

MF117638

Lease Type	Control	Basefile	County
Free Royalty	08-006132	149424	CULBERSON
	08-006203	149426	CULBERSON
	08-006212	149427	CULBERSON
	08-006230	149428	CULBERSON
	Survey	Public School Land	
	Block	52, 53	
	Block Name		
	Township		
	Section/Tract	13, 17, 31, 7	
	Land Part	all	
	Acres	Net: 937.810000	Gross: 937.810000
	Depth Below	Depth Above	Depth Other
	Name	CHI ENERGY, INC.	
	Lease Date	3/15/2011	
	Primary Term	5 years	
	Bonus	\$0.00	
	Lease Royalty	0.06250000	
	Paid Up	NA	

Leasing: ECMaps: JSGIS: MC

Scanlab: _____

Contents of Mineral File Number: 117638

1. Base file info + plat 08/20/15

2. Enail 08/18/15

3. Lease 08/21/15

4. Ltr + fee 08/21/15

Scanned sm 2/22/15

**Basefile Number - 149426**

Information for this County -

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

LAND CLASS NUMBER - 08

CONTROL NUMBER 08-006203

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - McDonald, J A

ABSTRACT - 6871

BLOCK - TOWNSHIP - Southwest 1/4 7 PS 53

SECTION NUMBER - 7

SECTION/PART -

CURRENT ACRES - 160.000000

ORIGINAL ACRES - 160

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 149426

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 347

LEASE INFORMATION

1/14



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



Printed: Aug 20, 2015

**Basefile Number - 149428**

Information for this County -

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

LAND CLASS NUMBER - 08

CONTROL NUMBER 08-006230

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - McDonald, J A

ABSTRACT - 6869

BLOCK - TOWNSHIP - Frac. 31 PS \$3

SECTION NUMBER - 31

SECTION/PART -

CURRENT ACRES - 200.310000

ORIGINAL ACRES - 200.31

SW1/4 + SW1/4 NE1/4

1/16

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 149428

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 347

LEASE INFORMATION**HISTORIC LEASES FOR THIS PARCEL**

Historical Oil & Gas Leases in this Parcel:

MF099607**MF112412**

**Basefile Number - 149424**

Information for this County -

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

LAND CLASS NUMBER - 08

CONTROL NUMBER 08-006132

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - McDonald, J A

ABSTRACT - 6872

BLOCK - TOWNSHIP - North 1/2 and Southwest 1/4 13 PS 52

SECTION NUMBER - 13

SECTION/PART -

CURRENT ACRES - 480.700000

ORIGINAL ACRES - 480.70

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 149424

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 347

LEASE INFORMATION

1/16



Information for this County -
CULBERSON COUNTY

Download GIS Data

Energy Lease Information

SURVEY INFORMATION

SURVEY NAME - PSL

GRANTEE NAME - McDonald, J A

ABSTRACT - 6870

BLOCK - TOWNSHIP - Mid. Part West 3/4 South 1/2 17 PS 53

SECTION NUMBER - 17

SECTION/PART -

ORIGINAL ACRES - 96.80

PATENT INFORMATION:

PATENTEE NAME -

DISTRICT - Bexar

CLASSIFICATION - School

FILE NUMBER - 149427

PATENT DATE -

CERTIFICATE -

PATENT NUMBER -

PATENT VOLUME -

PAGE - 347

LEASE INFORMATION

1/16

1.
File No. 117638

County

Base file info & plat

Date Filed: 08/20/15

George P. Bush, Commissioner

By [Signature]

Drew Reid - Section 7, Block 53, Culberson, County

From: Don Sachtleben <donsacht@gmail.com>
To: <drew.reid@glo.texas.gov>
Date: 8/18/2015 1:06 PM
Subject: Section 7, Block 53, Culberson, County
Attachments: 105.386_OGR_Cul._Margaret McDonald, et al. to Chi Energy.pdf

Drew:

Thank you for calling me back. I am sending you OGL 105/386, Culberson County attached to this e-mail, and mailing a hard copy with my check for \$50 today.

Please issue me a MF number for this tract. I'll need the pooling paperwork which I understand, can be pulled up from the website. I will contact Joy McCauley before I send in the pooling request.

Thanks for your help.

Don

File No. 117638

Enail County

Date Filed: 08/18/15

George P. Bush, Commissioner

By [Signature]

OIL AND GAS LEASE

NOTICE: PRIOR TO RECORDING THIS INSTRUMENT, A NATURAL PERSON MAY REMOVE OR STRIKE HIS/HER SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER THEREFROM.

THIS AGREEMENT made this 15th day of March, 2011, between Margaret McDonald, David Harkey McDonald, Roy Buster McDonald, II, HC 73, Box 405, Girvin, Texas 79740 Billie Gene Garro, P.O. Box 524, Sanderson, Texas 79848, Gera Chestnutt, Independent Executrix of the Estate of Carole M. Badger, 209 Meadowland, Universal City, Texas 78148, Belinda G. McDonald, P.O. Box 95, Gillett, Texas 78140, and Dwight G. Rawls and wife, Donna L. Rawls, 6504 Fulton Drive, Amarillo, Texas 79109 Lessor and Chi Energy, Inc., 212 North Main Street, Suite 200, Midland, Texas 79701, Lessee.

WITNESSETH:

1. Lessor in consideration of Ten and No/100 Dollars (\$10.00) in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets unto Lessee for the purpose of investigating, exploring, conducting geophysical operations, prospecting, drilling and producing oil and gas, from the following described land in Culberson County, Texas, to-wit:

Those certain tracts of land described in Exhibit "A" attached hereto and made a part hereof located in Culberson County, Texas,

and containing 938.8 acres, more or less. No water from any source from said land shall be used for any purpose without written consent of Lessor.

Anything contained herein, notwithstanding, each of the above described four (4) separate tracts shall be four (4) separate oil and gas leases for all purposes.

2. Subject to the other provisions herein contained, the lease shall be for a term of five (5) years from this date (called "primary term") and as long thereafter as oil and/or gas is produced and sold in paying quantities from said land hereunder.

3. The Royalties to be paid Lessor are:

An undivided 1/16th of the oil and gas is reserved unto the State of Texas, and an undivided 3/16th to Lessees for a total of 1/4th royalty.

3(a) On oil (including condensate and other liquid hydrocarbons) 1/4th of the value of oil that flows from a well on said land. Lessee shall pay Lessor the market value thereof at the well purchased by a non-affiliated third party. Non-affiliated third party is one in which Lessee owns no interest and has no agreement with, except for the purchase of oil. If oil is purchased by an affiliated third party, then the value of the oil is that of the highest market price in the area of like gravity or the amount received by Lessee, which ever is greater.

3(b) On gas, including casinghead gas or other gaseous substances that flow from a well on said land, the value at the well head of 1/4th of the gas, or at Lessor's option 1/4th of the proceeds of the sale of gas by Lessee, whichever yields the higher value; where gas from said land is processed in a plant for the purpose of extracting products therefrom, Lessor shall receive as royalty 1/4th of the amount realized by Lessee at the plant of the products so extracted and 1/4th of the value of the residue gas remaining after extractions of said products.

3(c) If gas is gathered by, or sold to an affiliated third party of Lessee, then Lessee will pay Lessor's cost of making the gas market ready, which includes compressing, dehydrating, treating and transporting gas to the trunk pipeline. Affiliated third party means any person or entity in which there is any ownership or shared beneficial interest with Lessee.

3(d) Notwithstanding the provisions of (b) above, Lessor may elect one (1) time only, to take in kind its royalty share of gas and gaseous substances produced. Once the election is made, all of Lessor's gas shall be marketed by Lessor, and delivered to Lessor, free of production costs, by Lessee at the wellhead.



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Clerks Office

Ⓟ 6-16-2015

Bennie Ross
Chi Energy, Inc.
P O Box 1799
Midland TX 79702

51.12.0

3(e) Whenever Lessor takes its royalty share of oil or gas in kind, it shall construct or cause to be constructed, such facilities as may be necessary in connection with such taking in kind at or near Lessee's facilities, at Lessor's sole cost and expense.

3(f) In addition to Lessor's royalty or share of the oil and gas provided above, Lessee agrees to pay Lessor $1/4^{\text{th}}$ of the total value or money received, whichever is the greater (free of cost to Lessor), of any contract, agreement, exchange or other bargain that Lessee may enter into that in anywise pertains to any of the oil or gas under the land, whether produced or not, and of the total of any other benefit Lessee may receive under any incident of ownership of this lease. Such payment to Lessor shall be at the same time Lessee receives the value or money. Such payment or obligation of payment shall not extend the term of this lease or diminish any other obligation of Lessee under this lease agreement. This paragraph 3(f) is not applicable to any value or payment received by Lessee for a bona fide sale of any of Lessee's interest in this lease to another party or entity.

3(g) After expiration of the primary term, if there is a gas well on said land capable of producing gas in paying quantities, and if gas is not being sold for a period in excess of ninety (90) days, and this lease is not then being maintained in force and effect under the other provisions hereof, this lease shall automatically terminate unless Lessee shall pay as royalty on or before ninety (90) days from the date production of gas ceases, a sum (herein called "shut-in royalty") of Ten Dollars (\$10.00) for each acre of land subject to this lease on the date of payment, and upon such payment this lease shall remain in force as to the acreage for which such payment is made for a period of one (1) year from the date of such payment; this lease shall automatically terminate at the expiration of each period of one (1) year for which payment of shut-in royalty has been made unless on or before the expiration of such period of one (1) year, Lessee shall pay a shut-in royalty computed as hereinabove provided, and upon each such payment, this lease shall remain in force as to the acreage for which such payment is made for an additional period of one (1) year; provided, however, that payment of shut-in royalty shall not maintain this lease in force or effect to any extent for a total period in excess of two (2) consecutive years after the date of the expiration of the primary term of this lease, and no such payment shall be treated or considered as advance royalty payment on any gas produced from the land.

4. This is a paid-up oil and gas lease for a primary term of five (5) years.

5. (a) If oil or gas is not being produced and sold from said land in paying quantities at the expiration of the primary term hereof, then this lease shall ipso facto terminate as to both parties unless Lessee is engaged in actual drilling of an oil and/or gas well thereon or reworking operations thereon, then this lease shall remain in force as long as said drilling and reworking operations are diligently prosecuted with no cessation of more than a total of sixty (60) days, and if the drilling or reworking operations result in the production and sale of oil and/or gas in paying quantities, then so long thereafter as oil and/or gas in paying quantities is produced and sold from said land, but subject to the termination or partial termination provisions contained herein. If, after the expiration of the primary term, production and sale of oil and/or gas in paying quantities on a particular proration unit that has not previously terminated should cease for any cause, this lease as to that proration unit shall remain in force as long as drilling or reworking operations are commenced within sixty (60) days after such cessation and are thereafter diligently prosecuted with no cessation of more than a total of sixty (60) days, and if said reworking operations result in the production and sale of oil and/or gas in paying quantities, so long thereafter as oil and/or gas in paying quantities is produced and sold from said proration unit.

5(b) Notwithstanding anything contained herein to the contrary, if at the end of the primary term, oil and/or gas is being produced and sold, or if this said lease is being maintained in force and effect under other provisions hereof, this lease will remain in force and effect as to all acreage so long as Lessee commences to drill an oil and/or gas well, and drills same with due diligence, every eight (8) months after the end of the primary term, and upon failure to do so, this lease shall ipso facto terminate as to all acreage except for acreage surrounding a producing well in paying quantities in the form, as nearly as possible, of a square or rectangular tract containing the number of acres permitted by the Railroad Commission of the State of Texas for a permanent proration unit. Absent field rules establishing permanent proration units, an oil well shall retain a



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387

forty (40) acre unit; a gas well shall retain a one hundred sixty (160) acre unit as to depths from the surface of the earth to eight thousand feet (8,000'); a three hundred twenty (320) acre unit as to depths below eight thousand feet (8,000') to a depth of twelve thousand feet (12,000'); and a six hundred forty (640) acre unit for a gas well completed twelve thousand feet (12,000') beneath the surface of the ground. Thereafter, any permanent proration unit formed under the provisions of this paragraph 5(b) shall also ipso facto terminate sixty (60) days after cessation of production in paying quantities from the last producing well thereon, unless there are ongoing operations to drill, rework, or recomple a well on the permanent proration unit and said drilling, rework or recompletion operations result in production in paying quantities thereon. This lease shall also ipso facto terminate at the expiration of the primary term and/or continuous drilling program as to all depths one hundred feet (100') below the stratigraphic equivalent in the deepest producing well completed under the permanent proration unit. Provided, however, that if a shut-in gas well(s), capable of producing in paying quantities, is located on the acreage contained herein, and if Lessee has adhered to the provisions of paragraph 3(g) hereof, this lease shall remain in full force and effect as to the permanent proration unit around each well with the same depth limitations immediately set forth above for the period of time provided in paragraph 3(g) hereof.

6. If a well capable of producing oil, gas or other hydrocarbon in paying quantities shall be completed hereafter on land (whether or not owned by Lessor), other than the leased land, within one thousand feet (1,000') on an adjoining proration unit, established by proper regulatory authority, to the leased land, then within one hundred eighty (180) days after such well shall have been completed on such other land, (or in case of a gas or gas condensate well, within one hundred eighty (180) days after commencement of first production of gas therefrom) Lessee shall commence operations for, and shall thereafter diligently prosecute the drilling of an offset well on the proration unit on the leased land off-setting the adjoining proration unit to the depth of the producing formation. Lessee has the option to release the off-set proration unit in lieu of drilling an off-set well. Nothing herein shall require Lessee to drill an off-set well where Lessee has an existing well producing oil or gas in paying quantities from the same formation on a proration unit on the leased land at the time of completion of a well on an adjoining proration unit to the leased land.

7. This lease may NOT be assigned in whole, or in part, without written consent of Lessor, except to an affiliate or subsidiary business entity of Lessee, and Lessee shall remain liable and responsible for the obligations of the Lessee herein, and any attempted assignment shall be void, and if assigned with written permission, the provisions hereof shall extend to the heirs, successors and assigns, but no change or divisions in ownership of the land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. Written permission to assign this Lease shall not be unreasonably withheld by Lessor. No sale or assignment by Lessor shall be binding on Lessee until Lessee shall be furnished with a copy of a recorded instrument evidencing same.

8. Lessee is given the right to pool or combine all, and not part, of the acreage covered by this lease with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary to do so in order properly to explore, or to develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil or gas, hereunder shall not substantially exceed the number of acres permitted by the Railroad Commission of Texas for a permanent proration unit for oil or gas, whichever is applicable to the well, plus a tolerance of ten percent (10%) thereof. Lessee under the provisions hereof may pool or combine acreage covered by this lease thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease thereof into other units as to separate stratum. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after

commencing operations for or completing an oil or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil or gas have theretofore been commenced. In the event of operations for drilling on or production of oil or gas from any part of a pooled unit which includes all of the land covered by this lease, such operations shall be considered as operations for drilling on or production of oil and gas from land covered by this lease whether or not the well or wells be located on the premises covered by only the pooled area of this lease and in such event operations for drilling shall be deemed to have been commenced on said land; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties and other payments to which owners of royalties and payments of oil or gas well flow and each of them shall be entitled on flow of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit a pro rata portion of the oil and gas or either of them, produced from the pooled unit. Such allocation shall be on an acreage basis, there shall be allocated to the acreage covered by this lease and included in the pooled unit that pro rata portion of the oil and gas, or either of them, flowed from the pooled unit which the number of surface acres covered by this lease and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such flow, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The flow of oil from a well will be considered as production from the lease or oil pooled unit which it is producing and not as production from a gas pooled unit; and flow of gas from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in royalty which may become payable under this lease. Shut-in gas royalty shall be applicable only to the actual acreage pooled and not to other acreage under this lease. Anything to the contrary notwithstanding, any acreage not actually designated in a pooled unit shall be considered acreage under this lease, as if this is a separate lease, excluding the designated pooled acreage.

9. Lessor, hereby agrees that Lessee at its option may discharge any tax, mortgage or other lien bearing upon the mineral interest of Lessor with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and other payments to be paid Lessor shall be reduced proportionately.

10. If any operation permitted or required hereunder, or the performance by Lessee of any covenant, agreement or requirement hereof is delayed or interrupted by any law, order of the Government of the United States or of any State or other governmental body, or act of God which results in Lessee being prevented from conducting drilling operations, reworking operations or producing operations, then until such time as such law, order, or regulation is terminated and for a period of ninety (90) days after such termination and after such act of God, each and every provision of this lease that might operate to terminate it shall be suspended. If any period of suspension occurs during the primary term, the time thereof shall be added to the primary term.

11. Lessee agrees to indemnify and hold Lessor harmless from all liability, loss, damage, expense and obligations resulting from injury to (including the death of) persons or damage to property, pollution, environment, air space, surface and subsurface, of any kind arising out of or in connection with Lessee's, its successors' or assigns', operations on the leased premises.

12. Lessor does not warrant title to the mineral rights hereunder except to the extent of any royalties received from that portion of the land to which the mineral title shall fail or a proportionate part of said royalties in the event of failure of title to an undivided interest in said portion. Notwithstanding the fact that the Lessor has executed this lease on the above described lands, and the ownership is now, or in the future may be in separate tracts or parcels, this lease shall be treated as an entirety, except that royalties as to any producing well or shut-in gas well shall be payable to the owner or owners of the royalty in the respective tracts upon which the producing well



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B 6-16-2015

57.75.8

389

or shut-in gas well is located.

13. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

14. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

15. Lessee agrees during the term and at the end of this lease to remove from the land all equipment and fixtures not active in the lease operations including all pipelines, buried or on the surface, and restore the surface in a reasonable manner to its original condition.

16. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

17. There is a Surface Use Agreement between the parties hereto that covers the lands described in this Lease.

This oil and gas lease agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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

LESSOR:

✓ *Margaret McDonald*
Margaret McDonald

David Harkey McDonald

Roy Buster McDonald, II

Billie Gene Garro

Gera Chestnutt, Independent Executrix of the
Estate of Carole M. Badger

Belinda G. McDonald



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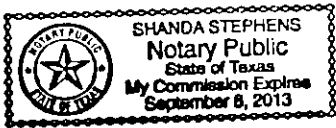
6-16-2015

STATE OF TEXAS

COUNTY OF ~~PECOS~~ Upton

§
§
§

The foregoing instrument was acknowledged before me this 22 day of March, 2011, by Margaret McDonald.



Shanda Stephens
Notary Public, State of Texas.

7



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Ⓟ 6-16-2015

51770

391

392

105 031

or shut-in gas well is located.

13. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

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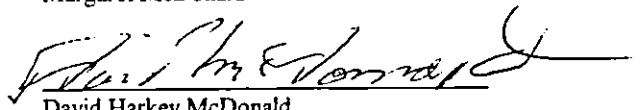
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Margaret McDonald


David Harkey McDonald

Roy Buster McDonald, II

Billie Gene Garro

Gera Chestnutt, Independent Executrix of the
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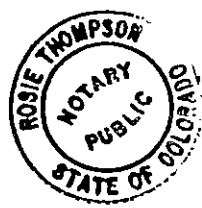
6-16-2015

57.12.0

STATE OF Colorado
COUNTY OF El Paso

§
§
§

The foregoing instrument was acknowledged before me this 28th day of August, 2011, by David Harkey McDonald.



Rosie Thompson ✓
Notary Public, Said State.



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Clerk's Office

Ⓟ 6-16-2015

51720

39A

or shut-in gas well is located.

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LESSOR:

Margaret McDonald

David Harkey McDonald

✓ Roy Buster McDonald, II
Roy Buster McDonald, II

Billie Gene Garro

Gera Chestnutt, Independent Executrix of the
Estate of Carole M. Badger

Belinda G. McDonald



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

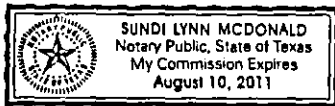
⑥ 6-16-2015

STATE OF TEXAS

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COUNTY OF PECOS

The foregoing instrument was acknowledged before me this 19th day of March, 2011, by Roy Buster McDonald, II.



Sundi Lynn McDonald
Notary Public, State of Texas.

True and Correct
copy of
Original filed in
Culberson County
Clerk's Office
BL-16-2015

31.72.4

or shut-in gas well is located.

13. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

14. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

15. Lessee agrees during the term and at the end of this lease to remove from the land all equipment and fixtures not active in the lease operations including all pipelines, buried or on the surface, and restore the surface in a reasonable manner to its original condition.

16. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

17. There is a Surface Use Agreement between the parties hereto that covers the lands described in this Lease.

This oil and gas lease agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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

LESSOR:

Margaret McDonald

David Harkey McDonald

Roy Buster McDonald, II

Billie Gene Garro
Billie Gene Garro

Gera Chestnutt, Independent Executrix of the
Estate of Carole M. Badger

Belinda G. McDonald



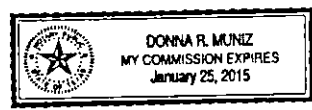
True and Correct
copy of
Original filed in
Culberson County
Clerk's Office

06-16-2015

STATE OF TEXAS
COUNTY OF TERRELL

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The foregoing instrument was acknowledged before me this 17th day of March, 2011, by Billie Gene Garro.



Donna R. Muniz
Notary Public, State of Texas.



True and Correct
copy of
Original filed in
Culberson County
El Paso, Texas

Ⓟ 6-16-2015

97.72.0

or shut-in gas well is located.

13. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

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17. There is a Surface Use Agreement between the parties hereto that covers the lands described in this Lease.

This oil and gas lease agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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

LESSOR:

Margaret McDonald

David Harkey McDonald

Roy Buster McDonald, II

Billie Gene Garro

✓ Gera Chestnutt
Gera Chestnutt, Independent Executrix of the
Estate of Carole M. Badger

Belinda G. McDonald



True and Correct
copy of
Original filed in
Culberson County
Clerk's Office

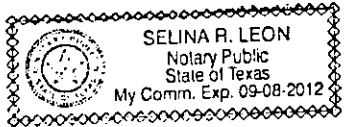
Ⓟ 6-16-2015

STATE OF TEXAS

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COUNTY OF BEXAR

The foregoing instrument was acknowledged before me this 31st day of March 2011, by Gera Chestnutt, Independent Executrix of the Estate of Carole M. Badger.



[Signature]
Notary Public, State of Texas.



True and Correct
copy of
Original filed in
Culberson County
Clerk's Office

Ⓟ 6-16-2015

97700

or shut-in gas well is located.

13. Lessee agrees, upon Lessor's written request, to furnish written notice of spud date, cessation of production, workover, re-entry, temporary abandonment or abandonment of any well and copies of Railroad Commission forms for application to drill, completion tests and plugging reports. The Lessor reserves the right to require Lessee to furnish logs on all wells drilled on said land. Lessor agrees to keep such logs furnished to it confidential until released to the public.

14. At such time as this lease expires or is terminated, for any reason whatsoever, Lessee agrees to furnish Lessor, within thirty (30) days thereafter, a Release of said lease, in appropriate form and duly executed, in order that the Release may be placed of public record. Upon termination of this lease or any part thereof, Lessee shall have one hundred twenty (120) days to remove all leasehold equipment permitted by law or regulation, and if Lessee fails to do so, said leasehold equipment shall belong to Lessor, however Lessee shall continue to be liable for the cost of the removal thereof by Lessor and the plugging of all wells.

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16. If Lessor brings a lawsuit to enforce any of Lessor's rights hereunder and obtains any judgement against Lessee, Lessor shall be entitled to recover reasonable attorney's fees, expert's fees and all reasonable costs of prosecuting the litigation and costs of court from Lessee.

17. There is a Surface Use Agreement between the parties hereto that covers the lands described in this Lease.

This oil and gas lease agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, executors, successors and assigns (where applicable).

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

LESSOR:

Margaret McDonald

David Harkey McDonald

Roy Buster McDonald, II

Billie Gene Garro

Gera Chestnutt, Independent Executrix of the
Estate of Carole M. Badger

[Signature]

Belinda G. McDonald



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

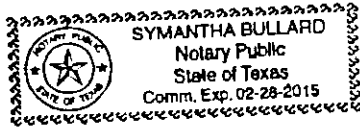
6-16-2015

STATE OF TEXAS

COUNTY OF ~~KARNES~~ ^{Gonzales}

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The foregoing instrument was acknowledged before me this 17th day of March, 2011, by Belinda G. McDonald.



Symantha Bullard
Notary Public, State of Texas.



True and Correct
copy of
Original filed in
Culberson County

06-16-2015

ST. 12.0

401

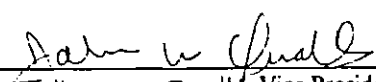


Dwight G. Rawls



Donna L. Rawls

ACCEPTED:
LESSEE:
CHI ENERGY, INC.

By: 
John W. Qualls Vice President

ACKNOWLEDGMENTS

 True and Correct
copy of
Original Filed in
Culberson County /
Clark County
6-16-2015

STATE OF TEXAS

COUNTY OF POTTER

The foregoing instrument was acknowledged before me this 24th day of March, 2011, by Dwight G. Rawls and wife, Donna L. Rawls.

Belinda M. Winters
Notary Public, State of Texas.



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

Ⓟ 6-16-2015

STATE OF TEXAS
COUNTY OF MIDLAND

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The foregoing instrument was acknowledged before me this 4th day of May, 2011, by John W. Gault as Vice-president of Chi Energy, Inc., on behalf of said corporation.


Notary Public, State of Texas.



True and Correct
copy of
Original filed in
Midland County
Clerk's Office
B 6-16-2015

EXHIBIT "A"

Margaret McDonald, et al. to Chi Energy, Inc.
Oil and Gas Lease

The North Half (N/2) and Southwest Quarter (SW/4) of Section 13, Block 52, PSL Survey,
Culberson County, Texas.

The Southwest Quarter (SW/4) and the Southwest Quarter of the Northeast Quarter (SW/4NE/4)
of Section 31, Block 53, PSL Survey, Culberson County, Texas.

96.8 acres out of the Central Portion of the West 3/4th of the South Half of Section 17, Block 53,
PSL Survey, more particularly described in a Partition Deed dated April 3, 1920, between B.W.
Stewart, P.J. Edwards, et al., recorded in Volume 24, Page 171, Deed Records, Culberson County,
Texas.

The Southwest Quarter (SW/4) of Section 7, Block 53, PSL Survey, Culberson County, Texas.

True and Correct
copy of
Original filed in
Culberson County
Clerk's Office
6-16-2015

Filed for record on the 12th day of May, A.D. 2011 @ 1:07 o'clock P.M. and
duly recorded on the 18th day of May, A.D. 2011 @ 9:45 o'clock A.M.

LINDA MCDONALD, COUNTY CLERK
CULBERSON COUNTY, TEXAS

By Mia C. Myers Deputy

57.17.0

405

3.

File No. 117638 _____
County _____
Lease
Date Filed: 08/21/15
George P. Bush, Commissioner
By _____

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

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 Oil & Gas Records of my office, found in VOL. 105, PAGE 386.

I hereby certified on 16 June 2015

LINDA McDONALD, COUNTY & DISTRICT CLERK
CULBERSON COUNTY, TEXAS

BY [Signature] DEPUTY

0.51.12

R. DON SACHTLEBEN
R. D. DAVIS & ASSOCIATES, LLC
Petroleum Land Services since 1978

August 18, 2015

Mr. Drew Reid
Texas General Land Office
P. O. Box 12873
Austin, Texas 78711

Re: Section 7, Block 53, PSL, A- 6871,
Culberson County, Texas

Dear Mr. Reid:

Enclosed is a Certified Copy of an Oil & Gas Lease dated March 15, 2011 from Margaret McDonald, et al. to Chi Energy, Inc., filed at Volume 105, Page 386 of the Oil & Gas Records of Culberson County, Texas.

An undivided 1/16th royalty of the oil and gas is reserved unto the State of Texas. Please file this documents with the State of Texas General Land Office. Enclosed is a check for Fifty Dollars (\$50.00) for the recording fee.

Thank you for your help. Please, after recording the documents, notify me that the transaction is complete. My e-mail address is donsacht@gmail.com and my cell phone number is (361) 782-1888 if you need to reach me.

Thanks again for your help.



R. Don Sachtleben
R. D. Davis & Associates, LLC

MD-117638

Free Roy. / Cust. Copy
fee's

R DON SACHTLEBEN

TDL [REDACTED] PH: (361)782-7171
305 N ALLEN ST
EDNA, TX 77957-2601

15716270

2009

August 18, 2009

FRALDORHOR

Pay to the
Order of

State of Texas GLO

Date

\$ 50.00

Dollars

1

Register
Features
Details on
Back

First Victoria
First Victoria National Bank
Texas
firstvictoria.com

For

Rec'd by [REDACTED]

[Signature]

M*

2009

121

91.120

File No. 117638

____ County

Ltr + fee

Date Filed: 08/21/15

George P. Bush, Commissioner

By _____



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