reid,

My name is John Richert. I work for Jonathan Vogel at Ponderosa Resources, LLC.

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Block 59, Section 7 (Basefile # 138581)
Block 59, Section 7 (Basefile # 149129)

Block 59, Section 9 (Basefile # 101449)

Block 59, Section 19 (Basefile # 138582)

I appreciate the help!

Respectfully
John Richert
Landman
Cell: 918-378-0488

File No. 116927

Bonus, fee, ltr

Date Filed: 29/09/14

Jerry E. Patterson, Commissioner

By 

116927

440,134
FOR COURT
REEVES COUNTY TEXAS
JUL 25 2014 PM 2:00

General Land Office
Relinquishment Act Lease Form
Revised, September 1997

The State of Texas



Austin, Texas

OIL AND GAS LEASE

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THIS AGREEMENT is made and entered into this 25th day of June, 2014, between the State of Texas, acting by and through its agent, LOWE ROYALTY PARTNERS, LP, a Texas Limited Partnership of 4400 Post Oak Parkway, Suite 2550, Houston, Texas 77027 (Give Permanent Address) said agent herein referred to as the owner of the soil (whether one or more), and WINNE LAND & MINERALS, INC. of 10330 Lake Road, Building 26, Houston, Texas 77070 hereinafter called Lessee. (Give Permanent Address)

P
G

1. GRANTING CLAUSE. For and in consideration of the amounts stated below and of the covenants and agreements to be paid, kept and performed by Lessee under this lease, the State of Texas acting by and through the owner of the soil, hereby grants, leases and lets unto Lessee, for the sole and only purpose of prospecting and drilling for and producing oil and gas, laying pipe lines, building tanks, storing oil and building power stations, telephone lines and other structures thereon, to produce, save, take care of, treat and transport said products of the lease, the following lands situated in Reeves County, State of Texas, to-wit:

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South One-Half (S/2) and the East One-Half of the Northwest One-Quarter (E/2 NW/4) of Section No. Eight (8), Block No. Seventy Two (72), Public School Land Survey, A-5663, situated in Reeves County, Texas

containing 400.00 acres, more or less. The bonus consideration paid for this lease is as follows:

To the State of Texas: Six Hundred and Fifty Thousand Dollars and No/100
Dollars (\$650,000.00)

To the owner of the soil: Six Hundred and Fifty Thousand Dollars and No/100
Dollars (\$650,000.00)

Total bonus consideration: One Million, Three Hundred Thousand Dollars and No/100
Dollars (\$1,300,000.00)

The total bonus consideration paid represents a bonus of Three Thousand Two Hundred and Fifty Dollars and No/100 Dollars (\$3,250.00) per acre, on 400.00 gross and net acres.

2. TERM. Subject to the other provisions in this lease, this lease shall be for a term of five (5) years from this date (herein called "primary term") and as long thereafter as oil and gas, or either of them, is produced in paying quantities from said land. As used in this lease, the term "produced in paying quantities" means that the receipts from the sale or other authorized commercial use of the substance(s) covered exceed out of pocket operational expenses for the six months last past.



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

3. DELAY RENTALS. SEE EXHIBIT "A" If no well is commenced on the leased premises on or before one (1) year from this date, this lease shall terminate, unless on or before such anniversary date Lessee shall pay or tender to the owner of the soil or to his credit in the _____

Bank, at _____ or its successors (which shall continue as the depository regardless of changes in the ownership of said land), the amount specified below; in addition, Lessee shall pay or tender to the COMMISSIONER OF THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, AT AUSTIN, TEXAS, a like sum on or before said date. Payments under this paragraph shall operate as a rental and shall cover the privilege of deferring the commencement of a well for one (1) year from said date. Payments under this paragraph shall be in the following amounts:

To the owner of the soil _____
Dollars (\$ _____)
To the State of Texas _____
Dollars (\$ _____)
Total Delay Rental _____
Dollars (\$ _____)

In a like manner and upon like payments or tenders annually, the commencement of a well may be further deferred for successive periods of one (1) year each during the primary term. All payments or tenders of rental to the owner of the soil may be made by check or sight draft of Lessee, or any assignee of this lease, and may be delivered on or before the rental paying date. If the bank designated in this paragraph (or its successor bank) should cease to exist, suspend business, liquidate, fail or be succeeded by another bank, or for any reason fail or refuse to accept rental, Lessee shall not be held in default for failure to make such payments or tenders of rental until thirty (30) days after the owner of the soil shall deliver to Lessee a proper recordable instrument naming another bank as agent to receive such payments or tenders.

4. PRODUCTION ROYALTIES. Upon production of oil and/or gas, Lessee agrees to pay or cause to be paid one-half (1/2) of the royalty provided for in this lease to the Commissioner of the General Land Office of the State of Texas, at Austin, Texas, and one-half (1/2) of such royalty to the owner of the soil.

(A) OIL. Royalty payable on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also as all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided, shall be 1/4 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the leased premises is sold, used or processed in a plant, it will be run free of cost to the royalty owners through an adequate oil and gas separator of conventional type, or other equipment at least as efficient, so that all liquid hydrocarbons recoverable from the gas by such means will be recovered. The requirement that such gas be run through a separator or other equipment may be waived, in writing, by the royalty owners upon such terms and conditions as they prescribe.

(B) NON PROCESSED GAS. Royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for the extraction of gasoline, liquid hydrocarbons or other products) shall be 1/4 part of the gross production or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to tests made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS. Royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons shall be 1/4 part of the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%), or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons attributable to the gas produced from this lease, provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arm's length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area, or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS. Royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead," "dry," or any other gas, by fractionating, burning or any other processing shall be 1/4 part of the gross production of such products, or the market value thereof, at the option of the owner of the soil or the Commissioner of the General Land Office, such market value to be determined as follows: 1) on the basis of the highest market price of each product for the same month in which such product is produced, or 2) on the basis of the average gross sale price of each product for the same month in which such products are produced; whichever is the greater.

5. MINIMUM ROYALTY. During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid under this lease in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre.

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

6. **ROYALTY IN KIND.** Notwithstanding any other provision in this lease, at any time or from time to time, the owner of the soil or the Commissioner of the General Land Office may, at the option of either, upon not less than sixty (60) days notice to the holder of the lease, require that the payment of any royalties accruing to such royalty owner under this lease be made in kind. The owner of the soil or the Commissioner of the General Land Office's right to take its royalty in kind shall not diminish or negate the owner of the soil's or the Commissioner of the General Land Office's rights or Lessee's obligations, whether express or implied, under this lease.

7. **NO DEDUCTIONS.** Lessee agrees that all royalties accruing under this lease (including those paid in kind) shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products hereunder ready for sale or use. Lessee agrees to compute and pay royalties on the gross value received, including any reimbursements for severance taxes and production related costs.

8. **PLANT FUEL AND RECYCLED GAS.** No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding any other provision of this lease, and subject to the written consent of the owner of the soil and the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed; no royalties shall be payable on the recycled gas until it is produced and sold or used by Lessee in a manner which entitles the royalty owners to a royalty under this lease.

9. **ROYALTY PAYMENTS AND REPORTS.** All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas, in the following manner:

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

10. (A) **RESERVES, CONTRACTS AND OTHER RECORDS.** Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them.

(B) **PERMITS, DRILLING RECORDS.** Written notice of all operations on this lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator five (5) days before spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill. Copies of well tests, completion reports and plugging reports shall be supplied to the General Land Office at the time they are filed with the Texas Railroad Commission. All applications, permits, reports or other filings that reference this lease or any specific well on the leased premises and that are submitted to the Texas Railroad Commission or any other governmental agency shall include the word "State" in the title. Additionally, in accordance with Railroad Commission rules, any signage on the leased premises for the purpose of identifying wells, tank batteries or other associated improvements to the land must also include the word "State." Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above-described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

(C) **PENALTIES.** Lessee shall incur a penalty whenever reports, documents or other materials are not filed in the General Land Office when due. The penalty for late filing shall be set by the General Land Office administrative rule which is effective on the date when the materials were due in the General Land Office.

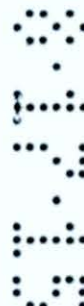
11. **DRY HOLE/CESSATION OF PRODUCTION DURING PRIMARY TERM.** If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if during the primary term hereof and after the discovery and actual production of oil or gas from the leased premises such production thereof should cease from any cause, this lease shall not terminate if on or before the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or pays or tenders the next annual delay rental in the same manner as provided in this lease. If, during the last year of the primary term or within sixty (60) days prior thereto, a dry hole be completed and abandoned, or the production of oil or gas should cease for any cause,

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Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term; and if Lessee has not resumed production in paying quantities at the expiration of the primary term, Lessee may maintain this lease by conducting additional drilling or reworking operations pursuant to Paragraph 13, using the expiration of the primary term as the date of cessation of production under Paragraph 13. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee may resume payment of the annual rental in the same manner as provided herein on or before the rental paying date following the expiration of sixty (60) days from the date of completion of such shut-in oil or gas well and upon the failure to make such payment, this lease shall ipso facto terminate. If at the expiration of the primary term or any time thereafter a shut-in oil or gas well is located on the leased premises, payments may be made in accordance with the shut-in provisions hereof.

12. DRILLING AND REWORKING AT EXPIRATION OF PRIMARY TERM. If, at the expiration of the primary term, neither oil nor gas is being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations on said well or for drilling or reworking of any additional wells are prosecuted in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation, and if they result in the production of oil and/or gas, so long thereafter as oil and/or gas is produced in paying quantities from said land, or payment of shut-in oil or gas well royalties or compensatory royalties is made as provided in this lease.

13. CESSATION, DRILLING, AND REWORKING. If, after the expiration of the primary term, production of oil or gas from the leased premises, after once obtained, should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days after such cessation, and this lease shall remain in full force and effect for so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days. If such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect for so long as oil or gas is produced from the leased premises in paying quantities or payment of shut-in oil or gas well royalties or payment of compensatory royalties is made as provided herein or as provided by law. If the drilling or reworking operations result in the completion of a well as a dry hole, the lease will not terminate if the Lessee commences additional drilling or reworking operations within sixty (60) days after the completion of the well as a dry hole, and this lease shall remain in effect so long as Lessee continues drilling or reworking operations in good faith and in a workmanlike manner without interruptions totaling more than sixty (60) days. Lessee shall give written notice to the General Land Office within thirty (30) days of any cessation of production.

14. SHUT-IN ROYALTIES. For purposes of this paragraph, "well" means any well that has been assigned a well number by the state agency having jurisdiction over the production of oil and gas. If, at any time after the expiration of the primary term of a lease that, until being shut in, was being maintained in force and effect, a well capable of producing oil or gas in paying quantities is located on the leased premises, but oil or gas is not being produced for lack of suitable production facilities or lack of a suitable market, then Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease, but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities. If Paragraph 3 of this lease does not specify a delay rental amount, then for the purposes of this paragraph, the delay rental amount shall be one dollar (\$1.00) per acre. To be effective, each initial shut-in oil or gas royalty must be paid on or before: (1) the expiration of the primary term, (2) 60 days after the Lessee ceases to produce oil or gas from the leased premises, or (3) 60 days after Lessee completes a drilling or reworking operation in accordance with the lease provisions; whichever date is latest. Such payment shall be made one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil. If the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term, or from the first day of the month following the month in which production ceased, and, after that, if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four more successive periods of one (1) year by paying the same amount each year on or before the expiration of each shut-in year.

15. COMPENSATORY ROYALTIES. If, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within one thousand (1,000) feet of the leased premises and completed in the same producing reservoir, or in any case in which drainage is occurring, the right to continue to maintain the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid. The Lessee may maintain the lease for four more successive years by Lessee paying compensatory royalty at the royalty rate provided in the lease of the market value of production from the well causing the drainage or which is completed in the same producing reservoir and within one thousand (1,000) feet of the leased premises. The compensatory royalty is to be paid monthly, one-half (1/2) to the Commissioner of the General Land Office and one-half (1/2) to the owner of the soil, beginning on or before the last day of the month following the month in which the oil or gas is produced from the well causing the drainage or that is completed in the same producing reservoir and located within one thousand (1,000) feet of the leased premises. If the compensatory royalty paid in any 12-month period is an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within thirty (30) days from the end of the 12-month period. Compensatory royalty payments which are not timely paid will accrue penalty and interest in accordance with Paragraph 9 of this lease. None of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in Texas Natural Resources Code 52.173; however, at the determination of the Commissioner, and with the Commissioner's written approval, the payment of compensatory royalties can satisfy the obligation to drill offset wells.

16. RETAINED ACREAGE. Notwithstanding any provision of this lease to the contrary, 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.

(A) VERTICAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each oil well capable of producing in paying quantities and 320 acres surrounding each gas well capable of producing in paying quantities (including a shut-in oil or gas well as provided in Paragraph 14 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Texas Natural Resources Code 52.151-52.154, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. If at any time after the effective date of the partial termination provisions hereof, the applicable field rules are changed or the well or wells located thereon are reclassified so that less acreage is thereafter allocated to said well or wells for production purposes, this lease shall thereupon terminate as to all acreage not thereafter allocated to said well or wells for production purposes. Notwithstanding the termination of this lease as to a portion of the lands covered hereby, Lessee shall nevertheless continue to have the right of ingress to and egress from the lands still subject to this lease for all purposes described in Paragraph 1 hereof, together with easements and rights-of-way for existing roads, existing pipelines and other existing facilities on, over and across all the lands described in Paragraph 1 hereof ("the retained lands"), for access to and from the retained lands and for the gathering or transportation of oil, gas and other minerals produced from the retained lands.



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(B) HORIZONTAL. In the event this lease is in force and effect two (2) years after the expiration date of the primary or extended term it shall further terminate as to all depths below 100 feet below the total depth drilled (hereinafter "deeper depths") in each well located on acreage retained in Paragraph 16 (A) above, unless on or before two (2) years after the primary or extended term Lessee pays an amount equal to one-half (1/2) of the bonus originally paid as consideration for this lease (as specified on page 1 hereof). If such amount is paid, this lease shall be in force and effect as to such deeper depths, and said termination shall be delayed for an additional period of two (2) years and so long thereafter as oil or gas is produced in paying quantities from such deeper depths covered by this lease.

(C) IDENTIFICATION AND FILING. The surface acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the Commissioner of the General Land Office. Within thirty (30) days after partial termination of this lease as provided herein, Lessee shall execute and record a release or releases containing a satisfactory legal description of the acreage and/or depths not retained hereunder. The recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the filing fee prescribed by the General Land Office rules in effect on the date the release is filed. If Lessee fails or refuses to execute and record such release or releases within ninety (90) days after being requested to do so by the General Land Office, then the Commissioner at his sole discretion may designate by written instrument the acreage and/or depths to be released hereunder and record such instrument at Lessee's expense in the county or counties where the lease is located and in the official records of the General Land Office and such designation shall be binding upon Lessee for all purposes.

17. OFFSET WELLS. Neither the bonus, delay rentals, nor royalties paid, or to be paid, under this lease shall relieve Lessee of his obligation to protect the oil and gas under the above-described land from being drained. Lessee, sublessee, receiver or other agent in control of the leased premises shall drill as many wells as the facts may justify and shall use appropriate means and drill to a depth necessary to prevent undue drainage of oil and gas from the leased premises. In addition, if oil and/or gas should be produced in commercial quantities within 1,000 feet of the leased premises, or in any case where the leased premises is being drained by production of oil or gas, the Lessee, sublessee, receiver or other agent in control of the leased premises shall in good faith begin the drilling of a well or wells upon the leased premises within 100 days after the draining well or wells or the well or wells completed within 1,000 feet of the leased premises start producing in commercial quantities and shall prosecute such drilling with diligence. Failure to satisfy the statutory offset obligation may subject this lease and the owner of the soil's agency rights to forfeiture. Only upon the determination of the Commissioner of the General Land Office and with his written approval may the payment of compensatory royalty under applicable statutory parameters satisfy the obligation to drill an offset well or wells required under this paragraph.

18. FORCE MAJEURE. If, after a good faith effort, Lessee is prevented from complying with any express or implied covenant of this lease, from conducting drilling operations on the leased premises, or from producing oil or gas from the leased premises by reason of war, rebellion, riots, strikes, acts of God, or any valid order, rule or regulation of government authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply with such covenants; additionally, this lease shall be extended while Lessee is prevented, by any such cause, from conducting drilling and reworking operations or from producing oil or gas from the leased premises. However, nothing in this paragraph shall suspend the payment of delay rentals in order to maintain this lease in effect during the primary term in the absence of such drilling or reworking operations or production of oil or gas.

19. WARRANTY CLAUSE. The owner of the soil warrants and agrees to defend title to the leased premises. If the owner of the soil defaults in payments owed on the leased premises, then Lessee may redeem the rights of the owner of the soil in the leased premises by paying any mortgage, taxes or other liens on the leased premises. If Lessee makes payments on behalf of the owner of the soil under this paragraph, Lessee may recover the cost of these payments from the rental and royalties due the owner of the soil.

20. (A) PROPORTIONATE REDUCTION CLAUSE. If the owner of the soil owns less than the entire undivided surface estate in the above described land, whether or not Lessee's interest is specified herein, then the royalties and rental herein provided to be paid to the owner of the soil shall be paid to him in the proportion which his interest bears to the entire undivided surface estate and the royalties and rental herein provided to be paid to the Commissioner of the General Land Office of the State of Texas shall be likewise proportionately reduced. However, before Lessee adjusts the royalty or rental due to the Commissioner of the General Land Office, Lessee or his authorized representative must submit to the Commissioner of the General Land Office a written statement which explains the discrepancy between the interest purportedly leased under this lease and the actual interest owned by the owner of the soil. The Commissioner of the General Land Office shall be paid the value of the whole production allocable to any undivided interest not covered by a lease, less the proportionate development and production cost allocable to such undivided interest. However, in no event shall the Commissioner of the General Land Office receive as a royalty on the gross production allocable to the undivided interest not leased an amount less than the value of one-sixteenth (1/16) of such gross production.

(B) REDUCTION OF PAYMENTS. If, during the primary term, a portion of the land covered by this lease is included within the boundaries of a pooled unit that has been approved by the School Land Board and the owner of the soil in accordance with Natural Resources Code Sections 52.151-52.154, or if, at any time after the expiration of the primary term or the extended term, this lease covers a lesser number of acres than the total amount described herein, payments that are made on a per acre basis hereunder shall be reduced according to the number of acres pooled, released, surrendered, or otherwise severed, so that payments determined on a per acre basis under the terms of this lease during the primary term shall be calculated based upon the number of acres outside the boundaries of a pooled unit, or, if after the expiration of the primary term, the number of acres actually retained and covered by this lease.

21. USE OF WATER. Lessee shall have the right to use water produced on said land necessary for operations under this lease except water from wells or tanks of the owner of the soil; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for waterflood operations without the prior consent of the owner of the soil.

22. AUTHORIZED DAMAGES. Lessee shall pay the owner of the soil for damages caused by its operations to all personal property, improvements, livestock and crops on said land.

23. PIPELINE DEPTH. When requested by the owner of the soil, Lessee shall bury its pipelines below plow depth.

24. WELL LOCATION LIMIT. No well shall be drilled nearer than two hundred (200) feet to any house or barn now on said premises without the written consent of the owner of the soil.



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25. **POLLUTION.** 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. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level all slush pits and cellars and completely clean up the drilling site of all rubbish thereon. Lessee shall, while conducting operations on the leased premises, keep said premises free of all rubbish, cans, bottles, paper cups or garbage, and upon completion of operations shall restore the surface of the land to as near its original condition and contours as is practicable. Tanks and equipment will be kept painted and presentable.

26. **REMOVAL OF EQUIPMENT.** Subject to limitations in this paragraph, Lessee shall have the right to remove machinery and fixtures placed by Lessee on the leased premises, including the right to draw and remove casing, within one hundred twenty (120) days after the expiration or the termination of this lease unless the owner of the soil grants Lessee an extension of this 120-day period. However, Lessee may not remove casing from any well capable of producing oil and gas in paying quantities. Additionally, Lessee may not draw and remove casing until after thirty (30) days written notice to the Commissioner of the General Land Office and to the owner of the soil. The owner of the soil shall become the owner of any machinery, fixtures, or casing which are not timely removed by Lessee under the terms of this paragraph.

27. **(A) ASSIGNMENTS.** Under the conditions contained in this paragraph and Paragraph 29 of this lease, the rights and estates of either party to this lease may be assigned, in whole or in part, and the provisions of this lease shall extend to and be binding upon their heirs, devisees, legal representatives, successors and assigns. However, a change or division in ownership of the land, rentals, or royalties will not enlarge the obligations of Lessee, diminish the rights, privileges and estates of Lessee, impair the effectiveness of any payment made by Lessee or impair the effectiveness of any act performed by Lessee. And no change or division in ownership of the land, rentals, or royalties shall bind Lessee for any purpose until thirty (30) days after the owner of the soil (or his heirs, devisees, legal representatives or assigns) furnishes the Lessee with satisfactory written evidence of the change in ownership, including the original recorded muniments of title (or a certified copy of such original) when the ownership changed because of a conveyance. A total or partial assignment of this lease shall, to the extent of the interest assigned, relieve and discharge Lessee of all subsequent obligations under this lease. If this lease is assigned in its entirety as to only part of the acreage, the right and option to pay rentals shall be apportioned as between the several owners ratably, according to the area of each, and failure by one or more of them to pay his share of the rental shall not affect this lease on the part of the land upon which pro rata rentals are timely paid or tendered; however, if the assignor or assignee does not file a certified copy of such assignment in the General Land Office before the next rental paying date, the entire lease shall terminate for failure to pay the entire rental due under Paragraph 3. Every assignee shall succeed to all rights and be subject to all obligations, liabilities, and penalties owed to the State by the original lessee or any prior assignee of the lease, including any liabilities to the State for unpaid royalties.

(B) ASSIGNMENT LIMITATION. Notwithstanding any provision in Paragraph 27(a), if the owner of the soil acquires this lease in whole or in part by assignment without the prior written approval of the Commissioner of the General Land Office, this lease is void as of the time of assignment and the agency power of the owner may be forfeited by the Commissioner. An assignment will be treated as if it were made to the owner of the soil if the assignee is:

- (1) a nominee of the owner of the soil;
- (2) a corporation or subsidiary in which the owner of the soil is a principal stockholder or is an employee of such a corporation or subsidiary;
- (3) a partnership in which the owner of the soil is a partner or is an employee of such a partnership;
- (4) a principal stockholder or employee of the corporation which is the owner of the soil;
- (5) a partner or employee in a partnership which is the owner of the soil;
- (6) a fiduciary for the owner of the soil; including but not limited to a guardian, trustee, executor, administrator, receiver, or conservator for the owner of the soil; or
- (7) a family member of the owner of the soil or related to the owner of the soil by marriage, blood, or adoption.

28. **RELEASES.** Under the conditions contained in this paragraph and Paragraph 29, Lessee may at any time execute and deliver to the owner of the soil and place of record a release or releases covering any portion or portions of the leased premises, and thereby surrender this lease as to such portion or portions, and be relieved of all subsequent obligations as to acreage surrendered. If any part of this lease is properly surrendered, the delay rental due under this lease shall be reduced by the proportion that the surrendered acreage bears to the acreage which was covered by this lease immediately prior to such surrender; however, such release will not relieve Lessee of any liabilities which may have accrued under this lease prior to the surrender of such acreage.

29. **FILING OF ASSIGNMENTS AND RELEASES.** If all or any part of this lease is assigned or released, such assignment or release must be recorded in the county where the land is situated, and the recorded instrument, or a copy of the recorded instrument certified by the County Clerk of the county in which the instrument is recorded, must be filed in the General Land Office within 90 days of the last execution date accompanied by the prescribed filing fee. If any such assignment is not so filed, the rights acquired under this lease shall be subject to forfeiture at the option of the Commissioner of the General Land Office.

30. **DISCLOSURE CLAUSE.** All provisions pertaining to the lease of the above-described land have been included in this instrument, including the statement of the true consideration to be paid for the execution of this lease and the rights and duties of the parties. Any collateral agreements concerning the development of oil and gas from the leased premises which are not contained in this lease render this lease invalid.

31. **FIDUCIARY DUTY.** The owner of the soil owes the State a fiduciary duty and must fully disclose any facts affecting the State's interest in the leased premises. When the interests of the owner of the soil conflict with those of the State, the owner of the soil is obligated to put the State's interests before his personal interests.

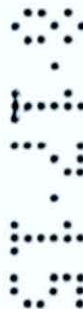
32. **FORFEITURE.** If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office, the School Land Board, or the Railroad Commission, or if Lessee should refuse the proper authority access to the records pertaining to operations, or if Lessee or

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an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease under the terms of the Relinquishment Act. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder. Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

33. LIEN. In accordance with Texas Natural Resources Code 52.136, the State shall have a first lien upon all oil and gas produced from the area covered by this lease to secure payment of all unpaid royalty and other sums of money that may become due under this lease. By acceptance of this lease, Lessee grants the State, in addition to the lien provided by Texas Natural Resources Code 52.136 and any other applicable statutory lien, an express contractual lien on and security interest in all leased minerals in and extracted from the leased premises, all proceeds which may accrue to Lessee from the sale of such leased minerals, whether such proceeds are held by Lessee or by a third party, and all fixtures on and improvements to the leased premises used in connection with the production or processing of such leased minerals in order to secure the payment of all royalties or other amounts due or to become due under this lease and to secure payment of any damages or loss that Lessor may suffer by reason of Lessee's breach of any covenant or condition of this lease, whether express or implied. This lien and security interest may be foreclosed with or without court proceedings in the manner provided in the Title 1, Chap. 9 of the Texas Business and Commerce Code. Lessee agrees that the Commissioner may require Lessee to execute and record such instruments as may be reasonably necessary to acknowledge, attach or perfect this lien. Lessee hereby represents that there are no prior or superior liens arising from and relating to Lessee's activities upon the above-described property or from Lessee's acquisition of this lease. Should the Commissioner at any time determine that this representation is not true, then the Commissioner may declare this lease forfeited as provided herein.

34. POOLING. Lessee is hereby granted the right to pool or unitize the royalty interest of the owner of the soil under this lease with any other leasehold or mineral interest for the exploration, development and production of oil or gas or either of them upon the same terms as shall be approved by the School Land Board and the Commissioner of the General Land Office for the pooling or unitizing of the interest of the State under this lease pursuant to Texas Natural Resources Code 52.151-52.154. The owner of the soil agrees that the inclusion of this provision in this lease satisfies the execution requirements stated in Texas Natural Resources Code 52.152.

35. INDEMNITY. Lessee hereby releases and discharges the State of Texas and the owner of the soil, their officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns, of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees, and agents arising out of, incidental to, or resulting from, the operations of or for Lessee on the leased premises hereunder, or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees and agents, their successors or assigns, against any and all claims, liabilities, losses, damages, actions, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including tort, contract, or strict liability, including attorneys' fees and other legal expenses, including those related to environmental hazards, on the leased premises or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities on the leased premises; those arising from Lessee's use of the surface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Agreement or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees, and their respective successors and assigns. Each assignee of this Agreement, or an interest therein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the State of Texas and the owner of the soil, their officers, employees, and agents in the same manner provided above in connection with the activities of Lessee, its officers, employees, and agents as described above. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, ALL OF THE INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT SHALL BE WITHOUT LIMITS AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (EXCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, CONCURRENT, ACTIVE, OR PASSIVE.

36. ENVIRONMENTAL HAZARDS. Lessee shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under, the leased premises, by any waste, pollutant, or contaminant. Lessee shall not bring or permit to remain on the leased premises any asbestos containing materials, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances (as the term "Hazardous Substance" is defined in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601, et seq.), or toxic substances under any federal, state, or local law or regulation ("Hazardous Materials"), except ordinary products commonly used in connection with oil and gas exploration and development operations and stored in the usual manner and quantities. LESSEE'S VIOLATION OF THE FOREGOING PROHIBITION SHALL CONSTITUTE A MATERIAL BREACH AND DEFAULT HEREUNDER AND LESSEE SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE STATE OF TEXAS AND THE OWNER OF THE SOIL FROM AND AGAINST ANY CLAIMS, DAMAGES, JUDGMENTS, PENALTIES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) CAUSED BY OR ARISING OUT OF (1) A VIOLATION OF THE FOREGOING PROHIBITION OR (2) THE PRESENCE, RELEASE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OR CONTROL OF THE LEASED PREMISES. LESSEE SHALL CLEAN UP, REMOVE, REMEDY AND REPAIR ANY SOIL OR GROUND WATER CONTAMINATION AND DAMAGE CAUSED BY THE PRESENCE OR RELEASE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER, OR ABOUT THE LEASED PREMISES DURING LESSEE'S OCCUPANCY OF THE LEASED PREMISES IN CONFORMANCE WITH THE REQUIREMENTS OF APPLICABLE LAW. THIS INDEMNIFICATION AND ASSUMPTION SHALL APPLY, BUT IS NOT LIMITED TO, LIABILITY FOR RESPONSE ACTIONS UNDERTAKEN PURSUANT TO CERCLA OR ANY OTHER ENVIRONMENTAL LAW OR REGULATION. LESSEE SHALL IMMEDIATELY GIVE THE STATE OF TEXAS AND THE OWNER OF THE SOIL WRITTEN NOTICE OF ANY BREACH OR SUSPECTED BREACH OF THIS PARAGRAPH, UPON LEARNING OF THE PRESENCE OF ANY HAZARDOUS MATERIALS, OR UPON RECEIVING A NOTICE FROM ANY GOVERNMENTAL AGENCY PERTAINING TO HAZARDOUS MATERIALS WHICH MAY AFFECT THE LEASED PREMISES. THE OBLIGATIONS OF LESSEE HEREUNDER SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION, FOR ANY REASON, OF THIS AGREEMENT.

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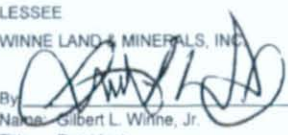
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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

37. APPLICABLE LAW. This lease is issued under the provisions of Texas Natural Resources Code 52.171 through 52.190, commonly known as the Relinquishment Act, and other applicable statutes and amendments thereto, and if any provision in this lease does not conform to these statutes, the statutes will prevail over any nonconforming lease provisions.

38. EXECUTION. This oil and gas lease must be signed and acknowledged by the Lessee before it is filed of record in the county records and in the General Land Office of the State of Texas. Once the filing requirements found in Paragraph 39 of this lease have been satisfied, the effective date of this lease shall be the date found on Page 1.

39. LEASE FILING. Pursuant to Chapter 9 of the Texas Business and Commerce Code, this lease must be filed of record in the office of the County Clerk in any county in which all or any part of the leased premises is located, and certified copies thereof must be filed in the General Land Office. This lease is not effective until a certified copy of this lease (which is made and certified by the County Clerk from his records) is filed in the General Land Office in accordance with Texas Natural Resources Code 52.183. Additionally, this lease shall not be binding upon the State unless it recites the actual and true consideration paid or promised for execution of this lease. The bonus due the State and the prescribed filing fee shall accompany such certified copy to the General Land Office.

40. GEOLOGICAL AND SEISMIC REQUIREMENTS. The Geological and Seismic Requirements are attached to this Oil and Gas Lease and are made a part hereof, as Exhibit "B".

LESSEE
WINNE LAND & MINERALS, INC.
By: 
Name: Gilbert L. Winne, Jr.
Title: President
Date: 8/4/14

STATE OF TEXAS

BY: LOWE ROYALTY PARTNERS, L.P., a Texas Limited Partnership

By: 
Name: Mary Ralph Lowe
Title: Managing Partner
As the owner of the soil and Agent for the State of Texas
Date: 6-26-14

STATE OF TEXAS
COUNTY OF HARRIS

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Gilbert L. Winne, Jr. known to me to be the person whose name is subscribed to the foregoing instruments as President of WINNE LAND & MINERALS, INC. and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this the 4th day of August, 2014.



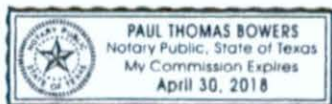

Notary Public in and for the State of Texas

STATE OF TEXAS
COUNTY OF Harris

(CORPORATION ACKNOWLEDGMENT)

BEFORE ME, the undersigned authority, on this day personally appeared Mary Ralph Lowe known to me to be the person whose name is subscribed to the foregoing instruments as Managing Partner of LOWE ROYALTY PARTNERS, L.P., a Texas Limited Partnership and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Partnership.

Given under my hand and seal of office this the 26th day of June, 2014.



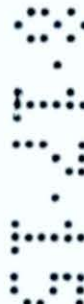

Notary Public in and for the State of Texas

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EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated June 25th, 2014, between the State of Texas, acting by and through LOWE ROYALTY PARTNERS, LP, a Texas Limited Partnership, as Lessor, and WINNE LAND & MINERALS, INC., as Lessee, upon and covering 400.00 acres of land, more or less, situated in Reeves County, Texas.

Insert to Oil and Gas Lease:

3. Delay Rentals for years two (2) and three (3) of this lease have been prepaid as part of the total bonus consideration for the first three years of this lease. One-half (1/2) of the initial bonus consideration has been paid to the Lessor and one-half (1/2) has been paid to the State of Texas. The Delay Rental for the fourth year of the primary term of the lease in the amount of \$1,300,000.00 has not been paid. On or before the first day of the fourth year of the lease, Lessee shall pay Lessor one-half of the fourth year delay rental and one-half of such delay rental to the State of Texas. The Delay Rental for the fifth year of the primary term is included with the fourth year delay rental payment, therefore, no delay rental is required for the fifth year.

41. Continuous Development. Notwithstanding anything contained herein to the contrary, at the end of the primary term, this lease will terminate as to all lands, except lands included in proration units approved or allowed by the Railroad Commission of the State of Texas for each well from which oil and/or gas is being produced in paying quantities. However, if at the end of the primary term, Lessee has completed a well that will maintain this lease at the end of the primary term or is drilling at least one (1) well on the leased premises, this lease shall continue so long as Lessee begins to drill (with diligence) a well within six (6) months after the end of the primary term, and begins thereafter to drill (with diligence) another well within each six (6) month interval after the primary term. This lease shall continue until Lessee fails to begin to drill (with due diligence), a well during a six (6) months interval after the end of the primary term as provided above, then this lease will terminate as to all lands not included in a minimum size producing proration unit for the maximum allowable permitted by the Railroad Commission of Texas, or as otherwise provided herein, of a well producing in paying quantities, and all depths one hundred feet (100') below the deepest producing perforation for a vertical well and three hundred feet (300') below the deepest producing perforation for a horizontal well as to each producing well. After the primary term, if the production of oil or gas as to any proration unit should cease, this lease shall not terminate as to such proration unit if Lessee commences additional drilling, reworking or other operations within sixty (60) days of cessation to attempt to establish production of oil or gas in paying quantities without cessation of operations of more than sixty (60) days, and in the event production of oil or gas is restored, for so long thereafter as oil and gas is produced from proration unit in paying quantities.

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EXHIBIT "B"

Attached to and made a part of that certain Oil and Gas Lease
dated effective June 25, 2014 as entered into
by and between Lowe Royalty Partners, LP and Winne Land & Minerals, Inc.

GEOLOGICAL REQUIREMENTS

Please furnish the following information to the addresses as indicated below:

WELL & GEOLOGICAL & INFORMATION TO:	REGULATORY DATA AND FORMS TO:	LAND INFORMATION and AGREEMENTS TO:	DIVISION ORDER AND TITLE DOCUMENTS TO:
Maralo, LLC	Maralo, LLC	Maralo, LLC	Maralo, LLC
Attn: Daniel Stephens	Attn: Kathy Norberg	Attn: Kathy Norberg	Attn: Kathy Norberg
4400 Post Oak Parkway	4400 Post Oak Parkway	4400 Post Oak Parkway	4400 Post Oak Parkway
Suite 2550	Suite 2550	Suite 2550	Suite 2550
Houston, Texas 77027	Houston, Texas 77027	Houston, Texas 77027	Houston, Texas 77027
713-622-5420 ext. 214	713-622-5420 ext. 207	713-622-5420 ext. 207	713-622-5420 ext. 207
danielstephens@maralo.com	kathynorberg@maralo.com	kathynorberg@maralo.com	kathynorberg@maralo.com
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Required Data: (One Copy Each)

- | | |
|--|--|
| 1. All regulatory body forms | 5. Test and treatment reports |
| 2. Daily and final mud logs (daily logs can be faxed to (713) 960-1672 or emailed to danielstephens@maralo.com | 6. Core analysis |
| 3. Field and final prints and LAS format floppy disc of all open hole logs and any other logs | 7. Copy of Title Opinion(s) |
| 4. DST with fluid and gas analysis | 8. Leases, LPR's, Unit/Com Agreements, etc |

Daily Requirements:

	<u>When</u>	<u>To</u>
		Dorothy Green at dgreen@maralo.com
DRILLING REPORT via E-MAIL	Daily by 9:00 a.m.	AND TO Daniel Stephens at danielstephens@maralo.com

Other Requirements:

- One (1) set of Core Chips to Daniel Stephens.
- Notification prior to DST, logging and coring to Daniel Stephens.
- Open Hole Log Delivery:
Email .LAS file to danielstephens@maralo.com and dgreen@maralo.com.
- Monthly production and sales reports should be sent to Dorothy Green at dgreen@maralo.com.
- All land related information/documents should be sent to Kathy Norberg at 4400 Post Oak Parkway, Suite 2550 Houston, TX 77027 or e-mailed to kathynorberg@maralo.com.
- All title opinions, including division order title opinions, should be sent to Kathy Norberg at 4400 Post Oak Parkway, Suite 2550 Houston, TX 77027 or e-mailed to kathynorberg@maralo.com.

Notwithstanding anything herein to the contrary, it is understood and agreed that the above requested information by Lessor will be furnished to Lessor if Lessee does in fact acquire this information. However, should this information be acquired, Lessor agrees to hold this requested information in confidence for as long as this Oil and Gas Lease is in force and effect.

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SEISMIC REQUIREMENTS

Should you or your contractor conduct seismic operations on the leased premises the following shall apply:

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Notwithstanding anything herein to the contrary, it is understood and agreed that the above requested information by Lessor will be furnished to Lessor if Lessee does in fact acquire this information. However, should this information be acquired, Lessor agrees to hold this requested information in confidence for as long as this Oil and Gas Lease is in force and effect.

End of Exhibit "B"

LRP Oil & Gas Lease/Option to Extend
Rev. April 2010

SEP 26 1982
FBI - NEW YORK
COMMUNICATIONS SECTION
RECEIVED SEP 26 1982
FBI - NEW YORK



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ORIGINAL FILED IN
REEVES COUNTY
CLERKS OFFICE

3.

File No. 116927 County _____
Lease
Date Filed: 08/11/15
George P. Bush, Commissioner
By _____

3.7.18

CERTIFICATE OF RECORD

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

Date Filed 9/29/14 File # 14-09134 Vol. 1108 Page 544



DIANNE O. FLOREZ, COUNTY CLERK
REEVES COUNTY, TEXAS
By [Signature] Deputy



Common Resources III

August 14, 2015

VIA FEDERAL EXPRESS

Ms. Deborah A. Cantu
Texas General Land Office
1700 North Congress Avenue
Austin, Texas 78701

Re: Certified Copies of Leases
Reeves County, Texas

Dear Ms. Cantu:

In response to your letters dated July 20th and July 27th addressed to Winne Land & Minerals, Inc. attached are certified copies of the below listed leases:

State Lease MF#	Lessor as Agent for State of Texas
116795	Wiggins Partnership
116796A	Midland AOG Partners, LTD
116796B	Wade P. Koehl
116872	Lori Lynn Hodge and Karen Kay Neal
116874A	The Patricia Penrose Schleffer Testamentary Trust
116873	William T. Ortiz and Jessica Matson-Ortiz
116874B	Belmont Sisters, L.P.
116924A	Mary Ann Shelton
116924B	Eugenia K. Benson
116925A	David Shelton
116925B	Charles Wayland Benson
116926A	Jocelyn M. Greeman
116926B	Carol Hall Majzlin
116926C	Donald E. Handelman and Richard Handelman as Co-Trustee of the Stephanie Robertson Saunders Revocable Trust
116927	Lowe Royalty Partners, LP
116929	Lowe Royalty Partners, LP
116979	Russell Swayne Williams, et al
116980A	Charles R. Meeker Trust U/A
117141	CMC/SC Beckham Holdings, LP et al
117263A	Meeker Investments, Inc.
117263B	AWP 1983 Trust by Windi Grimes, Trustee

August 14, 2015
Page 2

Should you have any questions or require additional information please do not hesitate to contact me at 281/210-5901.

Very truly yours,

COMMON RESOURCES III, L.L.C.

Carla S. Stark
Land-Contract Administrator

Attachments (21)

C: Peggy Blanchard – Winne Land & Minerals, Inc.

4.

File No. 116927

_____ County

Ltr from Common Resources

Date Filed: 28/12/15

George P. Bush, Commissioner

By _____



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

November 3, 2015

Peggy Blanchard
Winne Land & Minerals
10330 Lake Rd., Bldg. 26
Houston, Texas 77070

Re: **State Lease MF 116927**

RAL Lease dated June 25, 2014, recorded in V. 1108, P. 744,
Reeves Co, covering 400 ac., Sec. 8, Blk. 72, PSL Survey, Lowe
Royalty Partners, agent for State of TX, Lessor

Dear Ms. Blanchard:

The certified copy of the Relinquishment Act lease covering the above referenced tract has been approved and filed in our records under Mineral File numbers **MF-116927**. **Please refer to this lease number when making payments to the State and in all future correspondence concerning the lease. Failure to include the mineral file number may delay processing of any payments towards the lease.**

There are several contractual and statutory responsibilities for the Lessee which are material provisions of the lease as outlined in the agreement such as Section 10(B) which requires submission of written notice for all drilling, production and related activities. When forms are filed with the Texas Railroad Commission, they are required to be submitted to the General Land Office as well. Examples are W-1, Application to Drill; W-2, Oil Well Completion Report and Log; G-1, Gas Well Completion Report and Log; W-3, Plugging Report; G-5, Gas Well Classification Report; G-10, Gas Well Status Report; W-10, Oil Well Status Report; W-12, Inclination Report; electric logs; directional surveys.

Chapter 52 of the Texas Natural Resources Codes specifies that the surface owner's right to receive a portion of the revenues generated by the lease shall be in lieu of all damages to the soil. Therefore, any payments made for surface use or damages other than the authorized damages set out in the lease form must be shared equally with the state.

Your remittance of **\$650,000.00** has been applied to the State's portion of the cash bonus. In addition, we are in receipt of the processing and filing fees.

Sincerely yours,

Deborah A. Cantu
Mineral Leasing, Energy Resources
(512) 305-8598
deborah.cantu@glo.texas.gov

File No. 116927

_____ County

Final ltr

Date Filed: 11/23/15

George P. Bush, Commissioner

By _____

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$ _____
☐ Return Receipt (electronic) \$ _____
☐ Certified Mail Restricted Delivery \$ _____
☐ Adult Signature Required \$ _____
☐ Adult Signature Required - Restricted Delivery \$ _____

Postmark
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Postage

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Total Postage

\$

Sent To

Street and Apt.

City, State, ZIP+4®

Winne Land & Minerals
Attn: Peggy Blanchard
10330 Lake Rd., Bldg. 26
Houston, Texas 77070

Certified Mail service provides the following benefits:

- A receipt (this portion of the Certified Mail label).
- A unique identifier for your mailpiece.
- Electronic verification of delivery or attempted delivery.
- A record of delivery (including the recipient's signature) that is retained by the Postal Service™ for a specified period.

Important Reminders:

- You may purchase Certified Mail service with First-Class Mail®, First-Class Package Service®, or Priority Mail® service.
- Certified Mail service is *not* available for international mail.
- Insurance coverage is *not* available for purchase with Certified Mail service. However, the purchase of Certified Mail service does not change the insurance coverage automatically included with certain Priority Mail items.
- For an additional fee, and with a proper endorsement on the mailpiece, you may request the following services:
 - Return receipt service, which provides a record of delivery (including the recipient's signature). You can request a hardcopy return receipt or an electronic version. For a hardcopy return receipt, complete PS Form 3811, *Domestic Return Receipt*; attach PS Form 3811 to your mailpiece;

or an electronic return receipt, see a retail associate for assistance. To receive a duplicate return receipt for no additional fee, present this USPS®-postmarked Certified Mail receipt to the retail associate.

- Restricted delivery service, which provides delivery to the addressee specified by name, or to the addressee's authorized agent.
- Adult signature service, which requires the signee to be at least 21 years of age (not available at retail).
- Adult signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (not available at retail).
- To ensure that your Certified Mail receipt is accepted as legal proof of mailing, it should bear a USPS postmark. If you would like a postmark on this Certified Mail receipt, please present your Certified Mail item at a Post Office™ for postmarking. If you don't need a postmark on this Certified Mail receipt, detach the barcoded portion of this label, affix it to the mailpiece, apply appropriate postage, and deposit the mailpiece.

IMPORTANT: Save this receipt for your records.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Winne Land & Minerals
Attn: Peggy Blanchard
10330 Lake Rd., Bldg. 26
Houston, Texas 77070

2. Article Number

(Transfer from service label)

7016 2070 0000 7391 8694

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

9-22-77

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (*Extra Fee*)

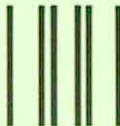
☐ Yes

General Land Office

N HOUSTON
UNITED STATES POSTAL SERVICE

22 SEP '17

PM 5 L



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

SEP 25 2017
RECEIVED

• Sender: Please print your name, address, and ZIP+4 in this box •

MF 116927

TRAVIS MATTHEWS

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN, TX 78711-2873

|||



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

Certified USPS 7016 2070 0000 7391 8694

September 19, 2017

Winne Land & Minerals
Attn: Peggy Blanchard
10330 Lake Rd., Bldg. 26
Houston, Texas 77070

Re: State Lease **MF 116928** being 480.0 acres, in Section 7, Block 59 PSL in Reeves County Texas.

Ms. Blanchard:

Our records indicate that the referenced leases have terminated due to failure to pay the delay rentals due on or before August 5, 2017.

You have thirty days from the receipt of this letter in which to present evidence and convince the General Land Office that this termination has not occurred. If such evidence has not been presented at the expiration of the 30-day period, the lease shall be endorsed "terminated" with no further communication from this office prior to the endorsement.

Pursuant to the Texas Administrative Code, we request that you file with this office a certified, recorded copy of a Release of State Oil and Gas Lease, effective as of the termination date and recorded in the county in which the lease tract is located. After recording the release, mail a certified copy of the release, along with the filing fee of \$25.00 per lease, to my attention at the GLO.

We look forward to hearing from you.

Yours truly,

Travis Matthews
Landman, Energy Resources
512-463-5118
512-475-1543 (fax)
Travis.Matthews@GLO.TEXAS.GOV

(6)

File No. MF 116927
REEVES County
TERMINATION LETTER
Date Filed: 9/19/17
By TW George P. Bush, Commissioner