

#153
Bateman Unit 20 ac. (prod) 2-2-78
~~Wacker Unit 86.67 ac.~~ 34

Free Royalty Lease M-74167

8/55

COUNTY: Culberson
TRACT : S 1/3 of W/2 of Sec. 21, Blk. 45,
PART : PSL
ACRES : 106.67 20.00
LESSEE : Chalfant, Magee & Hansen, Inc.
DATE : June 26, 1972
TERM : Five Years
BONUS :
RENTAL: 0
FILE : 151142

✓ INACTIVE

DATE 11-1-07
LEASING CFB
CLOSING
HHS/BS MC

LA
NS
MC
gp

REDROPE
VERTICAL FILE POCKET
No. ET1526EMT
HASTINGS - LOS ANGELES
LOGAN - MCGREGOR, U.S.A.



CAUTION

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



MF 074167

E.

74167

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American Quasar Pet. Co.

PF-7-25-77

THIS AGREEMENT made this 26th day of June, 1972, between L. H. Meeker,
as attorney in fact for
Individually and J. J. Meeker, and L. H. Meeker and First National Bank of
Fort Worth, Texas as Co-Independent Executors of the Estate of William W. Meeker, deceased.
6000 Camp Bowie Blvd., Fort Worth, Texas (Post Office Address)
 herein called lessor (whether one or more), and Chalfant, Magee & Hansen, Inc., lessee:

1. Lessor, in consideration of Ten Dollars & No/100----- Dollars (\$ 10.00)
 in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases
 and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, gas, and all
 other minerals, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines,
 and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals and other products manufactured there-
 from, and housing and otherwise caring for its employees, the following described land in Culberson County, Texas, to-wit:

South 1/3rd of W/2 of Section 21, Block 45, Public School Land
(Any free royalty due the State of Texas under this land shall be
paid out of the royalties set forth herein).

Notwithstanding any particular description, it is nevertheless the intention of lessor to include within this lease, and he does hereby lease, not only
 the land so described but also any and all other land owned or claimed by lessor in the herein named survey or surveys, or in adjoining surveys, and adjoining
 the herein described land up to the boundaries of the abutting landowners. For the purpose of calculating the rental payments hereinafter provided for, said land is

estimated to comprise 106.67 acres, whether it actually comprises more or less. Five (5)

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of XXXXXX years from this date (called "primary term").
 and as long thereafter as oil, gas, or other mineral is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, XXXXXX of that produced and saved from
 said land, same to be delivered at the wells or to the credit of lessor in the pipe line to which the wells may be connected; lessor's interest in either case shall
 bear its proportion of any expenses for treating oil to make it marketable as crude; (b) on gas, including casinghead gas and all gaseous substances, produced
 from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of
 the gas so sold or used, provided that on gas sold at the well the royalty shall be XXXXXX of the amount realized from such sale; (c) on 3/16
 all other minerals mined and marketed, one-eighth, either in kind or value at the well or mine, at lessee's election, except that on sulphur the royalty
 shall be One Dollar (\$1.00) per long ton; and (d) at any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells
 on the above land (and for the purposes of this clause (d) the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any
 gaseous substance and wells classified as gas wells by any governmental authority) and such well or wells are shut in before or after production therefrom, lessee or
 any assignee hereunder may pay or tender an annual royalty equal to the amount of the annual delay rentals provided for in this lease for the acreage then held un-
 der this lease by the party making such payment or tender, and if such payment or tender is made, it shall be considered under all provisions of this lease that gas is
 being produced from the leased premises in paying quantities for one (1) year from the date such payment or tender is made, and in like manner subsequent annual
 royalty payments may be made or tendered and it will be considered under all provisions of this lease that gas is being produced from the leased premises in paying
 quantities during any annual period for which such royalty is paid or tendered; such royalty may be paid or tendered in the same manner as provided herein for the
 payment or tender of delay rentals; and when there is a shut-in gas well or wells on the leased premises if this lease is not continued in force under some other pro-
 vision thereof, it shall nevertheless continue in force for a period of ninety (90) days from the last date on which a gas well located on the leased premises is shut in,
 or for ninety (90) days following the date to which this lease is continued in force by some other provision thereof, as the case may be, within which ninety-day period
 lessee or any assignee hereunder may commence or resume the payment or tender of the royalty as herein provided.

4. If operations for drilling or mining are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall
 terminate as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of One Hundred Six &
67/100----- Dollars (\$ 106.67) which shall cover the privilege of deferring commencement of such operations
 for a period of twelve (12) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further de-
 ferred for successive periods of the same number of months, each during the primary term. Payment or tender may be made to the lessor or to the

Continental National Bank of Fort Worth, Texas, which bank, or any successor thereof,
 shall continue to be the agent for the lessor and lessor's successors and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded
 by another bank, or for any reason fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessor shall deliver to
 the lessee a recordable instrument making provision for another method of payment or tender, and any depositary charge is a liability of the lessor. The pay-
 ment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or either lessor if more than one, on or before
 the rental paying date.

5. Lessee is hereby granted the right to pool or unitize this lease, the land covered by it or any part thereof with any other land, lease, leases, mineral estates
 or parts thereof for the production of oil, gas, or any other minerals. Units pooled for oil hereunder shall not exceed forty (40) acres plus a tolerance of ten per
 cent (10%) thereof, and units pooled for gas hereunder shall not exceed six hundred forty (640) acres plus a tolerance of ten per cent (10%) thereof, provided that
 if any Federal or State law, Executive order, rule or regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable on
 acreage per well, then any such units may embrace as much additional acreage as may be so prescribed or as may be used in such allocation or allowable. Lessee
 shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells.
 Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land
 described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a unit shall be treated for all
 purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall
 receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest
 therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

6. If, prior to discovery of oil, gas, or other minerals on said land or land pooled therewith lessee should drill and abandon a dry hole or holes thereon, or if,
 after discovery of oil, gas, or other minerals, the production thereof should cease from any cause, this lease shall not terminate if lessee commences reworking or
 additional drilling operations within sixty (60) days thereafter, or (if it be within the primary term) commences or resumes the payment or tender of rentals or
 commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of three (3) months from date of comple-
 tion and abandonment of said dry hole or holes or the cessation of production. If a dry hole is completed and abandoned at any time during the last fifteen (15)
 months of the primary term and prior to discovery of oil, gas, or other mineral on said land or land pooled therewith, no rental payment or operations are neces-
 sary in order to keep the lease in force during the remainder of the primary term. If, at the expiration of the primary term, oil, gas, or other mineral is not being
 produced on said land or land pooled therewith but lessee is then engaged in operations for drilling, mining, or reworking of any well or mine thereon, this lease
 shall remain in force so long as drilling, mining, or reworking operations are prosecuted (whether on the same or different wells) with no cessation of more than
 sixty (60) consecutive days, and if they result in production, so long thereafter as oil, gas, or other mineral is produced from said land or land pooled therewith. In
 the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within three hundred thirty (330) feet of and drain-
 ing the leased premises, lessee agrees to drill such offset wells as a reasonably prudent operator would drill under the same or similar circumstances.

7. Lessee shall have free use of oil, gas, and water from said land, except water from lessor's wells and tanks, for all operations hereunder, including repres-
 suring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee shall have
 the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to
 draw and remove all casing.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, adminis-
 trators, successors, and assigns, but no change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge
 the obligations or diminish the rights of lessee. No such change or division in the ownership of the land, rentals or royalties shall be binding upon lessee for any
 purpose until such person acquiring any interest has furnished lessee with a copy of the instrument or instruments, or certified copies thereof, constituting his chain
 of title from the original lessor. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be
 apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the
 rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge
 lessor of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part
 of the rentals due from such lease or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as
 it covers a part of said lands upon which lessee or any assignee thereof shall make payment of said rentals.

9. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure. The term "force majeure"
 as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, block-
 ades, insurrections or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders or requests of federal, state, municipal or other governments
 or governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor,
 service, or material. If lessee is required, ordered or directed by any federal, state or municipal law, executive order, rule, regulation or request enacted or promul-
 gated, under color of authority, to cease drilling operations, reworking operations, or producing operations on the land covered by this lease or if lessee by force
 majeure, under color of authority, is terminated and for a period of ninety (90) days after such termination each and every provision of this lease that might operate to
 terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during
 the primary term, the time thereof shall be added to such term.

10. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or
 other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties
 accruing hereunder toward satisfying same. Without impairment of lessor's rights under the warranty in the event of failure of title, it is agreed that, if
 lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately;
 should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing
 the same.

11. Lessee, its/heir successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs and assigns by
 delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be
 relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in
 the proportion that the acreage covered hereby is reduced by said release or releases.

12. Notwithstanding any provisions in this lease to the contrary, it is
 understood and agreed that the payments of shut-in gas royalty as provided for
 herein shall not maintain this lease in force and effect for a period longer
 than three (3) years after the expiration of the primary term hereof.

13. It is understood and agreed that this lease covers oil, gas and
 associated liquid hydrocarbons only and that any reference to sulphur and any

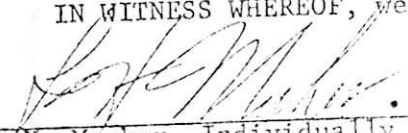
as required herein shall mean, any and all...
10. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of lessee's rights under the warranty in the event of failure of title, it is agreed that, if lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid lessor shall be reduced proportionately; should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.
11. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

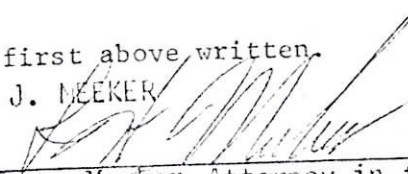
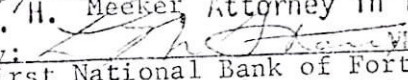
12. Notwithstanding any provisions in this lease to the contrary, it is understood and agreed that the payments of shut-in gas royalty as provided for herein shall not maintain this lease in force and effect for a period longer than three (3) years after the expiration of the primary term hereof.

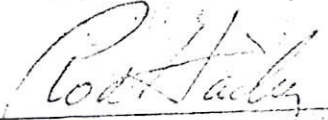
13. It is understood and agreed that this lease covers oil, gas and associated liquid hydrocarbons only and that any reference to sulphur and any other minerals is deleted from the terms of this lease.

14. The pooling provisions of this lease are applicable to gas only and are not applicable to oil.

IN WITNESS WHEREOF, we sign the day and year first above written.


L. H. Meeker, Individually and as Co-Independent Executor of Estate of William W. Meeker, decd. & as agent for State of Texas

J. J. MECKER
By  Meeker
L. H. Meeker, Attorney in fact for J.J./
By:  Vice-President and Trust
First National Bank of Fort Worth, Texas
Individually and as Co-Independent Executor of Estate of William W. Meeker, Individually and as Agent for State of Texas

ATTEST:

Cashier

THE STATE OF TEXAS }
COUNTY OF TARRANT

BEFORE ME, the undersigned authority, a Notary Public in and for TARRANT County, Texas, on this day personally appeared L. H. MEEKER, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacities therein stated.

Given under my hand and seal of office this 3rd day of July, A. D. 1972.
Blanca M. Briganza
TARRANT County, Texas

THE STATE OF TEXAS }
COUNTY OF

BEFORE ME, the undersigned authority, a Notary Public in and for County, Texas, on this day personally appeared and his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed; and the said

having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said, wife of the said, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

Given under my hand and seal of office this day of, A. D. 19

No. 13,202	OIL, GAS AND MINERAL LEASE TEXAS	TO	Filed for Record this the 20th day of July, A. D. 1972, at 9:00 o'clock P. M.	Tranessa Walker County Clerk	By Lawrence Mingard Deputy	Recorded Aug 7th A. D. 1972 at 1 P. M. in Buchanan County	Record of 1048	Book 29 Page 426-428	Tranessa Walker County Clerk	By Lawrence Mingard Deputy
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CORPORATION ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

L. M. Story, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said First National Bank of Fort Worth, Texas a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3 day of July, A. D. 1972

(L.S.) Susan Eder
Notary Public in and for County, Texas

①

M 74167

Lease

File Dated 2-3-77

Bob Armstrong, Commissioner

5. 24.

BILL SELTZER
506 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

171

FR
15114Z

Mr. Jack Howard
General Land Office
Austin, Texas 78701

Re: American Quasar Pet. Co.
Bateman Unit
Gulberson & Reeves Counties,
Texas.
Oil and Gas Lease S/3 of
W/2 of Section 21, Block 45
PSL Survey
Gulberson County, Texas

Dear Mr. Howard:

I am enclosing the following instruments covering the
above area for your files:

1. Xerox copy of Oil and Gas Lease from L.H. Meeker
Individually and as attorney in fact for J.J.
Meeker and L.H. Meeker and First National Bank
of Fort Worth, Texas as Co-Independent Executors
of the Estate of William W. Meeker, deceased, to
Chalfant, Magee and Hansen, Inc. dated June 26,
1972.
2. Assignment of Oil and Gas Lease dated July 6, 1972
from Chalfant, Magee and Hansen, Inc. to Inexco Oil
Company.
3. Assignment of Oil and Gas Lease dated August 30, 1974
but effective as of December 14, 1973 from Inexco
Oil Company to American Quasar Petroleum Co., cover-
ing an undivided 2/3 interest in the above lands.

Yours very truly,

Bill Seltzer
Bill Seltzer

BS/js

(2)

P. 24167-

CORRESPONDENCE FILE

TO Bill Seltzer

FROM

Date undated

5. 24

February 7, 1977

Bill Seltzer
506 Petroleum Building
Midland, Texas 79701

Re: S 1/3 of W/2 of Sec. 21, Blk. 45, PSL,
Culberson County, Texas

Dear Mr. Seltzer:

The copy of the Oil and Gas Lease, affecting the captioned tract, has been filed in our records under M-74167 to which mineral file number you should refer to in any future correspondence concerning this lease.

We cannot file the two Assignments unless we are furnished with a remittance of \$10.00 as required by Art. 3917, V.T.C.S., and a certified copy of each instrument. We would like to point out that we cannot require that you file these Assignments. If you do wish to have them filed in the General Land Office, please return a certified copy of each and the \$10.00 remittance.

Sincerely yours,

Bob Armstrong

By:
Gordon G. Adams, Attorney

GGA/dr

(9)

M. F. 24167

CORRESPONDENCE FILE

To Bill Seltzer
From

Dated 2-7-77

BILL SELTZER
506 PETROLEUM BUILDING
MIDLAND, TEXAS 79701

171

February 8, 1977

Mr. Gordon G. Adams
General Land Office
Austin, Texas 78701

Re: S/3 of W/2 of Sec. 21, Blk. 45
PSL, Culberson County, Texas

Dear Mr. Adams:

Please refer to your letter covering the above and file No. M-74167 in which a copy of an oil and gas lease is filed.

This lease and file provides for a free royalty to the State of Texas in the amount of 1/16th on Oil and Gas. We are in the process of filing of record in Culberson County a Designation of a pooled unit covering this land and other lands.

Mr. Jack Howard suggested that I file this lease of record with the General Land Office as the State of Texas will Ratify our Pooling Designation. We do not desire at this time to certify the Assignments, however you may keep same for your files as a matter of information. Thank you for your letter, I remain,

Sincerely

Bill Seltzer
Bill Seltzer

CC: American Quasar Pet. Co.
Mr. Howard Bradford

④ M. F. 74167

CONFIDENTIALITY FILE

Bill Silber

From

Dated 2-8-77

57044

MEMORANDUM

TO: M- 74167

FROM: L. Gilbert

DATE: 3-9-77

SUBJECT: Shut-in royalty.

Under School File 151142, the State is entitled to a free royalty of $\frac{1}{16}$. This lease calls for a royalty of $\frac{3}{16}$, which expressly includes the State's $\frac{1}{16}$. Thus the lessee has a royalty of $\frac{2}{16}$ or $\frac{1}{8}$.

Shut-in royalty payments are to be in an amount equal to the annual rental. The lease form does not expressly provide how the State is to participate in shut-in royalties—

Evidently, for instance, the lessee has chosen to pay a full shut-in royalty to the State, and probably a like amount to the lessee.

Although it can be argued that the State is entitled to only $\frac{1}{3}$ of the shut-in royalty, the lease is not specific, and we should accept and apply the full amount submitted.

The well is a high-volume well, and the lessee evidently chooses not to risk his lease over a question involving only a few dollars—

Conrad Gilbert,
Attorney, Energy Division

44-74167

Legal Memo

Dated 8-9-77

L.G.

SHUT-IN AFFIDAVIT

Enter appropriate comments, if any,
and initial. Pass to next person
within one day.

	Initial:	Date:
Affidavit Auditor	<u>RWB</u>	<u>8-9-77</u>
Comments:	<u>OK</u>	

Exploration & De-	<u>MHJ</u>	<u>8-9-77</u>
velopment		
Comments:	<u>OK</u>	

Legal-Energy	<u>OK</u>	<u>BF</u>	<u>8-10-77</u>
Resources			
Comments:			

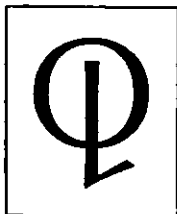
Affidavit Auditor	_____	_____
Comments:		

DETACH AND RETAIN THIS STATEMENT
 THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
 IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	CODE	INVOICE AMOUNT	DEDUCTIONS	AMOUNT PAID
6/26/72		Shut-in gas royalty due under Oil & Gas Lease dated South one-third (S/3) of the West Half (W/2) of Sec. 21, Bl. 45, PSL from L. H. Meeker, et al (Bateman #1-28) RC Prospect				C \$106.67
					122132	

✓ AMERICAN QUASAR PETROLEUM CO. OF NEW MEXICO ✓ MIDLAND, TEXAS

79707



AMERICAN QUASAR PETROLEUM CO.

1000 THE MIDLAND NATIONAL BANK TOWER / MIDLAND / TEXAS 79701 U.S.A. /
TELEPHONE (915) 682-9411

July 19, 1977

General Land Office
Stephen F. Austin Building
Austin, Texas 78701

Attention: Mr. Jack Guiberson

Re: Bateman Unit #1
Culberson County, Texas
RC Prospect

Gentlemen:

In accordance with your conversations last week with Mr. Bill Seltzer and Mr. Tom Lowry, we are enclosing our check for \$106.67 representing shut-in gas royalty due the General Land Office under the captioned.

Please return a copy of the receipt as soon as possible.

Thank you for your cooperation in this matter.

Very truly yours,

Ruth Sutton

RS/lis

Enclosure

AMERICAN QUASAR PETROLEUM CO.

NAME

Suite 1000 Midland National Bank Tower
Midland, Texas 79701

ADDRESS

State of Texas

DATE July 14, 1977

C/o Commissioner of General Land Office.
Austin, Texas

Gentlemen:

We enclose herewith our check in the amount of \$106.67
payable to yourselves.

The above amount is in payment of shut-in royalty for the period from
July 15, 1977 to July 15, 1978 due under that certain
oil and gas lease executed in favor of Chalfant, Magee & Hansen, Inc.

Insofar as said lease covers and includes the following described tract of
land located in Culberson & Reeves Counties, Texas to-wit:

South one-third (S/3) of the West Half (W/2) of Section 21,
Block 45, PSL

PLEASE SIGN IN THE SPACE PROVIDED BELOW AND RETURN THE ORIGINAL
OF THIS RECEIPT TO US.

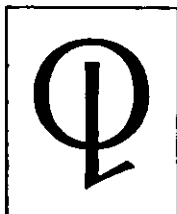
Very truly yours,

Ruth Sutton

Receipt is hereby acknowledged of the above amount and the same has been
credited according to your instructions.

Dated _____

Lease No. 150-5



AMERICAN QUASAR PETROLEUM CO.

1000 THE MIDLAND NATIONAL BANK TOWER / MIDLAND / TEXAS 79701 U.S.A. /
TELEPHONE (915) 682-9411

August 4, 1977

(121)

State of Texas
Commissioner of General Land Office
Stephen S. Austin Building
Austin, Texas 78701

Re: Shut-In Gas Royalty Payment
Reeves & Culberson Counties,
Texas
Our RC Prospect

Gentlemen:

On or about July 15, 1977, our office mailed a check in the amount of \$106.67 for payment of shut-in gas royalty on the captioned prospect. We have not yet received the executed copy of the receipt and are requesting the return of same at your earliest convenience.

Thank you for your cooperation in this matter.

Very truly yours,

Laura Streeter

ls

8/9/77
Gave receipt
to Binny to
mail.

GENERAL LAND OFFICE LEASE NUMBER M- 74167

Operator American Quasar Petroleum Co.

Lease Name Bateman Field Wildcat

Description of Lease:

Area RC Tract N/A

Part S/3 of W/2 Section 21 Block 45

Grantee PSL Acres 106.67 County Culberson

The following well or wells are classified Gas Wells by the Railroad Commission of Texas and are Shut-in:

Bateman Well # 1 Number Gas Zones Completed 1 Potential MCF/day 89000 AOF

Barrels Liquid _____ Date Shut-in May 8, 1977

Well # _____ Number Gas Zones Completed _____ Potential MCF/day _____

Barrels Liquid _____ Date Shut-in _____, 19

List additional wells and information under Remarks.

1. Is there a suitable market for the gas that can be produced? Yes
If not, explain under Remarks.

2. Name of nearest purchaser Intratex

3. Distance to nearest Gas Pipe Line 7 miles Price per MCF being offered \$2.04/MMBTU

4. Is there a well completed within 1000' of this lease that is producing from the same reservoir in which the above mentioned well(s) is completed? No

5. Is there a well that is draining this lease, but further than 1000'? No

If Yes on 4 and/or 5, furnish: Operator _____

Lease _____ Date of first production _____

Remarks:

Free royalty lease - Part of 704 acre pooled unit.

Bateman Unit #1

*rec'd \$106.67
7/21/77
reg # 122132*

I certify that this statement is true and correct.

American Quasar Petroleum Co.

By: Jim B. Munroe Title Division Engineer

Sworn and subscribed to before me, the undersigned

authority, on this 19th day of July, 1977

Notary Public in and for

Widland County, State of Texas

G.L.O. use only

Receiving Stamp

M.F. No. ...
Affidavit and ...

Shut-in Gas Royalty Payment

For _____ 19__ / _____ 19__

Commissioner

Filed by _____
Clerk

M-74167
Shut-In Affidavit
7/15/77 - 7/15/78
RWB

(6)

G.L.O. use only:

M-_____

Has lease been amended? _____

Electric or Radio Active Logs filed? _____

Potential Test (RRC Form GWT-1 received? _____

Primary Term Expired _____, 19__

Acres _____ Rental \$ _____ Twice Rental \$ _____

Checked by _____ Audited by _____

Shut-in Gas Royalty for _____ 19__ to _____ 19__ \$ _____

February 15, 1977

American Quasar Petroleum Company
506 Petroleum Building
Midland, Texas 79701

Attention: Mr. Bill Seltzer

Re: Gas Pooling Agreement
15312020
Bat Bateman Unit
Culberson County, Texas

11-74167

Gentlemen:

Please be advised that the captioned agreement was approved by the School Land Board, February 15, 1977 with the condition that full market value (as defined on the attached sheet) be received and that the Board, at its option in accordance with the pooling agreement, may take the State's share of royalty in kind.

Please submit fully executed copies of the unitization agreement, including the above mentioned provisions so that we may circulate same for execution.

Sincerely,

Bob Armstrong

By

H. E. White, Secretary
School Land Board
Phone 512 475-6491

HEW/lrr
Attachment

⑦

M-74167

Ltr to

American Petroleum

Petroleum Co.

Dated 2-15-77

BILL SELTZER
506 PETROLEUM BUILDING
MIDLAND, TEXAS 79701
March 7, 1977

(161)

PA 77-6
APP. S. L. B. 2-15

Mr. Jack Howard
General Land Office of the State of Texas
1700 N. Congress
Austin, Texas 78701

Dear Jack:

Enclosed please find a certified copy of American Quasar Petroleum Company Pooling Designation, for the Number 1 Bateman Unit, Culberson County, Texas.

Also enclosed are five executed Ratifications to the Gas Pooling Designation to be executed by the Commissioner and certified by the Secretary.

Please have four of the Ratifications executed and acknowledged and return same to me in order that I may file them in their respective counties.

Yours very truly,

Bill Seltzer
Bill Seltzer

BS/js

⑧

M-74167

Ltr from

Bill Dettger

dated 3-7-77g

2 011

March 18, 1977

Mr. Bill Seltzer
506 Petroleum Building
Midland, Texas 79701

Re: American Quasar Petroleum Company
Gas Pooling Agreement Ratification
153120, Bateman Unit
Culberson County, Texas

Dear Mr. Seltzer:

Enclosed is the original and three copies of the ratification to the captioned agreement, fully executed by the Commissioner of the General Land Office. A copy has been retained for our files.

If we may be of further service, please advise.

Sincerely,

Bob Armstrong

By

H. E. White, Secretary
School Land Board
Phone 512 475-6491

HEW/lf
Enclosures

⑨

m-74167

Ltr to

Bill Seltzer

dated 3-18-77

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

UNIT WEN

M - 74167

Pending
fileFORM W-1
(12-22-75)API Well No. 42
Instruction (7a & b) on back side.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Check one: ☒ DRILL ☐ DEEPEN (Below Casing) ☐ DEEPEN (Within Casing) ☐ PLUG BACK ☐ OTHER (Specify) 20 Acres 7
106.67

If Amended Application, explain fully in Remarks or Attach Separate Page.

1. Operator American Quasar Petroleum Co.	4. Lease Name Bateman	7. RRC District 8
2. Address (Including City and Zip Code) 1000 Midland National Bank Tower Midland, Texas 79701	5. Location (Sec., Blk., Survey) Sec. 38, Blk. 45, PSL Survey	8. County Culberson
3. Is Form P-5 (Organization Report) in Exact Operator Name Filed? YES ☒ NO ☐ (Instruction (2) on back side.)	6. This well is to be located <u>11</u> miles <u>Southwest</u> Direction from <u>Orla, Texas</u> Nearest Post Office or Town.	9. Well Number 1
		10. Number of Acres in Lease 640
		11. Distance from Proposed Location to Nearest Property or Lease Line (ft.) 1320
		12. Total Depth 16,000'

EACH PROPOSED COMPLETION

REFER TO INSTRUCTIONS ON BACK SIDE. READ CAREFULLY AND FURNISH COMPLETE DATA.

13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.
FIELD NAME (Exactly as shown on R.R.C. Proration Schedule including Reservoir if applicable.) If Wildcat, so state below.	Completion Depth	All Prior Rule 37 Case Numbers for this wellbore. If none, State None.	Applicable Field Rules Spacing Pattern. If no Rules, State 467-1200. (ft.)	Applicable Field Rules Density Pattern. If no Rules, State 40. (acres)	Number of Acres in Drilling Unit for this Well AND DESIGNATE ON PLAT.	Is this acreage presently assigned to another well in same field? (Yes or No. If yes explain in remarks.)	Distance from proposed location to nearest drilling completed or applied for well in same reservoir on same lease (ft.)	Is this a 1. Regular or 2. Rule 37 Location? Check the appropriate box.	Oil, Gas, or other Type Well (Specify)	Number of Wells or Permitted locations on this Lease in same Reservoir for which this Permit is Requested? OIL GAS
Wildcat	16,000'	None	467-1200	40	640	No	---	Regular 1 ☒ Rule 37 2 ☐	gas	None
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		
								Regular 1 ☐ Rule 37 2 ☐		

24. PERPENDICULAR LOCATION FROM TWO DESIGNATED LEASE LINES AND SURVEY LINES AND DISTANCE AND DIRECTION TO NEAREST WELL IN SAME FIELD.

1320' FNSWL

NOTICE

NO ALLOWABLE WILL BE ASSIGNED to any well which does not have sufficient surface casing to protect all fresh water sands. Where Commission rules do not specify surface casing requirements, it will be necessary to contact Texas Water Development Board, Austin, Texas, to ascertain the depth to which fresh water sands must be protected.

REMARKS:

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct and complete to the best of my knowledge.

Signature

Production Superintendent

Title

December 29, 1976

Date

Telephone: Area Code 915, 682-9411

READ INSTRUCTIONS ON BACK SIDE AND FURNISH COMPLETE DATA.

AMERICAN
QUASAR

BLOCK 45, P. S. L.
AMERICAN QUASAR PET.

CHEVRON
QUASAR

STATE

20

21

W. W. MEEKER, ET AL.

STATE

22

STATE

29

28

AMERICAN QUASAR PETROLEUM CO.

27

CHEVRON
QUASAR

AMERICAN
QUASAR

1320'

1

1320'

EL. 3276'

640 AC.

N

G. M. BATEMAN,
ET AL.

BATEMAN

STATE

32

33

AMERICAN QUASAR PET. CO.

34

CHEVRON
QUASAR

AMERICAN
QUASAR

CULBERSON
REEVES

STATE

G. M. BATEMAN, ET AL.

G. P. HILL
STATE

I, JOS. W. LUCHINI, CERTIFY
THAT THIS SURVEY WAS MADE BY
ME ON THE GROUND AND THAT THIS
PLAT IS TRUE AND CORRECT.
DEC. 13, 1976

[Signature]

REGIST'D ENGR. - LIC. L. S. MIDLAND,

LOCATION PLAT

AMERICAN QUASAR PETROLEUM CO.
BATEMAN LEASE
SECTION 28, BLOCK 45
P. S. L.
CULBERSON COUNTY, TEXAS

SCALE: 1" = 1000'

(10)

M-74167

Form M-1

Unit M-1

Dated 3-18-77 g-d

-MEMO-

Operator American Quasar Petr.Unit Name BatemanCounty CulbersonEffective Date 2/18/77Unitized for: Oil Gas ✓ Oil & Gas 1. M.F. No. 74167Area Tr. 1Sec. Blk. Survey
$$\frac{20}{104} \times \frac{1}{16} = .177557 \%$$

(.028409)

2. M.F. No. Area Tr. Sec. Blk. Survey x = %3. M.F. No. Area Tr. Sec. Blk. Survey x = %4. M.F. No. Area Tr. Sec. Blk. Survey x = %

REMARKS:

Prepared by DM Entered Unit Book

POOLING COMMITTEE REPORT

TO: SCHOOL LAND BOARD

DATE: February 7, 1977

OPERATOR: American Quasar Petroleum Co. COUNTY Culberson

UNIT NAME: Bateman Unit FIELD Wildcat

FILE NUMBER	TOTAL ACRES	ACRES IN UNIT
(153120) M-74167	106.67	20

Unitized for:

Kind of land:

Oil _____
Gas X _____
Oil and Gas _____

State Owned _____
Relinquishment Act _____
Free Royalty X _____

Size of Unit 704 Acres
State owned 20 Acres
Privately owned 684 Acres

Well location:
State land _____
Private land X _____

Participation:

Railroad Commission Field Rules:

Basis Surface Acreage
Royalty 1/16

Spacing No Field Rules
Well factor _____
Acreage factor _____

Agrees to drill to density of field rules: Yes X No _____
Holds only acreage included in unit past
primary term: Yes X No _____
Satisfactory geological data furnished: Yes X No _____

REMARKS: This operator is currently drilling a 16000' wildcat test as the proposed unit well. School File 153120 provides for a 1/16 Free Royalty to the State and if this well is successful, other State leases will be included in additional units.

APPROVAL: Recommended X Not Recommended _____

Linward Shivers

Jack M. Howard

RECEIVED

FEB 23 1977

GAS POOLING DESIGNATION
AMERICAN QUASAR PETROLEUM CO.
BATEMAN UNIT NO. 1
CULBERSON AND REEVES COUNTIES, TEXAS

THIS DECLARATION is made and entered into as of the 24th day of January 1977, by and between the undersigned present owners of the oil and gas leases particularly described in Exhibit "A" hereof embracing lands in Culberson and Reeves Counties, Texas.

W I T N E S S E T H:

1. Each of said oil and gas leases embraces a portion of the lands within the pooled unit.

2. The present owners thereof desire to pool the oil and gas leases described in Exhibit "A" hereof insofar, but only insofar as said oil and gas leases cover and affect lands lying within the unit area depicted in Exhibit "B" for the production of gas and gas condensate.

3. The unit or pooled area herein created shall be known as the Bateman Unit No. 1 and shall consist of all horizons underlying the following described lands:

704 acres of land situated in Culberson and Reeves Counties, Texas consisting of three (3) tracts, more particularly described as follows:

Tract One:

All of Section 28, Block 45, Public School Land Survey, containing 640 acres

Tract Two:

All the East 44 acres of Section 29, Block 45, Public School Land, containing 44 acres.

Tract Three:

All the South 20 acres of the South 1/3 of the West 1/2 of Section 21, Block 45, Public School Land, containing 20 acres.

4. The parties hereto commit all of their interest and all interest over which they hold the pooling or unitization privilege or power by virtue of said oil and gas leases, amendments and/or ratification thereof, other instruments now held or which they may hereafter acquire, or by operation of law, and which are within the above described unit area to the extent and as described in Exhibit "A" to which reference is hereby made and incorporated herewith, unto said Bateman Unit No. 1. and by these presents unitize, pool and combine said oil and gas leases, the leasehold rights, and royalty interest therein, insofar as said leases, rights and interest cover and affect the lands described in the unit area, for the drilling and production of gas and gas condensate hereinafter at times referred to as the "pooled mineral".

(a) The unit shall be operated as an entirety for the exploration, development and production of the pooled mineral, rather than as separate tracts.

(b) All drilling operations, reworking or other operations with respect to the pooled mineral on land within the unit shall be considered as though the same were on each separate tract in the unit, regardless of the actual location of

the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this agreement.

- (c) Production of the pooled mineral from the unit allocated to each separate tract, respectively, as hereinafter provided, shall be deemed to have been produced from each such separate tract in the unit, regardless of the actual location of the well or wells thereon, for all purposes under the terms of the respective leases or other contracts thereon and this agreement.
- (d) All rights to the production of the pooled mineral from the unit, including royalties and other payments, shall be determined and governed by the lease or other contract pertaining to each separate tract, respectively, based upon the production so allocated to such tract only, and in lieu of the actual production of the pooled mineral therefrom.

5. For the purpose of computing the royalty to which each lessor or royalty owner shall be entitled on production of gas and condensate, there shall be allocated to each tract committed to the above referred unit, that pro rata portion from the gas and condensate produced from the pooled unit which the number of surface acres contained in each such tract bears to the total number of surface acres included in the pooled unit.

6. This designation of pooled unit shall become effective on the date it is filed for record in Culberson County, Texas and shall continue in full force and effect for ninety (90) days and as long thereafter as (1) there is a well located on said unit capable of producing gas or gas and condensate and/or other associated hydrocarbons, or (2) producing, drilling or reworking operations are conducted thereon with no cessation of more than sixty (60) consecutive days; and the terms and provisions of this instrument shall inure to the benefit of and be binding upon the undersigned parties, and their respective lessees, heirs, successors, assigns and legal representatives, as well as all those owners of interests in the oil, gas and other hydrocarbon estates upon whose behalf the undersigned owners of existing leases are acting, and their respective heirs, successors, assigns and legal representatives.

This agreement may be executed in counterparts, all of which shall be deemed to constitute a single agreement as though all of the undersigned parties had executed one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this agreement upon the respective dates indicated below.

ATTEST:

Harold O'Bannon
Assistant Secretary

Date Executed: January 24, 1977

ATTEST:

William G. Goodwin
Assistant Secretary

Date Executed: February 4, 1977

AMERICAN QUASAR PETROLEUM CO.

By Ed Collins Jr.
Vice President

INEXCO OIL COMPANY

By William G. Goodwin
WILLIAM G. GOODWIN
VICE PRESIDENT

W.G.
G

CORPORATE ACKNOWLEDGEMENT

THE STATE OF Texas I
COUNTY OF Midland I

BEFORE ME, the undersigned authority, on this day personally appeared Led Collins, Jr. known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of American Gas & Petroleum Co. a corporation, 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 24th day of January, 1977.

Leheena Ann Wapinger
Notary Public in and for Midland
County, Texas

My Commission Expires:

June 1, 1977

CORPORATE ACKNOWLEDGEMENT

THE STATE OF Texas I
COUNTY OF Harris I

BEFORE ME, the undersigned authority, on this day personally appeared William B. Goodwin, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of Inesco Oil Company a corporation, 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 February, 1977.

James S. Burgess
Notary Public in and for Harris
County, Texas

My Commission Expires:

June 1, 1977

EXHIBIT "A"
BATEMAN UNIT NO. I
CULBERSON AND REEVES COUNTIES, TEXAS

The following is a Schedule of Leases under the respective Tracts from the listed Lessors to Chalfant, Magee & Hansen, Inc.

TRACT ONE: (All Section 28, Block 45, Public School Land, containing 640 acres.)

<u>Lease No.</u>	<u>Lessor</u>	<u>Date</u>	<u>Recorded in O&GL Records, Culberson County, Texas</u>
1.	Henderson Memorial Hospital	3-21-72	Vol. 28, P. 208
2.	Della B. Mays, a widow	3-3-72	Vol. 28, P. 223
3.	Vannie May Hill & husband A.T. Hill	3-3-72	Vol. 28, P. 227
4.	Selina Kinney Strong	3-3-72	Vol. 28, P. 231
5.	W. W. Cochrane & wife, Dorothy Louise Cochrane	3-20-72	Vol. 28, P. 235
6.	John May Bateman & wife Mary Melissa Bateman	3-3-72	Vol. 28, P. 239
7.	Jack Holt & wife Hellen Edith Holt	3-16-72	Vol. 28, P. 243
8.	William Ralph Mays (A/K/A Ralph L. Mays, Jr.) & wife Rosalyn D. Mays	3-3-72	Vol. 28, P. 247
9.	Claude Bateman, Jr. a single man	3-3-72	Vol. 28, P. 251
10.	Carrie Hansbro, a widow	3-3-72	Vol. 28, P. 255
11.	June E. Mays, a widow	3-3-72	Vol. 28, P. 259
12.	Miller L. Mays, Jr. & wife Mildred Mays	3-3-72	Vol. 28, P. 263
13.	Marjorie Mays Arthur and husband Lee Arthur	3-3-72	Vol. 28, P. 267
14.	Neville G. Penrose, a widower (by his attorney in fact, J.M. Zachary)	10-12-72	Vol. 29, P. 248

TRACT TWO: (All of the East 44 acres of Section 29, Block 45, Public School Land, containing 44 acres.)

<u>Lease No.</u>	<u>Lessor</u>	<u>Date</u>	<u>Recorded in O&GL Records, Culberson County, Texas</u>
1.	Henderson Memorial Hospital	3-21-72	Vol. 28, P. 208
2.	Della B. Mays, a widow	3-3-72	Vol. 28, P. 223
3.	Vannie May Hill & husband A.T. Hill	3-3-72	Vol. 28, P. 227
4.	Selina Kinney Strong	3-3-72	Vol. 28, P. 231
5.	W. W. Cochrane & wife, Dorothy Louise Cochrane	3-20-72	Vol. 28, P. 235
6.	John May Bateman & wife Mary Melissa Bateman	3-3-72	Vol. 28, P. 239
7.	Jack Holt & wife Hellen Edith Holt	3-16-72	Vol. 28, P. 243
8.	William Ralph Mays (A/K/A Ralph L. Mays, Jr.) & wife Rosalyn D. Mays	3-3-72	Vol. 28, P. 247
9.	Claude Bateman, Jr. a single man	3-3-72	Vol. 28, P. 251
10.	Carrie Hansbro, a widow	3-3-72	Vol. 28, P. 255
11.	June E. Mays, a widow	3-3-72	Vol. 28, P. 259
12.	Miller L. Mays, Jr. & wife Mildred Mays	3-3-72	Vol. 28, P. 263
13.	Marjorie Mays Arthur and husband Lee Arthur	3-3-72	Vol. 28, P. 267
14.	Neville G. Penrose, a widower (by his attorney in fact, J.M. Zachary)	10-12-72	Vol. 29, P. 248

TRACT THREE: (South 20 acres of the South 1/3 of the West 1/2 of Section 21, Block 45, Public School Land, containing 20 acres.)

- Oil and Gas Lease dated June 26, 1972 from L.H. Meeker, individually and as attorney in fact for J.J. Meeker and L.H. Meeker and First National Bank of Fort Worth, Texas as Co-Independent Executors of the Estate of William W. Meeker, deceased, to Chalfant, Magee and Hansen, Inc. covering all the S/3 of the W/2 of Section 21, Block 45, Public School Land, recorded in Vol. 29, Page 426 of the Oil and Gas Records, Culberson County, Texas.

EXHIBIT "B"

AMERICAN QUASAR PETROLEUM CO.

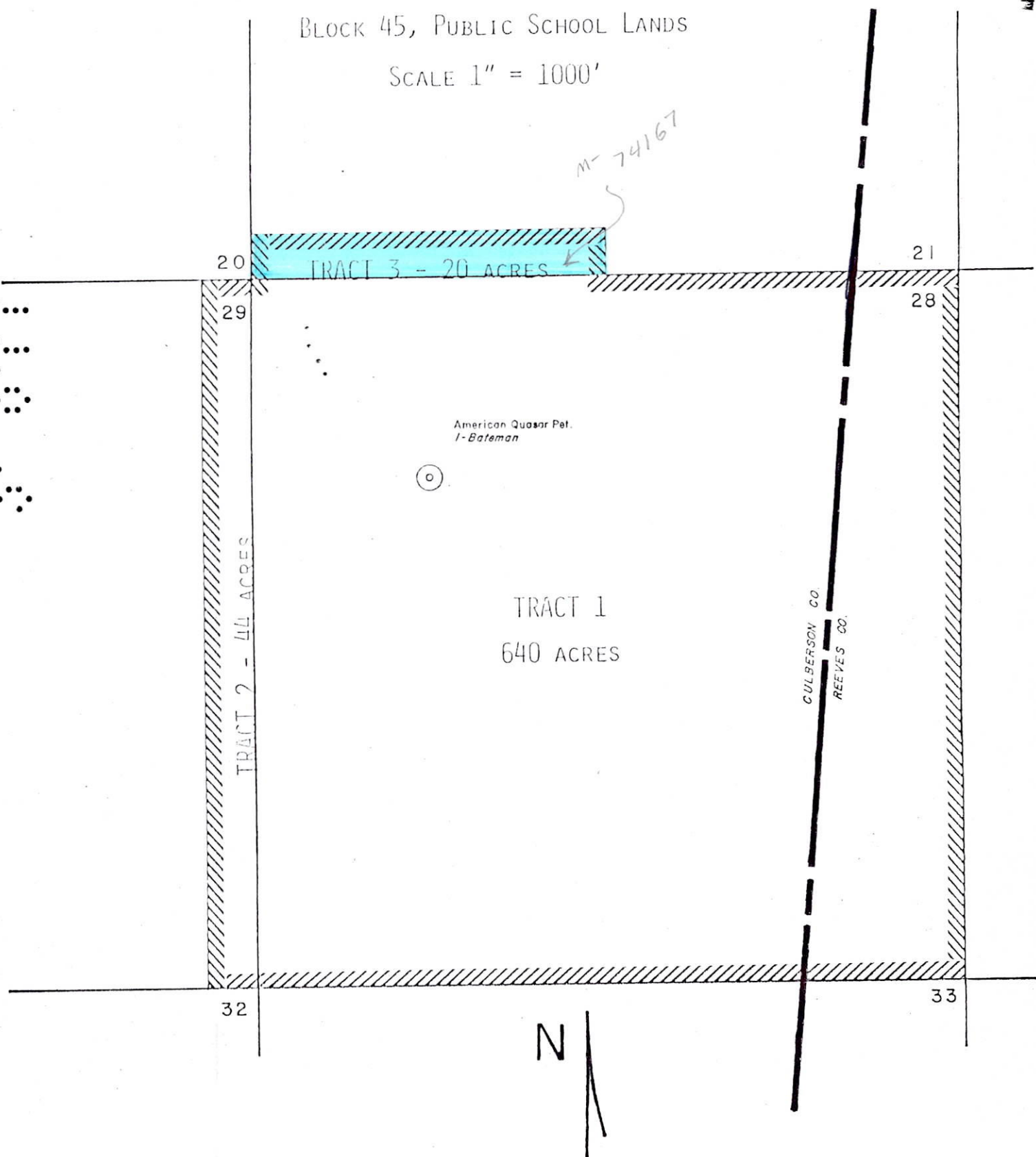
BATEMAN UNIT No. 1

CULBERSON & REEVES COUNTIES TEXAS

CONTAINING ~~704~~ ACRES

BLOCK 45, PUBLIC SCHOOL LANDS

SCALE 1" = 1000'



704 acres of land situated in Culberson and Reeves Counties, Texas, consisting of three (3) tracts, more particularly described as follows:

Tract One: All of Section 28, Block 45, Public School Land Survey, containing 640 acres

Tract Two: All the East 44 acres of Section 29, Block 45, Public School Land, containing 44 acres

Tract Three: All the South 20 acres of the South 1/3 of the West 1/2 of Section 21, Block 45, Public School Land, containing 20 acres.

THE STATE OF TEXAS)
COUNTY OF CULBERSON)

I, Frances Walker, Clerk of the County Court in and
for Culberson County, Texas, do hereby certify

that the foregoing is a true and correct copy of Pooling Designation
from American Quasar Petroleum Co. to Public

as the same appears of record in my office in Book 105 Page 321-326
Deed Records, Culberson County, Texas.

TO CERTIFY WHICH, Witness my hand and seal of office on this
the 18 day of February, 1977

Frances Walker, County Clerk
Culberson County, Texas

By Cara Rene Ezell Deputy

RATIFICATION

THE STATE OF TEXAS Ø

COUNTY OF CULBERSON Ø

COUNTY OF REEVES Ø

WHEREAS, a certain instrument, entitled "Gas Pooling Designation, American Quasar Petroleum Co., Bateman Unit No. I, Culberson and Reeves Counties, Texas" has been executed as of January 24th, 1977, by American Quasar Petroleum Co. and Inexco Oil Company for the unitization and pooling of certain lands in Culberson and Reeves Counties, Texas, as more particularly described in said instrument, said instrument having been filed of record in Culberson County, Texas in the Oil and Gas Lease in Vol. _____, page _____, and in Reeves County in the Oil and Gas records in Vol. _____, page _____, and

WHEREAS, the Gas Pooling Designation, by Exhibit "A" describes each tract in the unit area, and, by Exhibit "B" shows on a map the boundary lines of the unit and tracts therein; and,

WHEREAS, the Gas Pooling Agreement provides that a person may become a party thereto by signing the original of said instrument, or a counterpart and further the effective date of said agreement shall be the date same is filed of record in Culberson County, Texas; and

WHEREAS, the State of Texas is the owner of a 1/16th free royalty in Tract 3 of said unit which is classified as Mineral and Grazing under State lease M-74167 and is subject to an Oil and Gas Lease dated June 26, 1972 from L.H. Meeker, individually and as attorney in fact for J.J. Meeker and L.H. Meeker and First National Bank of Fort Worth, Texas as Co-independent Executors of the Estate of William W. Meeker, deceased to Chalfant, Magee and Hansen, Inc., covering all the S/3 of W/2 of Section 21, Block 45, Public School Land, recorded in Vol. 29, Page 426 of the Oil and Gas Records, Culberson County, Texas.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that American Quasar Petroleum Co. as operator and Inexco Oil Company as interest owner in the lease to be included in said Bateman Unit No. I, for and in consideration of the premises and the commitment of the State's free royalty interest, as hereinabove set out to said unit do hereby agree to the terms and conditions as hereinafter set out; and the Commissioner

of the General Land Office of the State of Texas acting on behalf of the State, for and in consideration of the premises and the benefits anticipated to accrue to the State under the unit, does hereby commit to said unit all royalty interest of the State of Texas in Tract 3 within the unit as described in Exhibit "A" and as shown on Exhibit "B" of said Unit Designation, as said interest is more specifically defined hereinabove, and does hereby agree that the State of Texas shall be bound by all provisions of said Unit Designation, except as hereinafter set forth, the same as if said Commissioner had executed the original or counterpart of said Unit

...Designation:

1. The State's participation, as set out in the Unit Designation and Exhibits "A" and "B" to said Unit Designation is 1/16th of the total production from Tract 3 as described on Exhibit "B", containing 20 acres, out of the total unit containing 704 acres, and the State's participation may not be decreased without the approval of the School Land Board.

2. In the event the State does not elect to take its royalty in kind, the State shall receive full market value for its royalty hereunder, such a value to be determined as follows:

(A) As to royalty on oil by (a) 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 for the field where produced and when run, or (b) the highest market price thereof offered or paid for the field where produced and when run, or (c) the gross proceeds of the sale thereof, whichever is the greater:

(B) As to royalty on gas, such value to be based on the (a) highest market price paid or offered for gas of comparable quality for the field where produced and when run, or (b) the gross price paid or offered to the producer, whichever is the greater;

For the purposes of this Agreement "field" means the general area in which the lands covered hereby are located.

3. Notwithstanding anything contained herein to the contrary, the State may, at its option, upon not less than 60 days notice to lessee, require that payment of all or any royalties accruing to the State under this pooling or Unitization Designation be made in kind, without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and

otherwise making the oil, gas and other products produced hereunder ready for sale or use.

4. If the Railroad Commission of Texas (or any other regulatory body having jurisdiction) shall adopt field rules providing for gas units of less than 640 acres plus 10% tolerance, then Lessee agrees to either (1) drill to the density permitted by the Railroad Commission, (2) reform the unit to comply with Railroad Commission unit rules, or (3) make application to the School Land Board of the State of Texas for such remedy as may be agreeable to the Board.

IN WITNESS WHEREOF, the parties hereto have executed this agreement upon the respective dates indicated below.

THE STATE OF TEXAS

Audit LB
Legal Jan
Geology MIT
Execution CL
Engineering

3-18-77
Date Executed

BY: Bob Armstrong
BOB ARMSTRONG, Commissioner of the
General Land Office

ATTEST:

Jo Ann Aaron
February 17, 1977
Date Executed

AMERICAN QUASAR PETROLEUM COMPANY

BY: Ted Collins Jr.
Vice-President

ATTEST:

Robert L. Jones
Assistant Secretary
March 1, 1977
Date Executed

INEXCO OIL COMPANY

BY: Wm. G. Goodwin
William G. Goodwin, Vice President

CERTIFICATE

I, H.E. White, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 15th day of February, 1977, the foregoing instrument was presented to and approved by said Board under the provisions of Article 5382C, VCS, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 11th day of March, 1977.

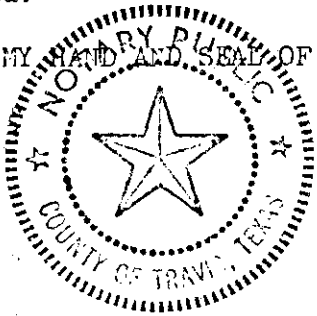
H. E. White
Secretary of the School Land Board

THE STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Bob Armstrong, Commissioner of the General Land Office known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of March, 1977.



Linda M. Fisher
Notary Public in and for Travis County, Texas

THE STATE OF TEXAS

COUNTY OF MIDLAND

BEFORE ME, the undersigned authority, on this day personally appeared Ted Collins, Jr., known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of AMERICAN QUASAR PETROLEUM CO., a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of February, 1977.

Teressa Ann Richman
Notary Public in and for Midland County, Texas

THE STATE OF TEXAS

COUNTY OF Harris

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

William G. Goodwin known to me to be the person whose name is subscribed to the foregoing instrument as Vice President of INEXCO OIL COMPANY, a corporation, and acknowledge to me that he executed the same for the purposes and consideration therein expressed, and in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of March,

1977.

Donna S. Surrency
Notary Public in and for Harris
County, Texas

⑪

M-74167

Gas Pooling Agreement
and Ratification

Bateman Unit

Dated 3-18-77 g.s.

2. 0.44

0.0

UNIT WELL
M-74147 (FR)Form G-1
Rev. 7/7/75GAS WELL BACK PRESSURE TEST
COMPLETION OR RECOMPLETION REPORT AND LOG

1. FIELD NAME (as per RRC Records or Wildcat) Wildcat		2. LEASE NAME Bateman (UNIT WELL)		7. RRC District 8
3. OPERATOR American Quasar Petroleum Co.				8. RRC Identification Number
4. ADDRESS 1000 Midland National Bank Tower, Midland, Texas 79701				9. Well Number 1-58
5. If Operator has changed within last 60 Days -- Give former Operator				10. County Culberson
6. LOCATION (Section, Block, and Survey) Sec. 28, Blk. 45, PSL				11. Purpose of Test Initial Potential ☒ Retest ☐ Reclass ☐
12. Pipe Line Connection		13. If Workover, give former Field (with Reservoir)		14. Completion Date 5-8-77
15. List of Offset Operators Notified and Date of Notification None				16. Type of Electric or other Log Run BHC-SL, CNL-FDC, DLL

Section I

GAS MEASUREMENT DATA

Date of Test 5-8-77		Gas Measurement Method (Check One)								Gas produced during test 560 MCF	
		Orifice Meter ☒	Positive Choke ☐	Orifice Vent Meter ☐	Pitot Tube ☐	Critical-flow Prover ☐					
Run No.	Line Size	Orifice or Choke Size	24 Hr. Coeff. Orif or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{ff}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY	
1	4.0	2.25	33954	355	3	80	.9813	1.0	1.028	1117	
2	4.0	2.25	33954	355	10	80	.9813	1.0	1.028	2039	
3	4.0	2.25	33954	355	40	74	.9868	1.0	1.024	4106	
4	4.0	2.25	33954	355	90	70	.9905	1.0	1.030	6188	

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas) .6	Gravity Liquid Hydrocarbon 0	Deg. API 0	Gas-Liquid Hydro Ratio 0	CF/Bbl	Gravity of Mixture G _{mix} = .6	Avg. Shut-In Temp. 140 °F	Bottom Hole Temp. 200 °F	15429 (Depth)
$D_{eff}^{8/3} = 11.12$		$\sqrt{T} = \checkmark$		24.23		$\sqrt{GL} = \checkmark$		96.22
$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} = 513$				$\frac{\sqrt{GL}}{C} = .18746$				

Run No.	Time of Run Min.	Choke Size	Wellhead Press P _w PSIA	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P _i	P _w /P _i
Shut-In									
1	60	.063	5027	50	25267	209.3	43.8	5031	.999
2	60	.125	4520	55	20427	382.2	146.1	5436	.996
3	60	.188	3717	55	13813	769.7	592.4	3796	.979
4	60	.297	2778	55	7715	1160.0	1160.0	3010	.923
Run No.	F	K	S = $\frac{1}{z}$	E _{ks}	P _f and P _s	P _f ² and P _s ²	P _f ² - P _s ²	Angle of Slope	
Shut-In									
1	.999	.2957	.94	1.312	6723	45203		$\theta = 63.4$	
2	.997	.2953	.948	1.323	6657	44310	893	$n = .5$	
3	.989	.2949	.994	1.341	6080	36970	8233	Absolute Open Flow	
4	.961	.2842	1.072	1.368	5192	26956	18247	8000 MCF/DAY	
			1.160	1.390	4185	17514	27689		

An inclination survey has been run in accordance with Statewide Rule 11 and the results are available upon request. Maximum horizontal displacement was 448.95 feet at a measured depth of 15,625 feet.

Signature of Authorized Representative

Sharp Drilling Co.

Name of Company Conducting Survey

All casing was cemented in accordance with Statewide Rule 13 or a written exception thereto. Cementing tickets and/or other data are available upon request.

Signature of Cementor or Authorized Representative

Halliburton Services

Name of Cementing Company

CERTIFICATE:

I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

REPRESENTATIVE OF COMPANY

Division Engineer

TITLE

May 10, 1977

DATE

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☒ Deepening ☐ Plug Back ☐ Other ☐ 18. Date Permit Issued: 1-4-77

19. Notice of Intention to Drill this Well was filed in Name of: American Quasar Petroleum Co. 20. If Special Permit, Give Permit Number:

21. Number of Producing Wells on this Lease in This Field (Reservoir) including this Well: 22. Total Number of Acres in this Lease: 704

23. Date Plug Back, Deepening, Work Over or Drilling Operations: Commenced 1-5-77 Completed 5-8-77 24. Distance to Nearest Well, Same Lease & Reservoir:

25. Location of Well, Relative to Nearest Lease Boundaries of Lease on which this Well is Located: 1320 West Feet From North Line And 1320 Feet From Line of The Bateman Lease

26. Elevation (DF, RKB, RT, GR, ETC): 3303 (KB) 27. Was Directional Survey Made: Yes ☒ No ☐

28. Top of Pay: 15,418 29. Total Depth: 15,650 30. P.B. Depth: 15,600 31. Surface Casing Determined By: Recommendation of Texas Water Development Board ☒ Field Rules ☐ Railroad Commission (Special) ☐

32. Is Well Multiple Completion? Yes ☐ No ☒ 33. If Multiple Completion List All Reservoir Names (Completions in this Well): 34. Intervals Drilled By: Rotary Tools O-TD Cable Tools

35. Name of Drilling Contractor: Sharp Drilling Co. 36. Is Cementing Affidavit Attached? Yes ☒ No ☐

37. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/ FT.	DEPTH SET	MULTI STAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (Sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
20	94.0	533		1153-CL.C	26	Circ	2076
13 3/8	54.50	2645		2100-CL.C	17 1/2	Circ	3546
9 5/8	43.5, 47.0	10,150	2609	3310-CL.H	12 1/4	1035	5499

38. LINER RECORD

Size	Top	Bottom	Sacks Cement	Screen
5	9866	15,630	1965	

39. TUBING RECORD

Size	Depth Set	Packer Set	Producing Interval (this completion) indicate Depth of Perforations or Open Hole
2 7/8	14,900	14,900	From 15,418 To 15,441
			From To
			From To
			From To

41. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Depth Interval	Amount and Kind of Material Used
15,418' - 15,441'	Natural Completion

42. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Rustler	767	Strawn	12,820
Lamar	2630	Cherokee	13,110
Cherry Canyon	3595	Atoka	13,350
Bone Spring	6160	Morrow	13,810
Dean	8760	Mississippian	15,216
Wolfcamp	9130	Silurian	15,412

REMARKS

OPERATOR American Quasai Petroleum

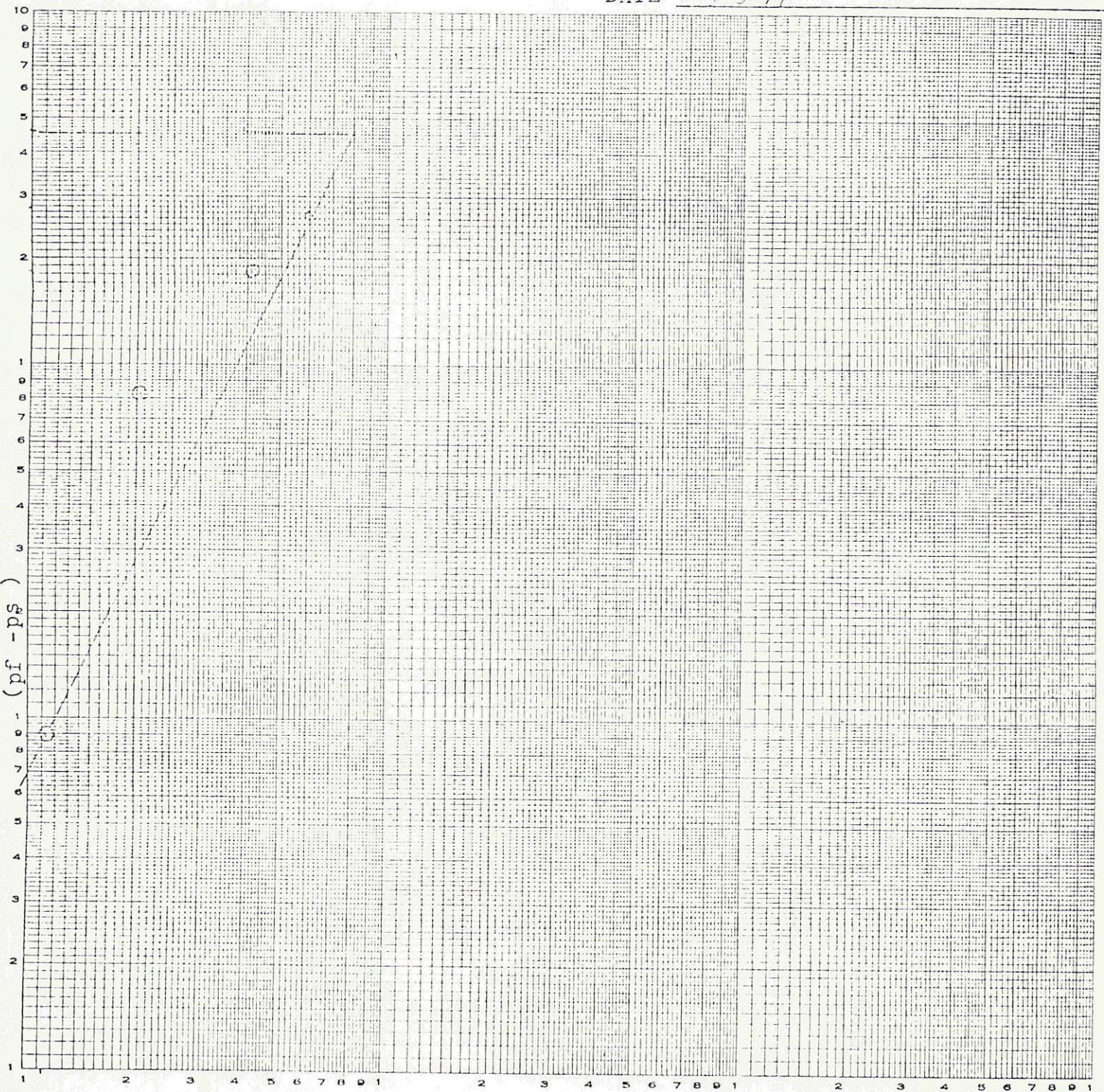
LEASE Bateman WELL NO.

VOLUME 8000 MCF/24 HR

DATE 5-8-77

MADE IN U. S. A.

LOGARITHMIC
3 CYCLES X 3 CYCLES 2 2
(pf - ps)



(Q in MCF per 24 Hr.)

O = 63.4

N = .5

Q = 8000

RECEIVED
GEO. PETRO.
MAY 11 1977
DUG.
HOLAND, TEX.

GAS WELL CLASSIFICATION REPORT

1. FIELD NAME (as per RRC Records) Wildcat	2. LEASE NAME Bateman	7. RRC District 8
3. OPERATOR American Quasar Petroleum Co.		8. RRC Identification Number
4. ADDRESS 1000 Midland National Bank Tower, Midland, Texas 79701		9. Well Number 1428
5. LOCATION (Section, Block, and Survey) Sec. 28, Blk. 45, PSL		10. County Culberson
6. Pipeline Connection or Use of Gas		11. Utilized for Sales
		12. Acres Allocated to this Well

Section I		PRODUCTION TEST AT RATE ELECTED BY OPERATOR		(Data on 24-hour basis)	
A. Gas Volume	6188	(MCF)	E. Casing Pressure	Packer	(PSI)
B. Oil or Condensate Volume	Dry	(BBLs.)	F. Color of Liquid		
C. Gas/Liquid-Hydrocarbon Ratio		(CF/BBL.)	G. Gravity of Liquid		*API
D. Flowing Tubing Pressure	2778	(PSI)	H. Specific Gravity of the Gas (AIR = 1)	0.586	

Section II		POTENTIAL TEST DATA	
A. Absolute Open Flow	8,000	(MCF/DAY)	C. Shut-In Wellhead Pressure 5123 (PSI)
B. Date of Test	5-8-77		D. Length of Time Well Shut-In Prior to Test 48 hrs.

Section III

A.S.T.M. DISTILLATION OF LIQUID SAMPLE

Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.

DATE LIQUID SAMPLE OBTAINED:

PERCENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

RECEIVED
MAY 10 1977OIL AND GAS DIVISION
RAILROAD COMMISSION OF TEXAS

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

SIGNATURE

Jess B. Nunnelee

Division Engineer

TITLE

May 10, 1977
DATE

AREA CODE AND

TELEPHONE NUMBER 915 682-9411

(17)

M. F. 74167
WELL # 1 COMPLETION REPORT
BOB ARMSTRONG, COMMISSIONER
FILED 12-1-77 BY MHS

MINERAL ACCOUNTING
MEMORANDUM

(File in "B" File)

RE: M- 74167

Split from M- _____
which is

Operator _____

☐ Producing

Lease 5/3 of w/2, Sec. 21, Blk. 45, P5C

☐ Nonproducing

County Culberson

	<u>Date</u>	<u>Name</u>
FROM: Mineral Accounting	<u>2-2-78</u>	<u>J. Wallin</u>
TO: Exploration & Development	_____	_____
TO: Legal	_____	_____

NONPRODUCING

____ Delay Rental Due On _____ Not Received

____ Primary Term Expired _____

PRODUCING STATUS

OIL: No production reported from _____ through _____
mo./year mo./year

Oil Royalty Status: ☐ Due \$ _____ ☐ Royalty paid in full

Name _____

GAS: No production reported from _____ through _____
mo./year mo./year

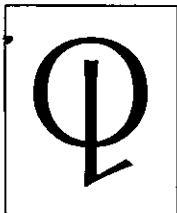
Gas Royalty Status: ☐ Due \$ _____ ☐ Royalty paid in full

Name _____

RENTAL: Please advise status of acreage for Bateman
Unit and Meeker Unit.

MAPS: Bateman Unit well producing - Meeker unit dry
hole.

①8 M-7467
Accounting Memo
2-2-78



(171)
AMERICAN QUASAR PETROLEUM CO.

2500 FORT WORTH NATIONAL BANK BUILDING / FORT WORTH / TEXAS 76102. U.S.A.

Telephone (817) 335-4701

January 13, 1978

The State of Texas
General Land Office
Austin, Texas 78701

Re: R C Prospect #150
Bateman No. 1
Culberson & Reeves Counties, Texas
Well No. 42761550

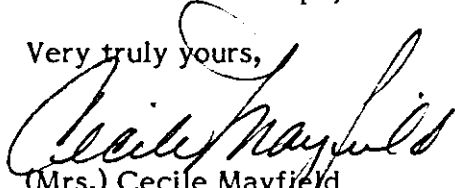
Gentlemen:

In reference to the captioned gas well, please find enclosed in counterpart American Quasar Petroleum Co. of New Mexico's Gas Division Order dated January 13, 1978.

Please execute one (1) counterpart of the above Division Order and verify the correct address to which you wish your royalty checks mailed.

When complete, please return the executed Division Order counterpart in the enclosed envelope, retaining the extra copy for your file completion.

Very truly yours,


(Mrs.) Cecile Mayfield
Division Order Department

/cm
enclosures

AMERICAN QUASAR PETROLEUM CO.

YOUR COPY

GAS DIVISION ORDER

TO:
AMERICAN QUASAR PETROLEUM CO.
2500 Fort Worth National Bank Building
Fort Worth, Texas 76102

Prospect RCDate January 13, 1978Well Bateman No. 1Well No. 42761550

The undersigned, and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all the natural gas, condensate, and its constituent elements and compounds (including liquid hydrocarbons separated or extracted therefrom), hereinafter, for convenience, collectively referred to as "Products", produced from the following described land located in Culberson and Reeves Counties, State of Texas, more particularly described as follows:

Tract I: All of Section 28, Block 45, PSL, containing 640 acres.

Tract II: All of the East 44 acres of Section 29, Block 45, PSL, containing 44 acres.

Tract III: All of the South 20 acres of the South One-Third (S/3) of the West Half (W/2) of Section 21, Block 45, PSL, containing 20 acres.

Bateman Unit No. 1 covers 704 acres, more or less.

CREDIT TO	DIVISION OF INTEREST	ADDRESS
The State of Texas	1/16 of 8/8 of 20/704 RI (.001776)	General Land Office Austin, Texas 78701
Jerry Covington, Trustee	24/84 of 1/6 of 684/704 <u>PLUS</u> 2/560 of 1/6 of 44/704 <u>PLUS</u> 2/640 of 1/6 of 640/704 RI (.046777)	P. O. Box 476 Midland, Texas 79701
Robert S. Pickens	3/84 of 1/6 of 684/704 <u>LESS</u> 2/560 of 1/6 of 44/704 <u>LESS</u> 2/640 of 1/6 of 640/704 RI (.005273)	212 Permian Building Midland, Texas 79701
The Texas Land & Mortgage Company, Inc.	3/4 of 6/84 of 1/6 of 684/704 <u>PLUS</u> 40/3120 of 1/6 of 684/704 <u>PLUS</u> 60/3120 of 1/6 of 684/704 RI (.013865)	P. O. Box 1321 Midland, Texas 79701
Frontier Oil & Gas, Inc.	1/4 of 6/84 of 1/6 of 684/704 RI (.002892)	P. O. Box 1321 Midland, Texas 79701
Selina Kinney Strong	18/84 of 1/6 of 684/704 RI (.034700)	50 East 72nd Street New York, New York 10021
Della B. Mays & William Ralph Mays, jointly	3/84 of 1/6 of 684/704 RI (.005783)	2136 Lobdell Apt. 1604 Baton Rouge, Louisiana 70821
Bill N. Camp, Trustee	3/336 of 1/6 of 684/704 RI (.001446)	1115 National Bank of Commerce Building San Antonio, Texas 78205
W. Pat Camp	3/336 of 1/6 of 684/704 RI (.001446)	1115 National Bank of Commerce Building San Antonio, Texas 78205

CREDIT TO	DIVISION OF INTEREST	ADDRESS
John F. Camp, Jr.	3/336 of 1/6 of 684/704 RI (.001446)	1115 National Bank of Commerce Building San Antonio, Texas 78205
Rodney J. Camp	3/336 of 1/6 of 684/704 RI (.001446)	P. O. Box 4531 Midland, Texas 79701
Vannie Mays Hill	3/84 of 1/6 of 684/704 RI (.005783)	Box 16 Greenwood, Louisiana
Camp Oil Company	3/84 of 1/6 of 684/704 RI (.005783)	P. O. Box 4531 Midland, Texas 79701
John Mays Bateman	9/168 of 1/6 of 684/704 <u>LESS</u> 55.5/3120 of 1/6 of 684/704 RI (.005794)	404 East Main Henderson, Texas 75652
Claude Bateman, Jr.	9/168 of 1/6 of 684/704 <u>LESS</u> 65.5/3120 of 1/6 of 684/704 <u>LESS</u> 50/3120 of 1/6 of 684/704 RI (.002680)	Box 484 Henderson, Texas 75652
Henderson Memorial Hospital	111/3120 of 1/6 of 684/704 RI (.005761)	622 N. High Street Henderson, Texas 75652
Jack Holt & Helen Edith Holt	10/3120 of 1/6 of 684/704 RI (.000519)	1503 Wavecrest Lane Houston, Texas 77058
The First National Bank of Fort Worth, Trustee of Neville G. Penrose Revocable Trust dated March 29, 1974	50/3120 of 3/16 of 684/704 RI (.002919)	First National Bank of Fort Worth P. O. Box 2260 Fort Worth, Texas 76102
Millard L. Mays & Mildred L. Mays	4/84 of 1/6 of 684/704 <u>LESS</u> 40/3120 of 1/6 of 684/704 RI (.005635)	Box 104 Greenwood, Louisiana
Marjorie Mays Arthur & Les Arthur	4/84 of 1/6 of 684/704 <u>LESS</u> 60/3120 of 1/6 of 684/704 RI (.004597)	3219 Cheryl Street Wichita Falls, Texas
Estate of June Mays, deceased	2/84 of 1/6 of 684/704 RI (.003855)	4575 Tulsa Court Apt. 6303 Denver, Colorado 80239
W. W. Cochrane	2/84 of 1/6 of 684/704 RI (.003855)	2817 Live Oak Dallas, Texas 75204
L. H. Meeker	1/3 of 1/8 of 20/704 RI (.001184)	6000 Camp Bowie Blvd. Fort Worth, Texas 76102
Estate of W. W. Meeker	1/3 of 1/8 of 20/704 RI (.001184)	6000 Camp Bowie Blvd. Fort Worth, Texas 76102
James J. Meeker	1/3 of 1/8 of 20/704 RI (.001184)	6000 Camp Bowie Blvd. Fort Worth, Texas 76102
Inexco Oil Company	(25% - 16.7582%) of 1/6 ORRI (.013736)	1100 Milam Building Suite 1900 Houston, Texas 77002
American Quasar Petroleum Co. of New Mexico	3070/3120 of 5/6 of 684/704 <u>LESS</u> (25% - 16.7582%) of 1/6 <u>PLUS</u> 50/3120 of 13/16 of 684/704 <u>PLUS</u> 13/16 of 20/704 WI (.818681)	2500 Fort Worth National Bank Building Fort Worth, Texas 76102

It is understood that the gas produced from the above described land is being sold under contract dated September 9, 1977, between Intratex Gas Company and American Quasar Petroleum Co. of New Mexico and that all terms and covenants contained therein, and in any amendments, extensions, or renewals thereof shall govern and be binding upon the parties hereto in all respects which shall include, but not be restricted to, the price to be paid for said gas and the time when such payments are to be made.

Effective date of first production, and until further written notice, you are hereby authorized to give credit as set forth above, for all proceeds derived from the sale of Products produced from or attributable to said property, subject to the conditions, covenants and directions following:

FIRST: Payments are to be made by checks of AMERICAN QUASAR PETROLEUM CO. (sometimes herein called "AQP") to be delivered or mailed to the parties thereto entitled at the addresses above given. The undersigned authorize AQP to withhold from the proceeds of any and all Products referred to herein the amount of any tax placed thereon, or on the production thereof, by a governmental authority, and to pay the same in our behalf.

SECOND: Payments are to be made monthly by your check or draft mailed to the respective persons entitled hereto at the addresses given herein, provided, however, that you may, at your option, hold without interest, and remit annually for the aggregate of twelve months' accumulation of monthly accruals of amounts less than \$10.00.

THIRD: In case of any adverse claim of title or in case title shall not be satisfactory to AQP at any time during the term of this division order, each of the undersigned agrees to furnish evidence of title satisfactory to AQP and authorize AQP to withhold payment, without obligation to pay interest on the amount so withheld, until satisfactory indemnity shall be made satisfactory to AQP. Each undersigned party, as to the interest of such party hereunder respectively agrees, in the event suit is filed in any court affecting title to said Products, either before or after severance, to indemnify and save harmless AQP against any and all liability for loss, cost, damage, and expense which AQP may suffer or incur on account of receiving and paying said party the proceeds derived from the sale of said Products. Where AQP, pursuant to the provisions hereof, withholds payment, or any part thereof, each undersigned party from whom payment is withheld severally agrees to indemnify and hold AQP harmless from all liability for any tax, together with all interest and penalties incident thereto, imposed or assessed against, or paid by it on account of, the sum or sums so withheld from payment to said party, and severally agrees that AQP may deduct all such taxes, interest, and penalties so paid by it from any sums owing by it to said party.

FOURTH: The undersigned severally agrees to notify AQP of any change of ownership, and no transfer of interest shall be binding upon AQP until transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof shall be furnished to AQP. Transfer of interest shall be made effective on the first day of the calendar month in which notice is received by AQP. AQP is hereby relieved of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interest, and the signers hereof whose interests are affected by such money or other payments, if any, agree to give AQP notice in writing by registered letter addressed to AMERICAN QUASAR PETROLEUM CO., Fort Worth, Texas, when any such money or other payments have been completed or discharged or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly, and that in the event such notice shall not be received, AQP shall be held harmless in the event of, and is hereby released from any and all damage or loss which might arise out of, any overpayment.

FIFTH: All parties hereto who are connected with the operation of the lease herein described severally warrant that all Products sold under this division order have been and will be produced and handled in compliance with the provisions of the Federal Fair Labor Standards Act of 1938 as heretofore or hereafter amended, and all other applicable Federal, State and Municipal laws, rules and regulations.

SIXTH: This division order shall become valid and binding on each and every owner above name as soon as signed by such owner, regardless of whether or not all the above named owners have so signed.

WITNESS OR ATTEST:	OWNER:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER:
_____	The State of Texas	_____
_____	By:	_____
_____	Jerry Covington, Trustee	_____

WITNESS OR ATTEST:

OWNER:

SOCIAL SECURITY OR TAX
IDENTIFICATION NUMBER:

Robert S. Pickens

The Texas Land & Mortgage Company, Inc.

By:

ATTEST:

Frontier Oil & Gas, Inc.

By:

Selina Kinney Strong

Della B. Mays

Ralph Mays

Bill N. Camp, Trustee

W. Pat Camp

John F. Camp, Jr.

Rodney J. Camp

Vannie Mays Hill

John Mays Bateman

Claude Bateman, Jr.

Henderson Memorial Hospital

By:

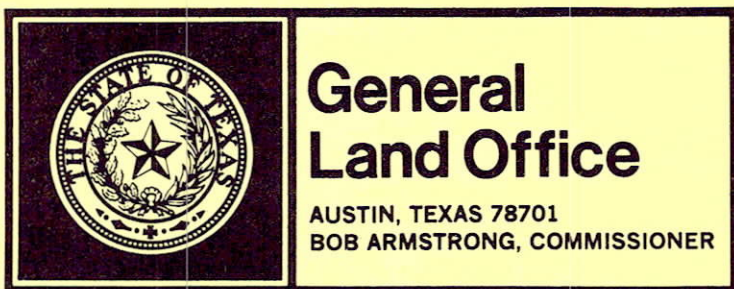
Jack Holt

Helen Edith Holt

The First National Bank of Fort
Worth, Trustee of Neville G. Penrose
Revocable Trust dated March 29, 1974

By:

WITNESS OR ATTEST:	OWNER:	SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER:
	Millard L. Mays	
	Mildred L. Mays	
	Marjorie Mays Arthur	
	Les Arthur	
	Estate of June Mays	
	By:	
	W. W. Cochrane	
	L. H. Meeker	
	Estate of W. W. Meeker	
	By:	
	James J. Meeker	
	Ridglea Bank of Fort Worth	
	By:	
ATTEST:	Inexco Oil Company	
	By:	
ATTEST:	Camp Oil Company	
	By:	



February 23, 1978

American Quasar Petroleum Co.
2500 Fort Worth National Bank Bldg.
Fort Worth, Texas 76102

RE: State Lease M-74167
Bateman Unit No.1
Culberson & Reeves Counties, Texas
Oil & Gas Division Order No.42761550

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Barbara Fry, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

M. F. 74167
CORRESPONDENCE FILE

To
American Quasar
From

Dated 2-23-78





February 17, 1978

American Quasar Petroleum Company
2500 Fort Worth National Bank Building
Fort Worth, Texas 76102

ATTENTION: David Beck

RE: State Lease M-74167
Bateman #1
Culberson and Reeves Counties, Texas
Well Number 42761550

Gentlemen:

In accordance with the provisions set forth in our Oil or Gas Lease Form and/or the statutes, we ask that you furnish this office with a copy of the Contract covering gas sales from the above lease.

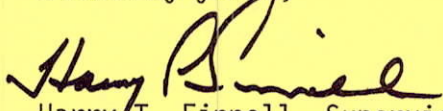
The Contract is needed by this office in order to conduct an audit of your gas royalty reports and payments.

In addition to furnishing us with a copy of the Contract under which the gas is sold or processed please complete the attached "Gas Contract Brief".

If this Gas Contract covers more than one lease and/or mineral file number, one brief and copy of the contract will be sufficient, but the specific General Land Office lease and/or mineral file number must be noted in the appropriate spaces provided in the Contract Brief.

This information is needed by this office at your earliest convenience.

Sincerely yours,



Harry T. Finnell, Supervisor Gas Contracts
Resource Accounting
Telephone No. 512-475-4541
HF/glc
Enclosure

(20)

M. E. 7467

CORRE. FONDEN. FILE

To American Press
From

Dated 2-17-78





August 9, 1978

Inexco Oil Corporation
1100 Milam Building Suite 1900
Houston, Texas 77002

ATTENTION: William Karau
Market Manager

RE: State Lease M-74167
Bateman #1 - 28
R. C. Prospect #150
Culbertson County, Texas

Gentlemen:

In accordance with the provisions set forth in our Oil or Gas Lease Form and/or the statutes, we ask that you furnish this office with a copy of the Contract covering gas sales from the above lease.

The Contract is needed by this office in order to conduct an audit of your gas royalty reports and payments.

In addition to furnishing us with a copy of the Contract under which the gas is sold or processed please complete the attached "Gas Contract Brief".

If this Gas Contract covers more than one lease and/or mineral file number, one brief and copy of the contract will be sufficient, but the specific General Land Office lease and/or mineral file number must be noted in the appropriate spaces provided in the Contract Brief.

This information is needed by this office at your earliest convenience.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Harry T. Finnell", is written over the typed name.

Harry T. Finnell, Supervisor Gas Contracts
Resource Accounting
Telephone No. 512-475-4541
HF/glc
Enclosure

(21)

M. F. 74167

CORRESPONDENCE FILE

To INEXCO Oil Corp

From

Dated 8-9-78



INEXCO OIL COMPANY
1100 MILAM BUILDING • SUITE 1900
HOUSTON, TEXAS 77002 • (713) 651-3300

121
—
JS
HF
File

MARKETING DEPARTMENT

WILLIAM A. A. KARAU
MARKETING MANAGER
(713) 651-3530

JAMES W. SMITH
ASSISTANT MARKETING MANAGER
(713) 651-3524

August 16, 1978

General Land Office
Austin, Texas 78701

Attn: Harry T. Finnell

Reference: State Lease M-74167
Bateman #1-28
R.C. Prospect
Culbertson County, Texas

Gentlemen:

Attached per our telephone conversation of August 15, 1978, is a revised Gas Contract Brief (Form MA-5) adding the referenced State Lease.

The lease in question is actually owned by American Quasar who also is the operator of the Bateman wells. Our filing only covers Inexco Oil Company interest.

If you have any further questions, please advise.

Very truly yours,

Debi Jordan

/dj

(22)

M. F.

74167

CORRESPONDENCE FILE

To

From

Dated

Inuyco Oil Corp.

8-16-78

0750



121

DATE: July 14, 1978

RE: TX 194-02 R.C.Prospect #150
Bateman #1-28
Culberson County, Texas
Your Well #42761550

DEAR INTEREST OWNER:

Thank you for returning our division order executed as requested.
You will be released for payment with our next check run as indicated.
However, we would like for you to keep a copy of the division order
for your files. Enclosed please find said copy.

Please advise if we may assist you further with regard to the above
property.

Very truly yours,

INEXCO OIL COMPANY

Jerry Sanchez
Division Order Supervisor

PS/dol

Enclosure

INSTRUCTIONS FOR EXECUTING DIVISION ORDERS

MAILING ADDRESS: Insert the address to which checks are to be mailed. Print or type. Do not abbreviate.

INDIVIDUAL'S SIGNATURE: Sign name as shown on the division order. Have your signature witnessed by a disinterested party not named in the division order and add your Social Security or Tax I.D. number.

SIGNATURE BY AGENTS, ATTORNEYS IN FACT, OR GUARDIANS: Signature on the division order by any party other than the named interest should have attached thereto evidence of the rights vested in the signatory party. Please include the proper Social Security or Tax I.D. number, which ever is applicable.

PARTNERSHIP: Where one member of a partnership signs, evidence of his right to do so must be furnished, along with the Social Security or Tax I.D. number applicable.

CORPORATIONS: Have the division order executed and attested by duly authorized officials of the company and affix the corporate seal. Please include the Tax I.D. number.

Please do not alter or change the division order in any way unless such changes are accompanied by documentary evidence justifying the change. One copy of the division order should be returned to us in the enclosed reply envelope. The other copy is for your file.



INEXCO OIL COMPANY

Gas Division Order

Date July 12, 1978Property No. TX 194-02Property Name R.C. Prospect #150Bateman No. 1-28Effective Date Date of First Production

TO: INEXCO OIL COMPANY

1100 Milam Building, Suite 1900

Houston, Texas 77002

The undersigned warrant that they are entitled to and are the owners and holders, in the proportions set out herein, of the proceeds from all gas (or of the gas itself) produced from or attributable to the hereinafter described land:

Tract I: All of Section 28, Block 45, PSL, containing 640 acres.

Tract II: All of the East 44 Acres of Section 29, Block 45, PSL, containing 44 acres.

Tract III: All of the South 20 acres of the South One-Third (S/3) of the West half (W/2) of Section 21, Block 45, PSL, containing 20 acres.

Bateman Unit No. 1 covers 704 acres, more or less,
in Culberson County or Parish, State of Texas

Credit to	Division of Interest
Andover Oil Company P. O. Box 1309 Midland, Texas 79701	.0027928 RI
Marjorie Mays Arthur & Lee Arthur 3219 Cheryl Street Wichita Falls, Texas	.0007662 RI
John Mays Bateman 404 East Main Henderson, Texas 75652	.0009657 RI
Claude Bateman Jr. Box 484 Henderson, Texas 75652	.0004467 RI
W. Pat Camp 1115 National Bank of Commerce Bldg. San Antonio, Texas 78205	.0002410 RI
Bill N. Camp, Trustee 1115 National Bank of Commerce Building San Antonio, Texas 78205	.0002410 RI
Barbara L. Camp, Independent Executrix of the Estate of John F. Camp 1115 National Bank of Commerce Building San Antonio, Texas 78205	.0002410 RI
Rodney J. Camp P. O. Box 4531 Midland, Texas 79701	.0002410 RI

If you are not already entitled to do so, subject to the terms and conditions hereof, and until further notice, you are authorized to receive and purchase or sell to any other purchaser any gas produced from the lands above described, belonging to the undersigned, according to the division of interests herein indicated. In case of sale of the gas to another, you are authorized to receive payment therefor, and whether the gas be purchased by you or by another, and whether your authority or entitlement to sell arises under this Division Order or as the result of prior contracts, conveyances or leases, the following terms and conditions shall apply:

(1) The gas sold hereunder shall be and become the property of the purchaser as and when received into its custody, or the custody of any pipe line or other designee of the purchaser.

(2) You shall account to and pay the above, or their assigns, in proportion to their respective interests as indicated herein, for the gas sold, for the net amount realized at the well by you from such sale. If you purchase the gas, you shall account to and pay the above, or their assigns, in proportion to their respective interests as indicated herein at the market price at the well paid by purchasers for the same kind and quality of gas in the particular field on the day when such gas is received. If, however, it is or shall become necessary or advisable to compress, transport, process and/or treat the gas, then you are authorized to deduct from such price the reasonable cost of such compression, transportation, processing and/or treating. Your checks are to be mailed to the addresses given herein, monthly for the gas delivered under this division order during the preceding calendar month, pipeline measurements to govern and control in all settlements. If any check would be an amount less than \$10.00, you are authorized to withhold payment until the amount shall equal \$10.00 or more. You shall not, however, accumulate payments for a period of more than one year. You are hereby authorized to pay when required or permitted by any law, and until such law is declared invalid by a court of final appeal, all taxes, fees and charges imposed by the federal or state governments, or any political subdivision thereof, in respect to (or which may be a lien upon) said gas, the proceeds therefrom, the production thereof, or the lease from which the gas is produced and to deduct from any amount accruing hereunder to the undersigned such party's proportionate part of the payment so made.

(3) Quantities are to be subject to corrections for temperature and BTU content, all to be made in accordance with the local rules of the purchaser, in force at the time. Gas shall be treated at the expense of the undersigned when necessary to render it merchantable.

(4) Each of the undersigned hereby warrants and covenants to forever defend title to the gas and the proceeds thereof credited to such undersigned owner according to the division of interests herein, as well as any interest hereafter acquired, and agrees to furnish satisfactory abstracts and other evidences of title to you at any time on demand. In the event of a failure to furnish such abstracts or evidences of title, or in the event of a dispute at any time concerning title, you may withhold the proceeds of gas delivered, without interest, until such title shall have been perfected or until indemnity satisfactory to you shall have been furnished. You are hereby relieved of any responsibility for determining if and when any of the interests herein set forth or any part thereof shall or should revert to or be owned by others not parties hereto or be divided differently between parties hereto, as a result of the satisfaction or discharge of money or other payments from said interests, regardless of whether or not such payments are specifically or accurately described herein; and the signers hereof whose interests are affected by any such payments agree to give you notice by registered letter addressed to you at the address shown above when such payments have been satisfied or discharged or when any other division of interest than that set forth above shall, for any reason, become effective, and to furnish transfer orders accordingly, and that in the absence of such notice, you shall be held harmless against, and you are hereby released from, any and all damage or loss which might arise out of any overpayment resulting from payments made in accordance with the division of ownership set forth herein.

(5) This division order shall become valid and binding on each and every owner named herein as soon as signed by him or her regardless of whether or not any of the other owners named herein shall have so signed, and shall be binding upon the undersigned, their assigns and successors in interest, until 30 days after receipt by you of written revocation hereof. No transfer of any interest shall be effective against you, unless and until you shall have been furnished with an authenticated copy of the instrument of transfer, which must show the recordation thereof, together with transfer order signed by the proper parties in the form required by you.

The undersigned royalty owners and each of them hereby ratify and confirm the lease or leases and any unit designation or agreement producing the working interest ownership set out herein, and do by these presents lease, let and grant their interests in the above described land to the applicable working interest owners upon the terms set out in said lease or leases.

WITNESSES: (2 as to Louisiana lands,
1 as to other lands)

OWNERS SIGNATURE(S) AND TAX I.D. NO.
OR SOCIAL SECURITY NO.:

INEXCO OIL COMPANY

Gas Division Order

TX 194-02 R.C.Prospect #150

Bateman No. 1-28

Culberson County, Texas

Credit to	Division of Interest
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Camp Oil Company 1115 National Bank of Commerce Bldg. San Antonio, Texas 78205	.0009638 RI
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W. W. Cochrane	.0006425 RI
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Jerry Covington, Trustee I.D. 75-6216176 P. O. Box 2333 Midland, Texas 79701	.0077110 RI
---	-------------

Jerry Covington, Trustee I.D. 74-6110534 P. O. Box 2333 Midland, Texas 79701	.0000852 RI
---	-------------

Ft. Worth National Bank, Ft. Worth Trustee of Neville G. Penrose Revocable Trust, dated 3/29/74 P. O. Box 2260 Ft. Worth, Texas 76102	.0004865 RI
--	-------------

Henderson Memorial Hospital 622 North Hight Street Henderson, Texas 75652	.0009602 RI
---	-------------

Vannie Mays Hill Box 16 Greenwood, Louisiana	.0009638 RI
--	-------------

Jack Holt & Helen Edith Holt 1503 Wanecrest Land Houston, Texas 77058	.0000865 RI
---	-------------

Della B. Mays and William Ralph Mays, Jointly 2218 Vickers Drive Baton Rouge, Louisiana 70815	.0009638 RI
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Miller L. Mays & Milred S. Mays Box 104 Greenwood, Louisiana	.0009392 RI
--	-------------

Estate of June Mays, Deceased 4575 Tulsa Court Apt. #6303 Denver, Colorado 80239	.0006425 RI
--	-------------

L.H.Meeker & Ft. Worth National Bank Ft. Worth, Co-Independent Executrix of Estate of William W. Meeker P. O. Box 2546 Ft. Worth, Texas 76101	.0001973 RI
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L. H. Meeker 6000 Camp Bowie Blvd. Ft. Worth, Texas 76116	.0001973 RI
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INEXCO OIL COMPANY

Gas Division Order

TX 194-02 R.C.Prospect #150

Bateman No. 1-28

Culberson County, Texas

Credit to	Division of Interest
-----------	----------------------

James J. Meeker 1214 Ridglen Bank Bldg. Ft. Worth, Texas 76116	.0001973 RI
--	-------------

Robert S. Pickens 212 Permian Building Midland, Texas 79701	.0008788 RI
---	-------------

The State of Texas General Land Office Austin, Texas 78701	.0002960 RI
--	-------------

Selina Kinney Straw 50 East 72nd Street New York, New York 10021	.0057833 RI
--	-------------

Inexco Oil Company	.1387363 WI
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SUB-TOTAL	.1666677
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Amount Paid By:

American Quasar Petroleum Corp. of New Mexico	.8333333
--	----------

TOTAL	1.0000000
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Inexco Oil Company is receiving and disbursing .1666667 Gross Working Interest.

x, 177557

. 0002960



September 1, 1978

Inexco Oil Company
1100 Milam Building, Suite 1900
Houston, Texas 77002

RE: State Lease M-74167
Tract 1, Sec 28, Blk 45, PSL
Tract 2, E. 44 Acres Sec 29, Blk 45, PSL
Tract 3, S. 20 Acres S/3 W/2 Sec 21, Blk 45
Culberson County Texas

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Lanvil Gilbert, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

(23)

M. F. 74167
CORRESPONDENCE FILE

To

Inesco Oil Corp.

From

Dated 8-16-78

September 21, 1978
GLO 1140

Inexco Oil Corporation
1100 Milam Building Suite 1900
Houston, Texas 77002

ATTENTION: William Karau
Market Manager

RE: State Lease M-74167
King Edward Field
Culberson County, Texas

Gentlemen:

The Gas Purchase Contract between you, as seller, and Intratex, as buyer, dated January 19, 1978, includes the above State Lease. The price is due to be renegotiated on February 1, 1979.

Please furnish this office a copy of the document covering gas sales after February 1, 1979. If it is your intent not to renegotiate, please advise.

Sincerely yours,

Harry T. Finnell,
Supervisor Gas Contracts
Resource Accounting
Phone: 512 475-4541
HF/lg

(24)

M. F. 74167

CORRESPONDENCE FILE

To INEXCO OIL CO.

~~From~~

Dated 9-21-78

AMERICAN QUASAR PETROLEUM CO.

GAS DIVISION ORDER

TO:
AMERICAN QUASAR PETROLEUM CO.
2500 Fort Worth National Bank Building
Fort Worth, Texas 76102

Prospect RC #150
Date November 22, 1978
Well Bateman #1-28
Well No. 42761550

The undersigned and each of us, certify and guarantee that we are the legal owners of and hereby warrant the title to our respective interests as set out below in all the natural gas, condensate, and its constituent elements and compounds (including liquid hydrocarbons separated or extracted therefrom), hereinafter, for convenience, collectively referred to as "Products", produced from the following described land located in Culberson & Reeves County, State of Texas, more particularly described as follows:

Tract I: All of Section 28, Block 45, PSL, containing 640 acres.

Tract II: All of the East 44 acres of Section 29, Block 45, PSL, containing 44 acres.

Tract III: All of the South 20 acres of the South One-Third (S/3) of the West Half (W/2) of Section 21, Block 45, PSL, containing 20 acres.

Bateman Unit No. 1 covers 704 acres, more or less.

Effective September 1, 1978, and until further written notice, you are hereby authorized to give credit as set forth above, for all proceeds derived from the sale of Products produced from or attributable to said property, subject to the conditions, covenants and directions following:

CREDIT TO		DIVISION OF INTEREST
The State of Texas General Land Office Austin, Texas 78701		83.4912% X 1/16 of 8/8 of 20/704 RI (.001483)
Jerry Covington, Trustee P.O. Box 476 Midland, Texas 79701	<u>PLUS</u>	83.4912% X (24/84 of 1/6 of 684/704 2/560 of 1/6 of 44/704 <u>PLUS</u> 2/640 of 1/6 of 640/704) RI (.039055)
Robert S. Pickens 212 Permian Building Midland, Texas 79701	<u>LESS</u>	83.4912% X (3/84 of 1/6 of 684/704 2/560 of 1/6 of 44/704 <u>LESS</u> 2/640 of 1/6 of 640/704) RI (.004402)
Andover Oil Company 4545 One Williams Center Tulsa, Oklahoma 74103	<u>PLUS</u>	83.4912% X (3/4 of 6/84 of 1/6 of 684/704 40/3120 of 1/6 of 684/704 <u>PLUS</u> 60/3120 of 1/6 of 684/704 <u>PLUS</u> 1/4 of 6/84 of 1/6 of 684/704) RI (.013990)
Selina Kinney Strong 50 East 72nd Street New York, New York 10021		83.4912% of 18/84 of 1/6 of 684/704 RI (.028973)
Della B. Mays & William Ralph Mays, jointly 2136 Lobdell Apt. 1604 Baton Rouge, Louisiana 70821		83.4912% X 3/84 of 1/6 of 684/704 RI (.004828)

CREDIT TO

DIVISION OF INTEREST

Bill N. Camp, Trustee
1115 National Bank of Commerce Bldg.
San Antonio, Texas 78205

83.4912% X 3/336 of 1/6 of
684/704 RI
(.001207)

W. Pat Camp
1115 National Bank of Commerce Bldg.
San Antonio, Texas 78205

83.4912% X 3/336 of 1/6 of
684/704 RI
(.001207)

Barbara L. Camp. Independent Executrix
of John F. Camp, Jr.
1115 National Bank of Commerce Bldg.
San Antonio, Texas 78205

83.4912% X 3/336 of 1/6 of
684/704 RI
(.001207)

Rodney J. Camp
P.O. Box 4531
Midland, Texas 79701

83.4912% X 3/336 of 1/6 of
684/704 RI
(.001207)

Vannie Mays Hill
Box 16
Greenwood, Louisiana

83.4912% X 3/84 of 1/6 of
684/704 RI
(.004828)

Camp Oil Company
P.O. Box 4531
Midland, Texas 79701

83.4912% X 3/84 of 1/6 of
684/704 RI
(.004828)

John Mays Bateman
404 East Main St.
Henderson, Texas 75652

LESS

83.4912% X (9/168 of 1/6 of
684/704
55.5/3120 of 1/6 of 684/704) RI
(.004837)

Claude Bateman, Jr.
Box 484
Henderson, Texas 75652

LESS

LESS

83.4912% X (9/168 of 1/6 of
684/704
65.5/3120 of 1/6 of 684/704
50/3120 of 1/6 of 684/704) RI
(.002237)

Henderson Memorial Hospital
622 N. High Street
Henderson, Texas 75652

83.4912% X 111/3120 of 1/6
of 684/704 RI
(.004810)

Jack Holt & Helen Edith Holt
1503 Wavecrest Lane
Houston, Texas 77058

83.4912% X 10/3120 of 1/6 of
684/704 RI
(.000433)

The First National Bank of Fort Worth,
Trustee of Neville G. Penrose Revocable
Trust dated March 29, 1974
P.O. Box 2260
Fort Worth, Texas 76102

83.4912% X 50/3120 of 3/16 of
684/704 RI
(.002437)

Millard L. Mays & Mildred L. Mays
Box 104
Greenwood, Louisiana

LESS

83.4912% X (4/84 of 1/6 of
684/704
40/3120 of 1/6 of 684/704) RI
(.004705)

Marjorie Mays Arthur & Les Arthur
3219 Cheryl St.
Wichita Falls, Texas

LESS

83.4912% X (4/84 of 1/6 of
684/704
60/3120 of 1/6 of 684/704) RI
(.003838)

Estate of June Mays, Deceased
4575 Tulsa Court Apt. 6303
Denver, Colorado 80239

83.4912 X 2/84 of 1/6 of
684/704 RI
(.003218)

W.W. Cochrane
2817 Live Oak
Dallas, Texas 75204

83.4912% X 2/84 of 1/6 of
684/704 RI
(.003218)

CREDIT TO

DIVISION OF INTEREST

L.H. Meeker
6000 Camp Bowie Blvd.
Fort Worth, Texas 76102

83.4912% X 1/3 of 1/8 of
20/704 RI
(.000989)

James J. Meeker
6000 Camp Bowie Blvd.
Fort Worth, Texas 76102

83.4912% X 1/3 of 1/8 of
20/704 RI
(.000989)

L.H. Meeker & The Fort Worth Nat. Bank
Co-Trustees uwo Charley Meeker
Trust No. 2952 *

83.4912% X 1/4 X 1/3 X 1/8
X 20/704 RI
(.000248)

L.H. Meeker & The Fort Worth Nat. Bank
Co-Trustees ua Charley Meeker
Truste No. 3084 *

83.4912% X 1/4 X 1/3 X 1/8
X 20/704 RI
(.000246)

The Fort Worth National Bank, Trustee
uwo W.W. Meeker fbo Anne Meeker
Trust No. 2951 *

83.4912% X 1/4 X 1/3 X 1/8
X 20/704 RI
(.000248)

The Fort Worth National Bank, Guardian for
Anne Meeker Trust No. 1876 *

83.4912% X 1/4 X 1/3 X 1/8
X 20/704 RI
(.000248)

American Quasar Petroleum Co. of New Mexico
2500 Fort Worth National Bank Building
Fort Worth, Texas 76102

LESS

PLUS

LESS

66.6667% X 49.5265% WI
66.6667% X 49.5265% X
16.7582% RI
50.4735% WI
50.4735% X 16.7582% RI
(.694996)

Inexco Oil Company**
1100 Milam Building
Suite 1900
Houston, Texas 77002

33.3333% X 49.5265% GWI
(.165088)

*Address - Trust Oil & Gas Section
P.O. Box 2546
Fort Worth, Texas 76101

**Inexco to receive it's 16.5088% Gross Working Interest direct from the Gas purchaser. Inexco will pay 16.5088% of all Royalties due.

It is understood that the gas produced from the above described land is being sold under contract dated September 9, 1977 between Intratex Gas Company and American Quasar - Petroleum Co. of New Mexico and that all terms and covenants contained therein, and in any amendments, extensions, or renewals thereof shall govern and be binding upon the parties hereto in all respects which shall include, but not be restricted to, the price to be paid for said gas and the time when such payments are to be made.

FIRST: Payments are to be made by checks of AMERICAN QUASAR PETROLEUM CO. (sometimes herein called "AQP") to be delivered or mailed to the parties thereto entitled at the addresses above given. The undersigned authorize AQP to withhold from the proceeds of any and all Products referred to herein the amount of any tax placed thereon, or on the production thereof, by a governmental authority, and to pay the same in our behalf.

SECOND: Payments are to be made monthly by your check or draft mailed to the respective persons entitled hereto at the addresses given herein, provided, however, that you may, at your option, hold without interest, and remit annually for the aggregate of twelve months' accumulation of monthly accruals of amounts less than \$10.00.

THIRD: In case of any adverse claim of title or in case title shall not be satisfactory to AQP at any time during the term of this division order, each of the undersigned agrees to furnish evidence of title satisfactory to AQP and authorize AQP to withhold payment, without obligation to pay interest on the amount so withheld, until satisfactory indemnity shall be made satisfactory to AQP. Each undersigned party, as to the interest of such party hereunder respectively agrees, in the event suit is filed in any court affecting title to said Products, either before or after severance, to indemnify and save

• • • •

The figure shows three dot patterns arranged vertically. The top pattern is a 3x3 grid of dots. The middle pattern is a 3x4 grid of dots. The bottom pattern is a 3x5 grid of dots.

[illegible]



December 13, 1978

American Quasar Petroleum Co.
2500 Fort Worth National Bank Building
Fort Worth, Texas 76102

RE: State Lease M-74167
R. C. Prospect #150
Bateman 1-28
Culberson & Reeves Counties, Texas
Well No. 42761550

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

m-74167

DIVISION ORDER

12-13-78



ADDITIONAL INFORMATION
 RECEIVED JAN 13 1979
 FBI LABORATORY

RECEIVED JAN 13 1979
 FBI LABORATORY
 RECEIVED JAN 13 1979
 FBI LABORATORY

RECEIVED JAN 13 1979
 FBI LABORATORY



INEXCO OIL COMPANY

November 10, 1978

RE: TX 194-02 Bateman No. 1-28
Culberson County, Texas

DEAR INTEREST OWNER:

Inexco Oil Company is preparing to account for the production from the lease and lands described in the attached division order, on the bases of an adjusted Gross Working Interest.

If you agree with your interest as shown on the division order, please execute and return one copy in accordance with the attached instructions, retaining the extra copy for your files. Payment as set forth in the division order will be placed into a pay status upon receipt of the properly executed division order.

Please accept our apologies for this inconvenience.

Very truly yours,

INEXCO OIL COMPANY

Jerry Sanchez
Division Order Supervisor

DBK/jb

Enclosures

INSTRUCTIONS FOR EXECUTING DIVISION ORDERS

MAILING ADDRESS: Insert the address to which checks are to be mailed. Print or type. Do not abbreviate.

INDIVIDUAL'S SIGNATURE: Sign name as shown on the division order. Have your signature witnessed by a disinterested party (a person unrelated to you and/or not named in the division order) and add your Social Security or Tax I.D. number.

SIGNATURE BY AGENTS, ATTORNEYS IN FACT, OR GUARDIANS: Signature on the division order by any party other than the named interest should have attached thereto evidence of the rights vested in the signatory party. Please include the proper Social Security or Tax I.D. number, whichever is applicable.

PARTNERSHIP: Where one member of a partnership signs, evidence of his right to do so must be furnished, along with the Social Security or Tax I.D. number applicable.

CORPORATIONS: Have the division order executed and attested by duly authorized officials of the company and affix the corporate seal. Please include the Tax I.D. number.

Please do not alter or change the division order in any way unless such changes are accompanied by documentary evidence justifying the change. One copy of the division order should be returned to us in the enclosed reply envelope. The other copy is for your file.



AMENDED
INEXCO OIL COMPANY
Gas Division Order

Date November 9, 1978

Property No. TX 194-02
Property Name R. C. Prospect #150
Bateman No. 1-28
Effective Date Date of First Sales

TO: INEXCO OIL COMPANY
1100 Milam Building, Suite 1900
Houston, Texas 77002

The undersigned warrant that they are entitled to and are the owners and holders, in the proportions set out herein, of the proceeds from all gas (or of the gas itself) produced from or attributable to the hereinafter described land:

TRACT I: All of Section 28, Block 45, PSL, containing 640 acres.

TRACT II: All of the East 44 acres of Section 29, Block 45, PSL, containing 44 acres.

TRACT III: All of the South 20 acres of the South One-Third (S/3) of the West half (W/2) of Section 21, Block 45, PSL, containing 20 acres.

BATEMAN UNIT No. 1 covers 704 acres, more or less.

in CULBERSON County or Parish, State of TEXAS

Credit to	Division of Interest
Andover Oil Company P. O. Box 1309 Midland, Texas 79701	.0027663 RI
Marjorie Mays Arthur & Lee Arthur 3219 Cheryl Street Wichita Falls, Texas	.0007589 RI
John Mays Bateman 404 East Main Henderson, Texas 75652	.0009566 RI
Claude Bateman Jr. Box 484 Henderson, Texas 75652	.0004425 RI
W. Pat Camp 1115 National Bank of Commerce Building San Antonio, Texas 78205	.0002387 RI
Bill N. Camp, Trustee 1115 National Bank Of Commerce Building San Antonio, Texas 78205	.0002387 RI
Barbara L. Camp, Independent Executrix of the Estate of John F. Camp 1115 National Bank of Commerce Building San Antonio, Texas 78205	.0002387 RI
Rodney J. Camp P. O. Box 4531 Midland, Texas 79701	.0002387 RI

THIS COPY FOR YOUR RECORDS

THIS COPY FOR YOUR RECORDS

If you are not already entitled to do so, subject to the terms and conditions hereof, and until further notice, you are authorized to receive and purchase or sell to any other purchaser any gas produced from the lands above described, belonging to the undersigned, according to the division of interests herein indicated. In case of sale of the gas to another, you are authorized to receive payment therefor, and whether the gas be purchased by you or by another, and whether your authority or entitlement to sell arises under this Division Order or as the result of prior contracts, conveyances or leases, the following terms and conditions shall apply:

(1) The gas sold hereunder shall be and become the property of the purchaser as and when received into its custody, or the custody of any pipe line or other designee of the purchaser.

(2) You shall account to and pay the above, or their assigns, in proportion to their respective interests as indicated herein, for the gas sold, for the net amount realized at the well by you from such sale. If you purchase the gas, you shall account to and pay the above, or their assigns, in proportion to their respective interests as indicated herein at the market price at the well paid by purchasers for the same kind and quality of gas in the particular field on the day when such gas is received. If, however, it is or shall become necessary or advisable to compress, transport, process and/or treat the gas, then you are authorized to deduct from such price the reasonable cost of such compression, transportation, processing and/or treating. Your checks are to be mailed to the addresses given herein, monthly for the gas delivered under this division order during the preceding calendar month, pipeline measurements to govern and control in all settlements. If any check would be an amount less than \$10.00, you are authorized to withhold payment until the amount shall equal \$10.00 or more. You shall not, however, accumulate payments for a period of more than one year. You are hereby authorized to pay when required or permitted by any law, and until such law is declared invalid by a court of final appeal, all taxes, fees and charges imposed by the federal or state governments, or any political subdivision thereof, in respect to (or which may be a lien upon) said gas, the proceeds therefrom, the production thereof, or the lease from which the gas is produced and to deduct from any amount accruing hereunder to the undersigned such party's proportionate part of the payment so made.

(3) Quantities are to be subject to corrections for temperature and BTU content, all to be made in accordance with the local rules of the purchaser, in force at the time. Gas shall be treated at the expense of the undersigned when necessary to render it merchantable.

(4) Each of the undersigned hereby warrants and covenants to forever defend title to the gas and the proceeds thereof credited to such undersigned owner according to the division of interests herein, as well as any interest hereafter acquired, and agrees to furnish satisfactory abstracts and other evidences of title to you at any time on demand. In the event of a failure to furnish such abstracts or evidences of title, or in the event of a dispute at any time concerning title, you may withhold the proceeds of gas delivered, without interest, until such title shall have been perfected or until indemnity satisfactory to you shall have been furnished. You are hereby relieved of any responsibility for determining if and when any of the interests herein set forth or any part thereof shall or should revert to or be owned by others not parties hereto or be divided differently between parties hereto, as a result of the satisfaction or discharge of money or other payments from said interests, regardless of whether or not such payments are specifically or accurately described herein; and the signers hereof whose interests are affected by any such payments agree to give you notice by registered letter addressed to you at the address shown above when such payments have been satisfied or discharged or when any other division of interest than that set forth above shall, for any reason, become effective, and to furnish transfer orders accordingly, and that in the absence of such notice, you shall be held harmless against, and you are hereby released from, any and all damage or loss which might arise out of any overpayment resulting from payments made in accordance with the division of ownership set forth herein.

(5) This division order shall become valid and binding on each and every owner named herein as soon as signed by him or her regardless of whether or not any of the other owners named herein shall have so signed, and shall be binding upon the undersigned, their assigns and successors in interest, until 30 days after receipt by you of written revocation hereof. No transfer of any interest shall be effective against you, unless and until you shall have been furnished with an authenticated copy of the instrument of transfer, which must show the recordation thereof, together with transfer order signed by the proper parties in the form required by you.

The undersigned royalty owners and each of them hereby ratify and confirm the lease or leases and any unit designation or agreement producing the working interest ownership set out herein, and do by these presents lease, let and grant their interests in the above described land to the applicable working interest owners upon the terms set out in said lease or leases.

WITNESSES: (2 as to Louisiana lands,
1 as to other lands)

OWNERS SIGNATURE(S) AND TAX I.D. NO.
OR SOCIAL SECURITY NO.:

INEXCO OIL COMPANY

Gas Division Order

TX 194-02 R. C. Prospect #150
Bateman No. 1-28
Culberson County, Texas

CREDIT TO

DIVISION OF INTEREST

Camp Oil Company
1115 National Bank of
Commerce Bldg.
San Antonio, Texas 78205

.0009547 RI

W. W. Cochrane
6947 Bob-O-Links
Dallas, Texas 75214

.0006365 RI

Jerry Covington, Trustee
I.D. 75-6216176
P. O. Box 2333
Midland, Texas 79701

.0076380 RI

Jerry Covington, Trustee
I. D. 75-6110534
P. O. Box 2333
Midland, Texas 79701

(Portion of the Above)

Ft. Worth National Bank,
Ft. Worth Trustee of
Neville G. Penrose Revocable
Trust, dated 3/29/74
P. O. Box 2260
Ft. Worth, Texas 76102

.0004820 RI

Henderson Memorial Hospital
622 North Hight Street
Henderson, Texas 75652

.0009511 RI

Vannie Mays Hill
Box 16
Greenwood, Louisiana

.0009547 RI

Jack Holt & Helen Edith Holt
1503 Wavecrest Land
Houston, Texas 77062

.0000857 RI

Della B. Mays & William
Ralph Mays, Jointly
2218 Vickers Drive
Baton Rouge, Louisiana 70815

.0009547 RI

Miller L. Mays & Milred S. Mays
Box 104
Greenwood, Louisiana

.0009303 RI

Estate of June Mays, Deceased
4575 Tulsa Court Apt. #6303
Denver, Colorado 80239

.0006365 RI

L. H. Meeker & Ft. Worth
National Bank
Ft. Worth, Co-Independent
Executrix of Estate of
William W. Meeker
P. O. Box 2546
Ft. Worth, Texas 76101

.0001954 RI

L. H. Meeker
6000 Camp Bowie Blvd.
Ft. Worth, Texas 76116

.0001954 RI

November 9, 1978

INEXCO OIL COMPANY

Gas Division Order

TX 194-02 R.C. Prospect #150
 Bateman No. 1-28
 Culberson County, Texas

CREDIT TO

DIVISION OF INTEREST

James J. Meeker
 1214 Ridglea Bank Bldg.
 Ft. Worth, Texas 76116

.0001954 RI

Robert S. Pickens
 212 Permian Building
 Midland, Texas 79701

.0009547 RI

The State of Texas
 General Land Office
 Austin, Texas 78701

.0002931 RI ✓

Selina Kinney Straw
 50 East 72nd Street
 New York, New York 10021

.0057285 RI

Inexco Oil Company

.1374225 WI

SUBTOTAL

.1650883

Amount Paid By:

American Quasar Petro. Corp.
 of New Mexico

.8349117

TOTAL

1.0000000

Inexco Oil Company is receiving and disbursing .1650883 Gross Working Interest.

x.177557

.0293125832831



General Land Office

AUSTIN, TEXAS 78701
BOB ARMSTRONG, COMMISSIONER

January 17, 1979

Inexco Oil Company
1100 Milam Building, Suite 1900
Houston, Texas 77002

RE: State Lease M-74167
Tracts 1, 2, 3
Sec. 28, 29, 21, Blk. 45,
Culberson County, Texas
Gas D/O #TX194-02

Gentlemen:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law on the subject for this Division to execute your division order and thereby attempt to bind the State by the provisions contained therein.

This Division, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Very truly yours,

Max J. Werkenthin, Attorney
Energy Resources
Phone: 512-475-6749
Enclosure

47-74167 (26)
 DIVISION ORDER
 1-17-79

1-17-79



RECEIVED
 JAN 17 1979
 FBI - NEW YORK

DIVISION ORDER

GEODYNE
RESOURCES, INC.

320 South Boston Avenue
The Mezzanine
Tulsa, Oklahoma 74103-3708

Well Name Bateman 1-28

D/O No. 420277

Date August 16, 1988

To: Geodyne Resources, Inc.

Each of the undersigned certifies and guarantees that he is the legal owner of, and hereby warrants the title to, the interest shown below opposite his name, or on the schedule attached hereto and made a part hereof, in all oil (defined as crude oil and condensate or distillate) and/or in the proceeds derived from the sale of all gas (defined as natural gas and casinghead gas) produced and saved from the land or unit located in Culberson County, State of Texas, more particularly described as follows:

704 acres-Tract 1 All of Sec. 28, Block 45 PSL containing 640 acres,
Tract 2 All of the East 44 acres of Sec. 29, Block 45 PSL containing
44 acres, Tract 3 All of the South 20 acres of Sec. 21, Block 45 PSL
containing 20 acres, Culberson County, Texas

OWNER'S NAME AND ADDRESS

DIVISION AND TYPE OF INTEREST

COPY

SEE ATTACHED EXHIBIT "A"

The covenants appearing on the reverse side hereof are a part of this division order and shall be binding upon each of the signers hereof, their respective heirs, successors, legal representatives and assigns.

Effective 7:00 o'clock February 29, 19 88.

WITNESS OR ATTEST

SIGNATURE

TAX ID # or SS #:

IMPORTANT

TO AVOID DELAYS IN PAYMENT - YOUR CORRECT ADDRESS AND YOUR
SOCIAL SECURITY NUMBER OR TAX IDENTIFICATION NUMBER MUST
BE SHOWN!

OIL SETTLEMENTS:

Settlements for oil purchased on any date shall be based on the price posted by the purchaser for oil of the same gravity, kind and quality from the field in which the herein described property is located on the date said oil is received by the designated carrier, less any trucking or pipe line gathering charges (including transportation taxes) deemed necessary. The word "oil" used herein shall mean crude oil and condensate (or distillate) delivered hereunder.

The undersigned agree to look solely to Geodyne for payment of oil purchased hereunder and shall have no claim or recourse against any purchaser of said oil. Said oil shall be delivered F.O.B. to any pipe line or carrier designated by Geodyne which gathers and receives said oil and Geodyne shall pay for such oil to the respective owners according to the division of interest set forth above.

Quality and quantity shall be determined in accordance with the conditions specified in the purchase agreement with the purchaser.

GAS SETTLEMENTS:

Settlement hereunder shall be made on the basis of the proceeds derived from sales of such production and upon the volume computations made by the purchaser(s) thereof. When gas is sold under price regulation of governmental authority, the price applicable to such sale shall be used as a basis for determining net proceeds at the well or the net value at the well.

If the sale of gas be made other than at the well or at the lease separator, then the proceeds to which this Division Order shall apply shall be the net proceeds after deduction of transportation, compression and other costs properly incurred in connection with the making of such sale.

GOVERNMENTAL REGULATIONS:

The production covered hereby and settlement for it shall be subject to and comply with all valid applicable laws, ordinances, orders, rules and regulations of each governmental body, agency or other authority having jurisdiction.

If a refund of a portion of the proceeds derived from the sale of production may be required under any order, rule or regulation of any governmental body, agency or other authority having jurisdiction, Geodyne may recover said refund by deduction from future payments or, at Geodyne's discretion, may invoice the undersigned for that portion applicable to the undersigned's interest, plus the legal rate of interest Geodyne is required to pay applicable to the undersigned's portion of the refund.

SETTLEMENT PAYMENTS:

The payments for the foregoing interest shall be made monthly to the undersigned by Geodyne's check mailed to the undersigned at the address as shown hereon. When the amount payable to any one of the undersigned shall be less than Fifteen Dollars (\$15.00), payment of sums due the undersigned may be withheld until the amount due the undersigned equals or exceeds Fifteen Dollars (\$15.00). In any event full payment will be made to the undersigned semi-annually.

The undersigned authorize Geodyne to withhold from the proceeds of the sale of any and all production referred to herein the amount of any tax placed thereon, or on the production thereof, by any governmental authority, and to pay the same in behalf of the undersigned.

CHANGE OF OWNERSHIP:

The undersigned agree to notify Geodyne promptly of any change in the ownership of interest reflected hereon or of any change in the right to receive payments hereunder. No change or transfer shall be binding upon Geodyne until a properly executed Transfer Order and the recorded instruments evidencing such transfer (or a copy of the recorded instruments) shall be furnished Geodyne by certified United States mail. No change in or transfer of any interest shall be effective to Geodyne until 7:00 A.M. of the first (1st) day of the month following the calendar month in which Geodyne is furnished a proper Transfer Order and a copy of the recorded instrument or instruments evidencing same. Geodyne is hereby released from any and all liability for payments made prior thereto pursuant to this Division Order. Geodyne is authorized to suspend payments to the Transferor pending execution of the Transfer Order. Without regard to whether any contingency is expressly stated in this Division Order, Geodyne is hereby relieved of any responsibility for determining when any of the interests herein shall increase, diminish, be extinguished or revert to other parties as a result of the completion or discharge of money or other payments from said interest, or as a result of the expiration of any time or term limitation (either definite or indefinite), or as a result of the increase or decrease of production, or as a result of a change in the depth, the method or the means of production, or as a result of a change in the allocation of production affecting the above tract or any portion thereof under any agreement or by order of governmental authority, or resulting from any other contingency, and until Geodyne receives notice in writing to the contrary. Geodyne is hereby authorized to continue to remit pursuant to the above division of interest. In the event said written notice is not received by Geodyne, Geodyne shall be held harmless for error resulting in over and under payment, or a wrong payment of any such sum or sums.

EFFECT OF ADVERSE CLAIMS OF TITLE:

Without impairment of any warranty herein contained, it is agreed that abstracts or other evidence of title satisfactory to Geodyne will be furnished at any time on demand. In the event of a failure to furnish such abstracts or other evidence of title, or in the event of any adverse claim, question or dispute at any time which in the opinion of Geodyne's attorney affects the title to such production or any part thereof or to the land from which such production is received, Geodyne may hold the proceeds of all production received, to the extent of the interest involved in such adverse claim, question or dispute, without interest, until indemnity satisfactory to Geodyne has been furnished or until said claim, question or dispute as to ownership has been finally settled or finally determined to Geodyne's satisfaction. In the event any action or suit is filed in any court affecting the title either to the real property herein described or to the production in which any of the signers hereof are parties, written notice of the filing of said action shall be immediately furnished Geodyne by the affected party stating the court in which the same is filed and the title of such action or suit. Geodyne shall be held harmless from any judgment rendered in such suit and all reasonable costs and expenses incurred in defending against said claim, whether in Geodyne's defense or in the defense of the carrier transporting production for Geodyne's account, and the undersigned shall pay said judgment and said court costs and expenses. Geodyne and/or any carrier transporting production for Geodyne's account shall also be held harmless by each party to this Division Order to the extent of his interest, as set forth in this Division Order, from any and all loss, damage, charge, tax or expense of any kind whatsoever which Geodyne and it, or either, may suffer or incur by or on account of receiving, purchasing, paying for or transporting the production credited to such party's interest, except in those cases in which such loss or damage occurs as a result of Geodyne's and/or any carrier's gross negligence.

UNIT ALLOCATION:

Should the interest of the undersigned in the production from the herein described land be unitized with production from one or more other tracts of land, this Division Order shall thereafter be deemed to be modified to the extent necessary to conform with the applicable unitization agreement or plan, and all revisions and amendments thereto, but otherwise to remain in full force and effect as to all other provisions. In such event, the portion of the unitized production sold hereunder shall be the interest of the undersigned in that portion of the total unitized production which is allocated to the herein described land and shall be deemed for all purposes to have been actually produced from said land.

NOTICE/BINDING EFFECT OF EXECUTION:

This Division Order shall become valid and binding on each owner herein named as soon as signed by such owner, regardless of whether or not any of the other owners have so signed. All written notices provided for herein shall be given to the party to receive the same, at the address of such party stated herein. All of the provisions herein contained shall apply to each signer hereof separately and not jointly. Further, this Division Order shall be binding upon the owner's heirs, successors, executors, administrators, legal representatives, and assigns.

REVOCABILITY:

This Division Order and its terms and conditions may be revoked at any time after thirty (30) days advance written notice to Geodyne Resources, Inc.

COST CENTER CODE OWNER PERCENTAGE P.C. NAME

BATEMAN 1-28

420277 00 2 800000 W .0135510 N OTHER WORKING INTEREST

420277 00 2 800010 R .1250000 N ROYALTY AND ORRI

420277 00 2 990871 W .0092173 P P/W/G INCOME FUND II-A
320 S BOSTON
THE MEZZANINE
TULSA OK 74103420277 00 2 992861 W .0307245 P P/W/G INCOME FUND I-E
320 S BOSTON
THE MEZZANINE
TULSA OK 74103420277 00 2 994861 W .0215072 P P/W/G INCOME FUND I-F
% GEDDYNE RESOURCES, INC
320 S BOSTON
THE MEZZANINE
TULSA OK 74103-3708

TOTAL 1.0000000

BATEMAN 1-28

420277 01 2 800413 R .0139900 P ANDOVER OIL CO
P.O. BOX 651164
DALEAS TX 75265420277 01 2 000532 R .0033580 P ARTHUR, MARJORIE MAYS & LES
3219 CHERYL ST
WICHITA FALLS TX 76309-2120420277 01 2 000831 R .0048370 P BATEMAN, JOHN MAYS
P.O. BOX 1555
HENDERSON TX 75652420277 01 2 000832 R .0022370 P BATEMAN, CLAUDE JR
BOX 484
HENDERSON TX 75652420277 01 2 001246 R .0012070 P CAMP, BARBARA L TRUST
NBC BANK-SAN ANTONIO TRUSTEE
P.O. BOX 121
SAN ANTONIO TX 78291420277 01 2 001247 R .0048280 P CAMP OIL CO
1115 NATL BK OF COMMERCE
SAN ANTONIO TX 78205420277 01 2 001248 R .0012070 P CAMP, RODNEY J
P.O. BOX 1479
BANDERA TX 78003-1479

COST CENTER CODE OWNER PERCENTAGE P.C. NAME

420277 01 2 001249 R .0012070 P CAMP, W. PAT
1115 NATL BK OF COMMERCE
SAN ANTONIO TX 78205

420277 01 2 001252 R .0012070 P CAMP, BILL N - TRUSTEE
1115 NATL BK OF COMMERCE
SAN ANTONIO TX 78205

420277 01 2 001495 R .0032180 P COCHRANE, W.W.
6947 BOB-O-LINKS
DALLAS TX 75214

420277 01 2 001529 R .0014830 N COMMISSIONER OF THE GENERAL
LAND OFFICE
1700 N CONGRESS AVE
AUSTIN TX 78701

420277 01 2 001577 R .0004270 P COVINGTON, JERRY
TRUSTEE 75-6110534
P.O. BOX 2333
MIDLAND TX 79701

420277 01 2 001579 R .0386280 P COVINGTON, JERRY
TRUSTEE 75-8216176
P.O. BOX 2333
MIDLAND TX 79701

420277 01 2 003562 R .0048100 P HENDERSON MEMORIAL HOSPITAL
622 N HIGH ST
HENDERSON TX 75652

420277 01 2 003622 R .0048280 P HILL, VANNIE MAYS
BOX 16
GREENWOOD LA 71033

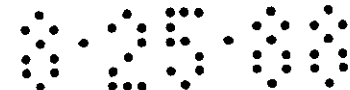
420277 01 2 003710 R .0004330 P HULT, JACK & HELEN EDITH
1503 WAVECREST LANE
HOUSTON TX 77058

420277 01 2 005519 R .0047050 P MAYS, MILLER L & MILDRED S
RT 2 BOX 188
GREENWOOD LA 71033

420277 01 2 005520 R .0048280 P MAYS, WILLIAM R & ROSALEEN D
2218 VICKERS RD
BATON ROUGE LA 70815

420277 01 2 005644 R .0009890 P MEEKER, L.H.
6000 WESTERN PLACE
SUITE 110
FT WORTH TX 76107-4654

420277 01 2 005645 R .0000620 P MEEKER, CHARLES R - SEC SECTION
% FIRST NATL BK OF FT WORTH
P.O. BOX 2548
FT WORTH TX 76113



COST CENTER CODE OWNER PERCENTAGE P.C. NAME

420277 01 2 005647 R .0009890 P MEERER, JAMES J
2101 WEBSTER ST
SUITE 1700
OAKLAND CA 94612

420277 01 2 005648 R .0001860 P MEERER, L.H. & 1ST NATL BK FW
CO-1ST UWO CHAR MEERER
TRUST #2952
P.O. BOX 254
FT WORTH TX 76101

420277 01 2 005649 R .0002460 P MEERER, L.H. & INTERFIRST BK
CO-TRST U/A CHARLEY MEERER-TR
BANKER 970703
FT WORTH TX 76197-0703

420277 01 2 005651 R .0002480 P MEERER, ANNE-TRST-FIRST
REPUBLICBANK FW
P.O. BOX 2546
FT WORTH TX 76101

420277 01 2 007055 R .0002480 P PHILLIPS, WINDI-TRUST SR
CLARK-1ST REPUBLICBANK FW
1983 TRUST AGENCY 4906
P.O. BOX 2546
FT WORTH TX 76113

420277 01 2 007066 R .0044020 P PICKENS, ROBERT S.
P.O. BOX 866
TYLER TX

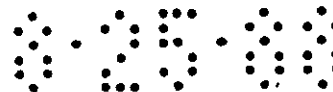
420277 01 2 007136 R .0032180 P POPKO, GEORGE WALLACE & LEANNE
ARTHUR POPKO
608 PARKRIDE DR SOUTH
MANSFIELD TX 76063

420277 01 2 007723 R .0024370 P SCHIEFFER, PATRICIA PENROSE
N J THOMAS SCHIEFFER
201 MAIN ST SUITE 1640
FT WORTH TX 76102

420277 01 2 008196 R .0289730 P INTERNAL REVENUE SERVICE
F/A/O SELINA STRONG
ACCT 117-36-7000
P.O. BOX 2825
NEW YORK NY 10008

420277 01 2 009211 0 .0157595 P WARE, HERBERT E. JR
1002 HIGHTOWER BLDG
600 W ILLINOIS
MIDLAND TX 79701

420277 01 2 009436 R .0004800 P WILLIAMSON, JANE
1542 SWEETBRIAR
WICHITA FALLS TX 76302



COST CENTER CODE OWNER PERCENTAGE P.C. NAME

420277 01 2 800000 W .6616746 N OTHER WORKING INTEREST

420277 01 2 990871 W .0547950 P P/W/G INCOME FUND II-A
320 S BOSTON
THE MEZZANINE
TULSA OK 74103420277 01 2 992871 W .0894984 P P/W/G INCOME FUND II-B
320 S BOSTON
THE MEZZANINE
TULSA OK 74103-3708420277 01 2 994871 W .0383565 P P/W/G INCOME FUND II-C
320 S BOSTON
THE MEZZANINE
TULSA OK 74103-3708

TOTAL 1.0000000

Garry Mauro
Commissioner
General Land Office



August 31, 1988

Geodyne Resources, Inc.
320 South Boston Ave.
The Mezzanine
Tulsa, OK 74103-3708

Attention: Division Order Department

RE: State Lease M-74167
Bateman 1-28, Tract 1, Section 28, Block 45, Tract 2, Section 29, Block
45, Tract 3, Section 21, Block 45.
Culberson County, Texas

To Whom It May Concern:

This letter is issued in lieu of the ordinary form of "Division Order" prepared by the oil companies primarily for execution by the individual royalty owner.

Inasmuch as the statutes provide the royalties the State shall receive, it is felt that it would not be in conformity with the law for the General Land Office to execute your division order and thereby attempt to bind the State by the provisions contained therein.

The General Land Office, insofar as permitted under the law, acquiesces in the sale of the oil and/or gas to you from this lease, which oil and/or gas shall become your property when the State has been paid for same, as prescribed by law and under the terms and conditions as set out in the lease covering the area in question.

Should you have any questions, please call Laurel Roselle at 512/463-5042.

Sincerely,

A handwritten signature in dark ink, reading "Jeff Dusenbury" followed by a stylized monogram "JED".

Jeff Dusenbury, Manager
Royalty/Revenue Processing
Energy Resources

JD//LR/yrq

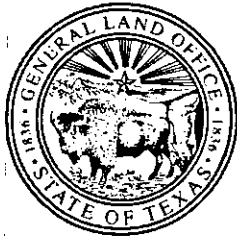
Enclosure: Copy of Division Order

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MF 74167
ITEM Division Order & Letter
TO Geodyne Resources
FROM _____
DATE 8-31-88 y-g



TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

April 27, 2011

Samson Lone Star LLC
Two West Second St
Tulsa, OK 74102

RE: Inactive State Lease MF074167
Lease Name: (08-072204; API 109-30922)
Culberson County

Gentlemen:

Our records have been updated to show that the referenced lease is now inactive due to non-production. The Bateman Unit # 153 is also inactive effective November 1, 2007.

When the wells are plugged, please file copies of Railroad Commission Form W-3 with our office. Our Audit Division will notify you if delinquent royalties are due. Once all final sales are reported and royalties paid to the State, you may discontinue submitting production royalty reports.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl F. Bonn", is written over a horizontal line.

Carl F. Bonn, CPL
Mineral Leasing
Office: (512) 463-5407
Fax: (512) 475-1543

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

Post Office Box 12873 • Austin, Texas 78711-2873

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www.glo.state.tx.us

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File No. MF 074167
Termin Ltr.

Date Filed: 4-28-11

Jerry E. Patterson, Commissioner

By Carl Bonn